

**MODEC MANAGEMENT SERVICES
PTE LTD**

**PYRENEES VENTURE FPSO AMOU,
AWU AND MUA AGREEMENT 2009**

25 August 2009

MODEC MANAGEMENT SERVICES PTE LTD - PYRENEES VENTURE FPSO AMOU, AWU AND MUA AGREEMENT 2009

1. TITLE

This Agreement shall be known as the MODEC Management Services Pte Ltd - Pyrenees Venture FPSO AMOU, AWU and MUA Agreement 2009.

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3. APPLICATION

This Agreement applies to all employees employed by MODEC Management Services Pte Ltd (the Company) in classifications contained in either sub clause 14.2 or sub clause 22.2 of this Agreement in or in connection with the Pyrenees Venture FPSO.

This Agreement is binding upon MODEC Management Services Pte Ltd, upon each of the following unions:

- Australian Maritime Officers Union
- The Australian Workers' Union
- Maritime Union of Australia; and

all employees covered by this Agreement.

4. DEFINITIONS

"Agreement" means the MODEC Management Services Pte Ltd - Pyrenees Venture FPSO AMOU, AWU and MUA Agreement 2009.

"AMOU" means the Australian Maritime Officers Union.

"Day" means 12 Midnight to 12 Midnight

"FPSO" means Floating Production Storage and Off Take Facility.

"FWA" means Fair Work Australia

"MUA" means the Maritime Union of Australia.

"Non Seafaring Personnel" means personnel who are not required to hold a Certificate of Competency under Marine Orders Part 3 of the Navigation Act.

"POTL" means Production Operations Team Leader.

"the Company" means MODEC Management Services Pte Ltd

"the facility" means the Pyrenees Venture FPSO.

"the Parties" means MODEC Management Services Pte Ltd, the Australian Maritime Officers Union, The Australian Workers' Union and Maritime Union of Australia.

"The AWU" means The Australian Workers Union.

5. TERM OF AGREEMENT

This Agreement shall commence from the seventh day after the date of the notice of approval from Fair Work Australia and has a nominal expiry date of 30 September 2012.

6. COMPLETE AGREEMENT

This Agreement is a stand alone document and it is agreed expressly that no other provisions from State or Federal Awards or Agreements shall have any application to employees covered by this Agreement.

7. NO EXTRA CLAIMS

No Party to this Agreement or any employees covered by this Agreement shall pursue any extra claims over and above or less than the terms of this Agreement during the term of this Agreement.

8. AIMS AND OBJECTIVES OF THIS AGREEMENT

This Agreement aims to assist in the achievement of the following objectives;

- To establish a co operative and consultative team work and outcomes based culture amongst the workforce.
- To establish a competency based crewing model and to structure the work activities to enable employees to apply their full range of competencies and develop new competencies so that employees are as productive and efficient as practicable within training and safety parameters.
- To operate the Pyrenees Venture FPSO with optimum crewing levels that ensures safe and efficient operations;
- To achieve reliable production and operational efficiency by ensuring supply targets are met at all times;
- To maximise safety and environmental performance through the integration of all on board activities.

9. INDIVIDUAL FLEXIBILITY ARRANGEMENT

- 9.1** The Company and any employee to whom this agreement applies may agree to make an individual flexibility arrangement that varies any one or more terms of this agreement in relation to the employee and the Company.
- 9.2** To have effect, the individual flexibility arrangement shall be applied and interpreted in conjunction with this agreement and must result in the employee being better off overall, than the employee would have been, if an individual flexibility arrangement had not been agreed to.
- 9.3** Any such individual flexibility arrangement must be about permitted matters under section 172 of the Fair Work Act 2009 and must not include unlawful terms under section 194 of the Fair Work Act 2009.
- 9.4** The individual flexibility arrangement must be genuinely agreed to by the Company and the employee, made in writing and signed by both parties.

- 9.5 The company will ensure that the individual flexibility arrangement does not require any other individual to consent to or approve the arrangement unless the employee is under 18, in which case, the individual flexibility arrangement requires the signature of a parent or guardian.
- 9.6 A copy of the individual flexibility arrangement will be given to the employee within 14 days of the arrangement being made.
- 9.7 An individual flexibility arrangement entered into by virtue of sub clause 9.1 of this clause can be terminated by:
- 9.7.1 either the Company or the employee giving written notice of not more than 28 days; or
- 9.7.2 at any time if the Company and the employee agree in writing to the termination.

10. CONTRACT OF EMPLOYMENT

10.1 Methods of Employment

Employees may be engaged on a Permanent, Casual or Fixed Term basis. MODEC will engage the Core crew of the Pyrenees Venture FPSO as permanent employees.

10.2 Probationary Period

All new Permanent and Fixed Term employees will initially be engaged for up to four calendar months probation during which time the employee's performance will be monitored. The employee's employment status will be confirmed following a satisfactory probation period. An unsatisfactory probation period may be extended or the employee may be dismissed at any time during the probationary period..

10.3 Casual Employment

An employee may be engaged as a casual employee. As a casual, the employee will be paid the day rate prescribed in sub clause 14.2 of this Agreement for each day worked. The casual day rates in sub clause 14.2 include a 20% casual loading and are the complete payment for each day worked. A casual employee is not entitled to the benefits prescribed in Clause 16 Redundancy nor Clause 17 Leave Entitlements of this Agreement.

The working day rate for casual employees shall be calculated by firstly dividing the appropriate salary in sub clause 14.2 by 365 and then multiplying the day rate by 2.8 (rounded to the nearest \$5). The casual day rates are set out in sub clause 14.2.

10.4 Fixed Term Employees

An employee may be employed on a fixed term basis for a specified period of time or for a specified task which will normally be related to covering for a period of time when a member of the core crew is absent from work or when an additional employee is required for a limited period of time. An employee engaged as a fixed term employee shall be entitled to the provisions of this agreement that would normally apply to core crew.

10.5 Termination of Employment

A contract of employment may be terminated by either the employee or the Company by providing in writing to the other party, a minimum of four weeks notice or the equivalent of one completed work cycle, whichever is the greater, of the intention to terminate the employment, or by the payment of equivalent salary to the other party in lieu of this minimum period of notice. During or at the end of the probationary period either the Company or the employee may terminate the contract with 24 hours notice.

If the notice period for an employee expires during a rostered off duty period, regardless of whether the notice has been given by the employee or the Company, then the last day of the notice period will be deemed by virtue of this Agreement to be the final day of the off duty period, whether it be the final day of the 3 week or 6 week off duty period, or alternatively at the end of the 4 or 5 week rostered off period if a 3x4x3x5 roster is worked by the employee. The employee will be paid up to the last day of the notice period which by virtue of this agreement may be the last day of the off duty period.

For permanent employees over the age of 45 years with more than two years continuous service, the minimum notice required by the employer will be increased by one week.

Casual employees' employment may be terminated with one days notice.

If an employee gives notice whilst the employee is on the facility , whether or not on probation, the employee will be required to continue working until the next scheduled crew change, unless otherwise agreed.

An employee may be terminated without notice for any act or omission that constitutes serious misconduct, in which case no payment in lieu of notice will be made.

10.6 Continuous Operations

Due to the nature of the operation, its location and the environment in which operations are conducted, during the term of this agreement each employee will attend to and perform all work as the Company may from time to time require provided that such requirement is reasonable, lawful and within the employee's level of competence, skill and training.

10.7 Induction

All employees, at the Company's cost, are required to complete an induction as required by the Company, prior to proceeding to the Facility and upon arrival on board the Facility.

11. HOURS OF WORK

The hours of work for all employees will normally be 12 hours per day, inclusive of breaks. Where excess of this is the case, then compliance with the provisions of the Offshore Petroleum and Greenhouse Storage Act 2006 is to apply. At all times the requirements for avoidance of fatigue will be followed.

12. WORK CYCLES

12.1 Duty Periods

12.1.1 Employees other than Casuals will work a 15 week roster consisting of two periods of three weeks on duty and two periods off duty of 3 weeks and 6 weeks (3x3x3x6) or alternatively two periods off duty of 4 weeks and 5 weeks (3x4x3x5). Each employee will be advised as to which particular roster the employee will be required to work by the Company.

12.1.2 Casual employee's working arrangements will be agreed prior to the casual employee commencing work. Casual employees may be engaged for a single period of work for up to five weeks. If a casual employee is to be engaged for longer than five weeks then that employee will be rostered on an agreed basis as set out in paragraph 12.1.1 of this Clause.

12.1.3 For all employees, the on duty period commences the day the employee joins the facility and the off duty period commences the day the employee leaves the facility.

12.2 Travel Time and Swing Off Days

All time spent travelling on an employee's normal travel days for an individual's roster to and from the employee's residence will be in the employee's own time. A component is built into the salary in recognition of this time and for hours worked on the employees swing off day.

Should an employee's travel arrangements be varied to such an extent that requires an employee to mobilise a day earlier than normal or results in an employee returning to their reporting point more than 4 hours after their normal arrival time, then an employee will be paid one additional days pay in such circumstances.

Planned travel to and from the facility will be by the most direct route and on the first available flight/s which will normally be economy class.

12.3 Overcycle: Work During Off Duty Period

Where an employee, other than a casual employee engaged for a single period of up to five weeks, works during a period which would normally be the employee's scheduled off duty period, the employee will be paid their regular monthly salary and an additional 2.5 times the day rate for up to 5 additional days duty and thereafter an additional 4 times the day rate for each subsequent day of duty except when crew change is not possible due to the facility being off the riser due to weather conditions, the overcycle shall not increase to 4 times. These provisions do not apply where such work is by mutual agreement (approved by the POTL) between employees.

12.4 Additional Days on Duty

In the event an employee's back-to-back does not make the crew change, it is the intention that the employee will remain on board the facility until such time as the employee can be relieved. The Company will arrange a suitable relief person as soon as possible.

When an employee is requested to attend the Company office during their off duty period the employee will receive one additional days pay for each day that the employee is requested to attend the Company office.

12.5 Number of Catering Personnel

The minimum number of catering/cooking personnel shall vary according to the vessel POB in accordance with the following table:

Persons on Board	No. of Catering Personnel
0-20	2
21-30	3
31-45	4
46 plus	5

Note: Trainees on board are not to be counted in the Persons on Board referred to above.

13. REPORTING AND TRANSPORTATION

13.1 Designated Reporting Point

Each employee will be designated a reporting point by the Company which will be the regional/commercial airport nearest the employee's home. All employees are required to present themselves at the designated reporting point at the time notified by the Company, and in a state of readiness to commence work upon arrival at the facility.

It is the employee's responsibility to confirm their flight details with the nominated management representative two days before travel and to attend on time for each scheduled crew change. If for any reason the employee becomes aware that he/she will not be ready and able to commence work immediately upon arrival on the facility, this must be communicated to the Company representative at the earliest opportunity.

Failure to make a crew change without a valid reason may lead to the employee's dismissal.

13.2 Transport to and from Reporting Point

An employee will be reimbursed for either:

13.2.1 One taxi fare to the airport from home, and vice versa for the purposes of travelling to or from the vessel, upon production of a receipt, or

13.2.2 One mileage claim at the kilometre rate as prescribed by the Australian Tax Office and as varied from time to time, up to a maximum of what it would have cost the Company if the employee had taken a taxi to the airport from his home, and vice versa for the purposes of travelling to and from the designated reporting point, upon production of a claim.

Where the vehicle is returned to the employee's place of residence then the kilometres for the return journey will be counted but the amount claimed for the round journey cannot exceed the cost of the taxi fare provided in 13.2.1.

13.3 Transport to and from Facility

The Company will provide travel, reasonable meals and any accommodation from the time of departure from the reporting point to the arrival on the facility, and return to the reporting point. An employee who reports to the reporting point and is unable to be mobilised due to no fault of the employee shall be deemed to be on duty.

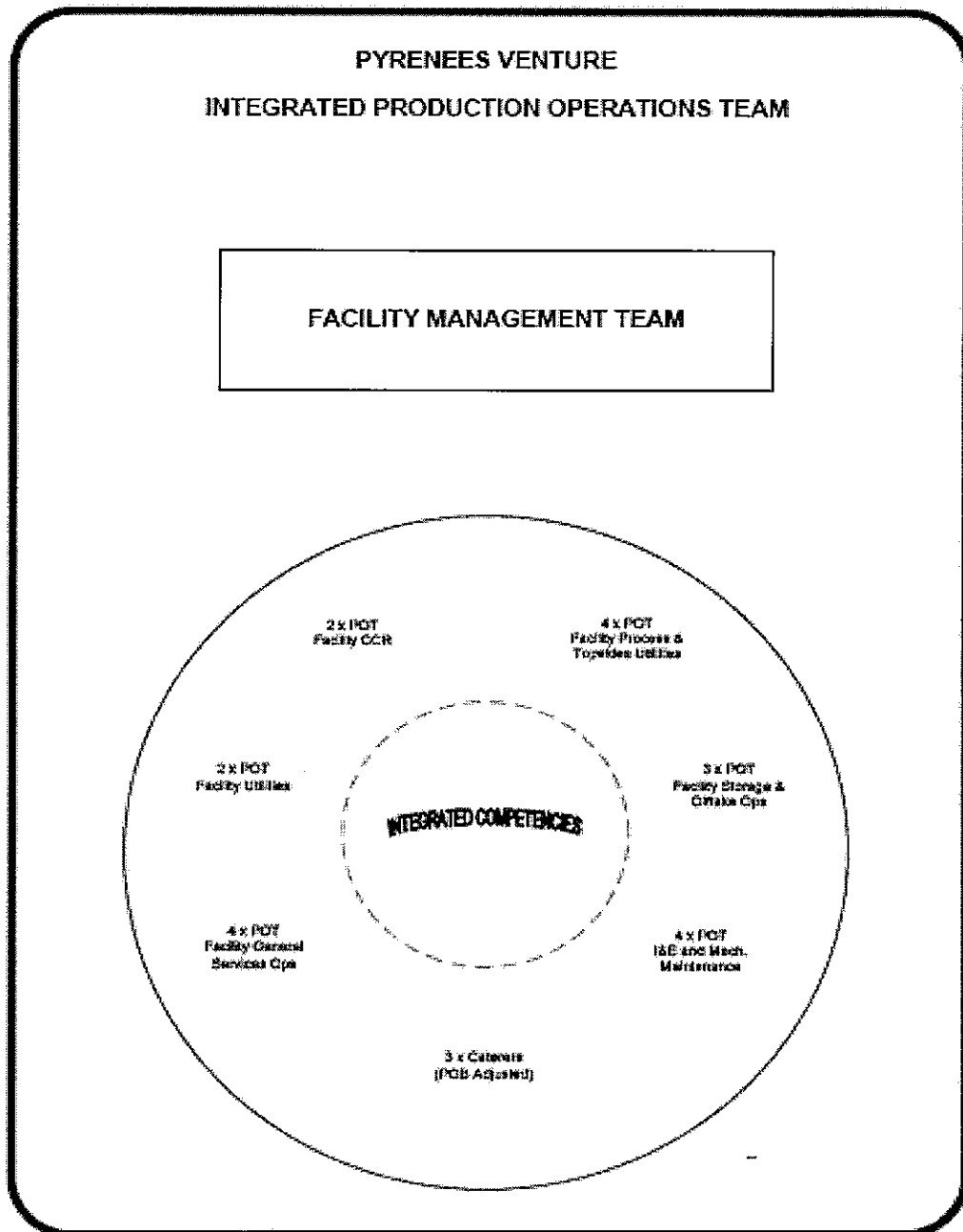
13.4 Fatigue and Provision of Rest during Travel

Having regard to any fatigue before a journey commenced and the total travel time, a fatigued employee who has to wait for four hours or more for a connecting flight whilst travelling between a facility and their home may pay for reasonable hotel accommodation where available on the basis of one per room and the Company will reimburse such costs.

14 SALARIES

14.1 Operational Structure

The following is the Operational Structure for the Pyrenees Venture FPSO:



14.2 Salaries

The salaries outlined below are inclusive of \$7,415 for each employee to obtain Family Health Insurance.

Employees will be paid a minimum salary in accordance with the following:

Classification		July 1, 2009 Per Annum
Production Operations Technician	L3	\$160,830
Production Operations Technician	L2	\$137,854
Production Operations Technician After six months of employment	L1	\$126,366
Production Operations Technician First six months of employment	L1	\$120,622
Chief Cook/Chief Caterer		\$126,366
Cook/Caterer		\$120,622

One day's salary is calculated by dividing the annual salary by 365.

Salaries for individual employees will be determined upon appointment and at regular reviews by assessing each individual's overall contribution to the operation of the facility with specific regard to the range and level of the competencies held and utilised by the employee in the operation of the facility and in particular the formally recognised and documented competencies.

Classification		1 July 2009 Per Day Worked
Casual Production Operations Technician	L3	\$1,235
Casual Production Operations Technician	L2	\$1,060
Casual Production Operations Technician	L1	\$925
Casual Chief Cook/Chief Caterer		\$970
Casual Cook/Caterer		\$915

Note: Casual day rates are calculated by multiplying the Classification day rates by 2.8 (rounded to the nearest \$5) and the casual day rates are in consideration of all leave and conditions of employment, including the 20% casual loading.

Employees engaged as General Service Operators Level 1 will hold Integrated Rating qualifications.

Commencing on 1 July 2010 and then on 1 July each year thereafter the Salaries, Casual Day Rates and the figure indicating the Health Insurance component of the salary will be increased by 5%.

These salaries are all inclusive and take account of all responsibilities, disabilities and other factors associated with the work, location and environmental factors. These salaries include payment for all hours worked, weekends and shiftwork, and the salaries are also in recognition of public holidays.

Payment for work that an employee performs on the day that the employee leaves the facility is included in the above rates.

When an employee performs the duties for a full day of a specified position which has a higher minimum salary than the position to which the employee is appointed then the employee will be paid 2.5 times the difference between the employee's actual salary and the minimum salary of the specified position for each day that the employee undertakes such duties.

Employees covered by this agreement who act up into either the Production Maintenance Coordinator or Production Operations Team Leader role will be paid at least 2.5 times the difference between the employee's actual salary and the salary of \$180,000. Employees covered by this agreement who act up into the Materials & Logistics Coordinator role will be paid at least 2.5 times the difference between the employee's actual salary and the salary of \$135,000.

Subject to sub clauses 12.3, 12.4 and 21.3, no additional allowances or payments of any kind will be made.

14.3 Payment of Salary

14.3.1 Salaries will be paid monthly [half in arrears and half in advance] on the 15th day of the month or the next working day thereafter into each employee's nominated bank account. The monthly salary will be the annual salary divided by 12. One day's salary shall be the annual salary divided by 365.

14.3.2 All employees will be given a pay advice slip detailing their salary payment, overcycle payments, details of Superannuation payments and any deductions from their gross salary.

14.4 Salary Sacrifice

The Company will review salary packaging options during the term of this agreement. Any salary sacrificing arrangements must be simple, comply with taxation legislation and not result in any additional cost to the Company. All salary sacrificing arrangements will be at the sole discretion of the Company.

15 SUPERANNUATION

15.1 The Company shall contribute an amount equivalent to 14% of each employee's annual salary as superannuation contributions into a complying superannuation scheme nominated by the employee and the employee may make an additional voluntary contribution.

15.2 The Company's superannuation contribution provides for the employee to obtain, at their cost "death and disability" and "salary continuance" insurance cover appropriate

to their circumstances. Such insurances are normally obtained by employees through their individual superannuation schemes.

- 15.3** The Company superannuation contributions shall continue to be paid during periods when an employee is in receipt of workers compensation payments and when the employee is absent on paid leave of any kind.
- 15.4** The Company will forward all Company and employee superannuation contributions to the agreed funds on a monthly basis.
- 15.5** The Company will enable individual employees to make additional superannuation contributions by way of salary sacrifice arrangements subject to such arrangements being at no additional cost to the Company. Such arrangements may only be altered once each year. Each employee will be able to salary sacrifice any payments made upon termination subject to the relevant laws applicable at the time. Any salary sacrifice arrangements will not alter the employee's prescribed salary in sub clause 14.2 for other purposes of this Agreement.

16 REDUNDANCY

- 16.1** As employees subject to this Agreement will be working a 15 week work cycle comprised of 6 weeks on duty and 9 weeks off duty, by means of a variety of rosters, ie 3:3:3:6 or 3:4:3:5, the parties have agreed that should an employee be terminated due to the employee's position being made redundant, no additional payments of any kind will be made over and above the payments due to the employee under the terms of this Agreement.

17 LEAVE ENTITLEMENTS

17.1 Annual Leave

All employees are entitled to annual leave in accordance with the provisions of the Fair Work Act 2009. The 15 week roster set out in Clause 12.0 of this agreement includes such annual leave entitlements and is also in consideration of public holidays, intervals of leave, time spent travelling to and from the facility in off duty time and for work undertaken on an employees swing off day.

17.2 Parental Leave

Permanent employees are entitled to Parental Leave in accordance with the Australian Fair Pay and Conditions Standard. In addition, an employee who has or will have responsibility for the care of the child and who has more than 12 months continuous service with the Company is entitled to 12 weeks paid Parental Leave upon the birth or adoption of their child. Such leave will be for a continuous period including both on duty and off duty periods. Such leave can commence any time from six weeks prior to the expected date of birth for female employees who give birth to a child, but no later than the date of the birth or from the date of birth or adoption in other cases. The period of 12 weeks paid Parental leave forms part of the 52 weeks leave prescribed by the Australian fair Pay and Conditions Standard.

17.3 Paternity Leave

An employee with more than 12 months continuous service with the Company is entitled to 4 weeks paid Paternity Leave to attend the birth or adoption of their child. Such leave will commence from the date of the birth of the child or from the date adoption. Such leave will be for a continuous period including both on duty and off duty periods.

17.4 Compassionate Leave

Employees are entitled to compassionate leave for the purposes of spending time with a person who:

17.4.1 is a member of the employee's immediate family or a member of the employee's household; and

17.4.2 has a personal illness, or injury, that poses a serious threat to his or her life; or

after the death of a member of the employee's immediate family or a member of the employee's household.

The period of leave shall be determined by taking into account the compassionate circumstances surrounding the request for leave on each occasion when a member of the employee's immediate family or a member of the employee's household:

- contracts or develops a personal illness that poses a serious threat to his or her life; or
- sustains a personal injury that poses a serious threat to his or her life; or
- dies.

In order to qualify for payment for compassionate leave, the employee must provide to the employer any evidence that the employer reasonably requires of the illness, injury or death.

17.5 Personal Illness and Injury

Employees, subject to the provisions of this sub clause shall be entitled to:

- (i) the provisions of Sections 127 to 132B of the Navigation Act as if those provisions formed part of this Agreement, other than for non seafarer personnel who shall not be entitled to the medical benefits of these provisions; and
- (ii) the following provisions of this sub clause when the employee is unable to commence a duty period due to either illness or an accident that occurred whilst the employee was on leave.

The entitlements provided by this sub clause shall be based on the following conditions:

- (i) The benefits shall commence (i) from the time that an employee is unable to commence a duty period due to either illness or an accident that occurred whilst the employee was on leave.

- (ii) For the purposes of this clause a “scheduled on-duty period” means the Leave Swing under which an employee was engaged at the time of the illness or accident.
- (iii) The benefits provided to an employee by this clause shall be limited to a maximum of 10 weeks in the first year of service and 12 weeks in each subsequent year of service, regardless of the number of accidents or illnesses suffered by the employee in any year of service.
- (iv) For the purposes of this clause, “year of service” shall be calculated from each employee’s commencement date with the employer. From the commencement date of this Agreement, each employee will be entitled to claim the appropriate maximum entitlement up until the commencement of their next “year of service”, provided the maximum entitlement does not exceed the period of time between the date of this Agreement and the commencement of their next year of service. When an employee has less than 10 or 12 weeks before the commencement of their next year of service, their maximum entitlement will be the remaining period of the current year of service.
- (v) The maximum entitlements prescribed in this clause do not accumulate from year to year.
- (vi) During a period of absence covered by this clause an employee will neither accrue nor use leave.
- (vii) An employee will be paid 75% of the employee’s normal salary for any period of absence covered by the provisions of this clause.
- (viii) The entitlements under this clause shall cease to apply when the employee is certified as fit to resume duty by a qualified medical practitioner or upon reaching the maximum limit of the entitlements as prescribed in paragraphs (iii) above, whichever is sooner.

No medical expenses are payable by the employer.

17.7 Long Service Leave

The parties agree that with the implementation of the fifteen (15) week roster, MODEC’s obligations and the employee’s entitlement to long service leave are fully addressed and provided for within the fifteen (15) week roster.

18 WORKERS COMPENSATION

18.1 Workers Compensation Coverage

The parties expressly agree that regardless of any issue about the application of the Seafarers Rehabilitation and Compensation Act 1992 the employer will provide equivalent benefits to employees as if the Act had full effect.

The provisions of the Seafarers Rehabilitation and Compensation Act 1992 and Regulations shall be applied as though they formed part of this Agreement to employees who are members or eligible to be members of:

- (i) Australian Maritime Officers Union; or
- (ii) Maritime Union of Australia.

The provisions of the Western Australian Workers Compensation and Injury Management Act 1981 and Regulations shall apply to employees who are members or eligible to be members of the Australian Workers Union.

18.2 Additional Payments

For employees subject to the provisions of the Western Australian Workers Compensation and Injury Management Act 1981 (the Act) and who are receiving weekly payments pursuant to the Act, these employees shall be entitled to additional payments equivalent to the difference between the weekly benefit payable under the Act and 75% of their salary at the time of the incident that gave rise to the weekly payments under the Act.

These additional payments shall continue subject to the employee's ongoing compliance with the provisions of the Act until:

- the employee resumes normal duties;
- the employee receives a lump sum payment under the provisions of the Act; or
- the expiration of a period of 5 years from the date of the incident that gave rise to the weekly payment under the Act;

whichever occurs first.

Termination of an employee's contract of employment shall not affect the liability of the Company to pay these additional payments.

19. CONSULTATION FOR MAJOR CHANGE

19.1 The company will consult with employees to whom this agreement applies of any decision to introduce major change when the Company has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise the change is likely to have a significant effect on employees of the enterprise.

19.2 A major change is likely to have a significant effect on employees if it results in:

19.2.1 the termination of the employment of employees; or

19.2.2 major change to the composition, operation or size of the Company's workforce or to the skills required of employees; or

19.2.3 the elimination or diminution of job opportunities (including opportunities for promotion or tenure); or

19.2.4 the alteration of hours of work; or

19.2.5 the need to retrain employees; or

19.2.6 the need to relocate employees to another workplace; or

19.2.7 the restructuring of jobs.

19.3 The employees may appoint a representative for the purposes of consultation.

19.4 The company is not required to disclose confidential or commercially sensitive information to the relevant employees or their appointed representative.

19.5 The Company will give genuine consideration to any matters raised about the major change by the employees.

20 DISPUTE RESOLUTION PROCEDURES

20.1 It is agreed that every endeavour will be made to settle amicably an employment related grievance or dispute (the issue) which may arise by direct and co-operative discussions. Should any grievance or dispute arise then the following procedure shall apply:

20.1.1 In the first instance, the employee will discuss the issue with the employee's immediate supervisor and together they shall use their best endeavours to resolve the issue as quickly as possible. This stage of the procedure should be completed within 48 hours. During this or other stages of this process, the employee may be represented by a person of the employee's choice.

20.1.2 If the issue remains unresolved, the employee may refer the issue to the POTL. The employee will receive a response within 72 hours of raising the matter with the POTL.

20.1.3 Should the issue still remain unresolved, the employee may refer the issue to the Onshore Operations Manager, who will endeavour to finalise the issue.

20.1.4 Where the issue continues to remain unresolved, the issue may be referred to an agreed independent facilitator or to Fair Work Australia (FWA) for assistance in resolving the issue. If not already involved, the employee may request that the employee be represented by the appropriate union. The resolution of the issue, including by arbitration if necessary, proposed by either the agreed independent facilitator or the FWA will be accepted and implemented by all parties.

21. TRAINING

21.1 Employees will be required to attend training and development courses arranged by the Company in accordance with the business/safety needs of the enterprise. Further, all employees will be encouraged to participate in additional training and development opportunities to enhance their individual competencies. Training may take place on the facility or in the off duty period on shore.

21.2 For agreed training, the Company will pay for any course fees and reasonable expenses, including accommodation and travel costs, as previously agreed with the Company which are incurred in attending the training.

21.3 For each off duty day that an employee undertakes agreed training, the Company will pay the employee one extra day's salary. Employees will also receive payment for the total amount of time spent travelling to and from training during their off duty period.

All employees will be required to maintain a current Tropical Basic Offshore Safety Induction and Emergency Training Card and a valid Maritime Security Identification Card.

22 STUDY LEAVE

(a) Eligible employees;

an employee who satisfies the requirements of Marine Orders Part 3 for entry as a deck cadet who goes ashore to study and sit for an approved course of study to become a deck officer.

An "approved course of study" is a Certificate of Competency, including an endorsement, as prescribed by the Navigation Act or regulations made there under, conducted by the Australian Maritime College or an approved technical institution or academy.

(b) Conditions for Accessing Entitlement

The entitlements prescribed in subclause (c) shall only be payable by MODEC if the following conditions are met:

- (i) an application in writing has been made by the employee and has been approved in writing by the Company;
- (ii) the employee has been in the employment of MODEC for the twelve (12) months prior to commencing the period of study;
- (iii) if MODEC so desires, the employee shall enter into a written undertaking that the employee will remain in its employment for a period of at least 12 months after sitting for the certificate in question. This arrangement shall not prevent the Company from terminating an employee; however an employee may only terminate their employment during this 12-month period with MODEC consent.
- (iv) the entitlement shall be confined to the first attempt to obtain the certificate in question; and
- (v) the employee provides the Company with reasonable proof of satisfactory attendance at the course of study and examination.

(c) Entitlement:

An employee will be entitled to 100% of the employee's salary for the authorised period of study, including examination periods and including holidays of up to 7 consecutive days (weekends inclusive).

(d) "Living Away From Home Allowance" -

When it is necessary for an employee to take up temporary residence away from the employee's normal place of residence to undertake the approved study, the employee will be entitled, upon production of receipts to

reimbursement of living expenses, up to a maximum as outlined in the following table, for each week that the employee resides away from their normal place of residence.

	1.1.2009	1.1.2010	1.1.2011	1.1.2012
Reimbursement Limit per week	\$525	\$550	\$575.00	\$600.00

- (e) Where an application by an employee to undertake an approved course of study has been approved by the Company, and the employee is subsequently retrenched, the Employee shall be entitled to payment in accordance with sub-clause (c) above. For these purposes, the salary rate shall be that rate applicable at the date of termination.

23 TRAINEES

- (a) The parties are agreed that MODEC will fund the training of a new-entrant Deck Cadet [when the training of one is complete another will immediately commence], Production Trainees [2 to commence during the life of this agreement] and Trainee IR's [2 to commence during the life of this agreement].

- Deck Cadets and Trainee Integrated Ratings will undertake agreed training pursuant to Marine Orders Part 3; and
- Production Trainees will undertake agreed training pursuant to industry standards.

- (b) Subject to satisfactory performance, any such Trainee or Cadet shall be entitled to the following

- payment of all reasonable college fees/costs, all reasonable travel to attend the college.
- provision of reasonable meals & accommodation to a maximum set out in paragraph 22.1 (d); and
- payment at the rate set out in the table below; "on facility" includes production training on a facility, or 'qualifying sea service' [pursuant to Marine Orders Part 3] whether performed on the company's FPSOs or whether performed on any other vessel;

	\$ per week on facility or on leave	\$ per week at college
Deck Cadet 1 st and 2nd Years	\$540*	\$540*
Deck Cadet 3 rd Year	\$626	\$626
Production Trainee	\$800	\$800
Trainee IR	\$666	\$666

Equivalent paid leave in respect of the period of training at sea; and

- during attendance (including exam/study periods) at college to complete the Deck Watch keeper Certificate, and pre-sea training, Advanced Fire fighting, Survival, First Aid and other required short courses, payment at 75% of the on facility/on-leave rate, as set out in the final column above; and

Deck Cadets shall, in lieu of the roster arrangements set out earlier in this agreement receive six weeks leave per annum (and pro rata for parts of a year). Leave and roster arrangements for Trainees will be agreed between the parties prior to the commencement of training.

- payment of all short course fees/costs, all reasonable travel to attend the short courses, and provision of a reasonable allowance for meals & accommodation; and
- The rates of pay above will be varied on 1 July each year by the same percentage as the increase applying generally to salary scales in this agreement.
- The Company is under no obligation to offer ongoing employment to the Trainee / Cadet once having attained their Watch keeper Certificate of Competency, the Integrated Rating Certificate or the Production competencies, but if the Company does so and the offer is accepted the period as Trainee / Cadet counts as service with the company under this agreement.

24 EXPENSES

The Company shall reimburse an employee for expenses, including meals reasonably incurred for travel on company business, for expenses reasonably incurred on attendance at approved training courses, for expenses reasonably incurred on travel to and from the employee's home and the facilities and for expenses where travel is delayed and accommodation and/or meals are required. The provision of or re-imburement of reasonable meals by the company does not include alcohol.

In respect of other reasonable expenses associated with the performance of duties as requested by the company, the employee shall be reimbursed. Examples of such expenses include, but are not limited to:

- Medical vaccinations including at employee's choice inoculation against infectious diseases they may be exposed to by working with waste/sewage systems such as Hepatitis A & B and Fluvax
- Refrigeration ticket registration
- Maritime Security Identification Card
- Passport renewal
- Costs associated with company-approved training
- Revalidation costs and AMSA fees
- Medical certificates

- Medical examinations [required by Statute or the company], and related x-rays, pathology

As well as the matters described above, this clause shall apply to reimbursement of reasonable legal costs incurred by the employee (including costs of reasonable personal legal representation separate from that engaged in the interests of the Company) in defending any proceedings brought against the employee or fines imposed on the employee by any court, tribunal or other competent authority investigating or prosecuting for any actual or alleged breach of any statute or statutory obligation, including without limitation any maritime or port regulations or any applicable environmental legislation, which proceedings or fines relate to the employment duties performed by the employee at the facilities or the instructions given by the Company to the employee at the facilities, unless the authority conducting the enquiry or proceedings finds that such enquiry or proceedings have been occasioned by the wilful default or wilful misconduct of the employee.

25 DRUGS AND ALCOHOL

- 25.1** The possession, soliciting, secreting or consumption of prohibited and/or illegal drugs on board the facility is prohibited. The penalty is likely to be instant dismissal.
- 25.2** It is an employee's responsibility to advise the POTL when using prescription or non-prescription drugs which may affect their ability to perform their duties.
- 25.3** The possession or consumption of alcohol onboard the facility is prohibited. The penalty is likely to be instant dismissal.

26 COUNSELLING SERVICE

The Company shall provide to all employees an independent confidential counselling service to be the first recourse in relation to any stress/addiction/problem including in home or workplace relationships that may, if untreated, affect performance in the workplace.

27 SECURITY

- 27.1** Employees proceeding to and returning from the facility may be required to undergo a baggage search in accordance with Helicopter Operations Procedures.
- 27.2** Any breach of this policy will be managed as a disciplinary matter.

28. RECORDS

- 28.1** The Company shall keep or cause to be kept a record containing:

28.1.1 The amount of salary and all allowances or other payments payable to each employee and, where applicable, the date when and the place where leave due was granted and the amount thereof.

28.1.2 The employment record of each employee showing details of his commencement, termination dates and date of permanent employment will be maintained for seven years.

28.2 In accordance with the Fair Work Act 2009, each employee or a permit holder in the appropriate circumstances shall have access to their records.

29 DAMAGE TO PERSONAL EFFECTS

Where due to Fire/ Explosion/Foundering/shipwreck or due to 'ditching' of aircraft an employee sustains damage or loss to his/her equipment or personal effects, the employer shall reimburse the employee for such loss, subject to satisfactory evidence being provided as to the loss or damaged sustained.

During the course of the work, in the event an employee's clothing, spectacles or laptop computer are damaged or destroyed, reasonable reimbursement will be made by the company to the extent of the damage sustained up to a value of \$1,682.00 which does not include the value of a laptop computer. In the case of a laptop computer the reasonable reimbursement will be the market value of the laptop at the time that it is damaged or destroyed. The market value of a laptop computer will be determined by applying the standard Australian Taxation Office depreciation schedule or rates for laptop computers to the original purchase price of the computer. This clause does not apply when an employee is entitled to workers' compensation in respect of the damage.

30 CABINS AND AMENITIES

Employees who are appointed as part of the core crew will have a single berth cabin with en-suite facilities though such employees may be required to share such cabin when the total number of persons on board exceeds the numbers of cabins of the facility. Decisions on which employees are required to share a cabin from time to time will be based on operational requirements and where possible will be arranged so that employees on opposite shifts in similar work groups are allocated to share a cabin. Cabin sharing arrangements will be reviewed based on operational experience.

Free internet access will be provided to all employees in accordance with the Company Internet Policy developed for this facility.

31 DRYDOCK ARRANGEMENTS

When a dry dock has been identified as necessary the Company will consult with all onboard personnel and the parties to this Agreement prior to proceeding to any dry docking. The Dispute Resolution provisions of this Agreement – Clause 20 will be utilised to resolve any issues between the parties relating to any dry docking.

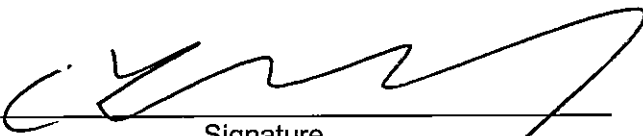
32 DELEGATES

32.1 The Company respects the right for any employee to be appointed as a union Delegate by and for their work colleagues.

- 32.2 The Company commits that no employee who is appointed as a union Delegate will be discriminated against in their employment due to their role as a union Delegate.
- 32.3 In Recognising the rights and role of employees appointed as union Delegates, the Company requires each such employee to fulfil their normal duties. The appointed union Delegate must liaise with the POTL for any leave of absence from normal duties.
- 32.4 Union Delegates will be able to post information on the facility recreation room notice board.
- 32.5 The Company recognises the role of delegates to participate in and attend when practical collective bargaining discussions with the Company when the union they represent has been appointed as a bargaining agent for those discussions.

SIGNATURES

Signed for and on behalf of Australian Maritime Officers Union


Signature

By CARL YOUNG (insert name)

Date 22/9/09

Address 1 High Street Fremantle

Authority to Sign Industrial officer AMOU

Witnessed By R Anderson

Witness Name Rene Anderson

Witness Address 35-37 Havelock Street West Perth,

Signed for and on behalf of The Australian Workers Union



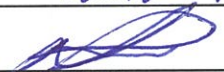
Signature

By Stephen PRICE (insert name)

Date 23rd of September 2009

Address 4/25 Barrack Street, Perth

Authority to Sign Union Rules

Witnessed By 

Witness Name Mahmut Melkic

Witness Address 3/12 Richardson St South Perth

Signed for and on behalf of Maritime Union of Australia

Signature

By _____ (insert name)

Date _____

Address _____

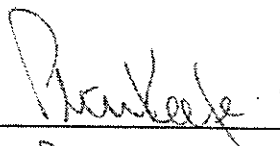
Authority to Sign _____

Witnessed By _____

Witness Name _____

Witness Address _____

Signed for and on behalf of MODEC Management Services Pte Ltd.



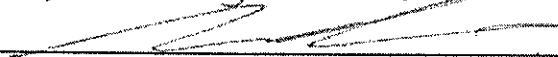
Signature

By PETER KEEFE. (insert name)

Date 23 September 2009.

Address Strategy Tower 1, #02-04/06, IBP, Singapore.

Authority to Sign Pre-ops Manager – Pyrenees.

Witnessed By 

Witness Name NICHOLAS WILLS

Witness Address STRATEGY TOWER 1 #02-04/06, INTERNATIONAL
BUSINESS PARK, SINGAPORE

ATTACHMENT ONE

MODEC MANAGEMENT SERVICES PTE LTD

GUIDANCE NOTES FOR THE APPLICATION OF COMPANY DISCRETION IN THE IMPLEMENTATION OF THE INTEGRATED PRODUCTION OPERATIONS TEAM MODEL FOR THE PYRENEES VENTURE FPSO AUGUST 2009

INTRODUCTION

MODEC Management Services has reached agreement with the four Australian unions (Australian Institute of Marine and Power Engineers, Australian Marine Officers Union, The Australian Workers Union and the Maritime Union of Australia) to implement an Integrated Production Operations Team (IPOT) Model for the operation and maintenance of the Pyrenees Venture FPSO. The IPOT Model is reflected in the Agreement finalised with the four unions and is further reflected in the Salary Structure within the Agreement.

SALARY LEVEL OVERVIEW

The following is a brief overview of each level:

- Level 1 will be for General Service Hands, Cooks and Catering personnel. Such personnel who have previous FPSO experience and hold and utilise multiple qualifications and competencies required by the Company may be appointed to a salary higher than the minimum salary for this level.
- Level 2 will generally be for “entry level qualified/experienced” Production Operators, Engineer Officers, Electrical/Instrument/Maintenance Tradespeople and Deck Officers. Such personnel with FPSO experience or higher level qualifications and experience may be appointed at a salary higher than the minimum salary for this level.
- Level 3 will be for personnel with considerable FPSO and/or offshore hydrocarbon experience as a Production Operator, Engineer Officer, Electrical / Instrument / Maintenance Tradesperson or Deck Officer. Appointments to this level will be due to an employee’s experience, qualifications and capability of operating in a leadership role.

PRINCIPLES

The following Principles will be applied when appointing personnel and when developing Employee Training Plans and as part of the Performance Review Process:

- MODEC will seek to employ motivated personnel who demonstrate a desire to broaden their skill base and attain competencies outside of their core position. The benefits are both to the employee in pursuing their own career, and to the company in having a multiskilled workforce.
- Initial appointment to the Integrated Production Operations Team on Pyrenees Venture will be at the minimum salary rate for the appointed classification level, as

detailed above. MODEC may apply discretion when initially appointing personnel, in that an employee may be appointed to a salary higher than the minimum salary for the appointed classification level subject to the employee's level of qualifications, current competencies and experience. For example, experience on previous FPSO's, the employee's range of competencies, particularly for employees who hold a broader range of competencies than are specifically required for the role that an employee is appointed to and which can be immediately applied in the operation of the FPSO, may be taken into account when determining an employee's salary. The appointment of specific salaries will be at MODEC's discretion.

- o All employees will be encouraged to broaden their competencies in areas that benefit both the employee and the operation of the Pyrenees Venture. All employees will have a training plan developed on appointment to the Integrated Production Operations Team. This training plan shall be reviewed annually as part of the Performance Review Process. Such training plan will examine both short term and longer term training needs for the facility and for the employee's career and training goals.
- o Ongoing training for all employees shall be undertaken within the allocated training budget which MODEC has developed in order to fulfil statutory, contractual and personnel development requirements. This budget is developed annually by the company and takes into consideration Personal Development Training which is identified through the Performance Reviews. MODEC shall determine training priorities within the established training budget.
- o All employees shall have an equal opportunity to seek to advance their skills/competencies through self education, on the job training and vocational and external training, within the training budget parameters and the training needs of the facility.
- o MODEC employees may advance within the salary structure as a result of the successful attainment and subsequent application of competencies or qualifications outside of their current Competency Profile. Employees do not need to wait for a promotional opportunity to achieve an increase in salary, although adjustments will only be made when a substantial change in role is effected. Employees may advance from Level 2 to Level 3 within the structure without the need to apply for vacant positions.
- o When a vacancy for a core crew position or a trainee opportunity arises, all MODEC employees will be given an opportunity to express an interest in applying for the position.

MODEC may also seek external applicants.

Individual positions will not be considered vacant simply because an employee leaves the Facility. A particular employee's role may be undertaken by existing personnel who have the required competencies accepting and adopting the responsibilities of the person who has left the facility with a resultant vacancy occurring at the 'entry level'. Vacancies may still however be filled by experienced personnel at higher levels. This will be dependent upon the competency levels of the current crew. MODEC will determine which vacancies are to be advertised. Core crew numbers will be maintained at all times.

- o All MODEC employees who express an interest in a vacant position or trainee opportunity will be treated equally with all other applicants.
- o Should an employee not be satisfied with their training plan or with an allocated salary following a salary review, such employee will be entitled to raise the issue in accordance with the Dispute Resolution procedure contained in the Enterprise Agreement. This procedure commences with the employee in the first instance raising the issue with the POTL.

CONCLUSION

The implementation of the Integrated Production Operations Team Model on the Pyrenees Venture is designed for the benefit of both the facility as a team and all employees as individuals. MODEC is committed to work with all employees to ensure that the benefits contained within the IPOT are realised.