

## SERVICE AGREEMENT GENERAL TERMS AND CONDITIONS

dated \_\_/\_\_/\_\_\_\_

signed between

**TÜRKİYE PETROLLERİ A.O. (“PROVIDER”)**

And

\_\_\_\_ (“CLIENT”)

**DISCLAIMER: This Agreement was prepared under the instructions of TP Human Resources Department and shall constitute general terms and conditions to be applied between the parties. This Agreement does not include all necessary provisions of such agreement in the opinion of TP Legal Department and side letters/agreements should be signed with each specific Client depending on the scope of actual work and conditions.**

This Professional Services Agreement (“Agreement”) is made between Türkiye Petrolleri A.O. (“Provider”) whose registered address is at Söğütözü Mah. 2180.Cad. No:10 06100 Çankaya/Ankara, Republic of Turkey and \_\_\_\_\_ (“Client”) whose registered address is at \_\_\_\_\_.

In this Agreement the Client and the Provider may also be referred to individually as a “Party” or together as the “Parties”.

Whereas:

Client intends to entrust Provider to provide him with professional services, Provider has all technical and personal capacity to provide such services to the Client, and Client has undertaken to pay, as a consideration for the provision of such services, the agreed upon fee under the terms set out below, therefore, the Parties agreed on the following:

**1. Interpretation:**

- 1.1. The headings are for reference only and shall not affect the construction of this Agreement;
- 1.2. references in this Agreement to Articles shall mean references to the articles hereof;
- 1.3. references in this Agreement to any act or legal provision or regulation shall include reference to such an act, provision or regulation as amended from time to time;
- 1.4. unless the context requires otherwise, the singular shall include the plural and vice versa, references to any gender shall include references to any other genders and references to persons shall include legal entities and parties with legal capacity;
- 1.5. references to any legal terms applicable to any law, dispute, legal remedy, litigation, legal document, status, courts, official or any legal term or issue with respect to any jurisdiction other than Turkish law shall be construed so as to include the term in such a jurisdiction, which is as close to the term and meaning used pursuant to the laws of the Republic of Turkey.
- 1.6. References to any other agreement, understanding or document shall be references to such agreement, understanding or document as amended, modified, revised or extended.

**2. SUBJECT MATTER AND PROVISION OF SERVICES**

- 2.1. In accordance with the understanding of the Parties the Provider undertakes to provide to the Client, starting from the effective date of this Agreement, qualified professional consulting and

supervisory services. The services shall include, without limitation: petroleum operations, geothermal operations, drilling, well operations, maintenance, seismic, interpreting seismic, geophysical geological and engineering operations and data, preparing analyses and studies, providing professional consulting expertise services on project management, reservoir geology, petrophysical reservoir engineering matters as well as process engineering and performing effective supervising and technical work at the operations sites (hereinafter – «Services») by skilled personnel (hereinafter – «Experts»).

## 2.2. Place and terms of Services performance:

2.2.1 Provider agrees to be at Client's disposal with Services upon sufficient time of notification for scheduling. Provider shall carry out the Services either in Turkey or in the other location specified by the Client. The equipment, working conditions, occupational safety and health training shall be provided by the Client, if the Services are performed on its territory, or on the other territory, specified by the Client.

2.2.2 Detailed work scope, fees, estimated duration of the work shall be specified in an agreement which will be signed between the parties as an attachment to this Agreement. Notwithstanding anything contrary that maybe contained in such agreement, the Client hereby accepts to comply with all applicable laws and internal regulations of the Provider including but not limited to employee working hours and other labor law requirements. Failing to comply with this Article shall cause Client to be responsible for and pay all compensations, expenses, costs, damages, fees, payments etc. and any accrued interest thereon.

## 3. PAYMENT AND PAYMENT TERMS

3.1. The Parties agree that in consideration for the Services performed by Provider, Client shall pay a consideration of [...] USD per day plus all other taxes arise under the Turkish Law. Taxes which may arise in other jurisdictions shall be borne by the Client. Client shall reimburse the Provider for all reasonable travelling and accommodation costs and other corresponding expenses incurred as per Provider's internal regulations.

3.2. All expenses regarding technical services performed by Provider, but not related to individual Expert's work (such as sample forwarding, storing, translation of diplomas, customs, visa expenses, representation, notary fee, degree authentication, data purchase, studies, etc.) shall also be paid by Client. If the Provider pays any of these expenses, Provider shall be reimbursed by the Client. Details of this payment and invoicing procedure shall be specified in an agreement referred in Article 2.2.2.

3.3. Markup of 10% over every invoice amount shall be charged to the Client.

3.4. Customs Duties and Import Fees: Provider shall pay custom duties and import fees or similar charges for the importation of goods to be used under this Contract and charge to Client at documented cost plus [.]%. Provider shall use the tax exemptions which Client has pursuant to the applicable law. Where any exemptions includes the obligation to re-export, Provider shall diligently comply with such obligation, and Client will provide reasonable assistance with the re-export of those items.

3.4. All other applicable cost items shall be stipulated under a separate agreement to be signed between the parties.

3.5. Invoicing: Following each month, Provider shall submit an invoice in USD to Client for the related Services and documented expenses. In case of expenses incurred in TL the exchange rate to be applied shall be TL/USD exchange rate published by Turkish Central Bank valid on the last day of the month. Provider shall send the invoice made out to the name of Client to the registered invoicing address of Client which is written in this Agreement. Invoices are payable in USD within 20 days of invoice date by bank transfer. Any queries relating to the invoices must be submitted within 14 days of receipt of the invoice. Any payment made by Client shall be deemed to be fulfilled if the relevant payment is credited on Provider's bank account.

3.6. If the last day of the payment deadline is not a working day or is a bank holiday, the payment shall be performed on the last working day before this day. All bank expenses connected to the transaction shall be borne by the Client.

3.7. Client shall pay the amount of each invoice to Provider's bank account specified below by wire transfer:

Beneficiary Name: Türkiye Petrolleri Anonim Ortaklığı

Bank name: Türkiye Vakıflar Bankası A.Ş.

Bank Branch: Ankara Kurumsal Şube (USD Account)

Swift Code: TVBATR2A

Acct no: 00158048000922784

IBAN: TR180001500158048000922784

3.8. Reimbursements: Client acknowledges that Provider shall be reimbursed for the expenses related to performance of Services provided on the basis of this Agreement. In such cases Provider shall clearly indicate the type of expenses in the invoice. The Client acknowledges that the Provider is entitled to invoice margin of [10]% for reimbursement of expenses.

3.9. If the Client fails to pay any amount payable by it under the Agreement on its due date, it shall be in default and shall pay a default interest on the overdue amount for the period of the delay i.e. from the due date up to the date of actual payment the rate of LIBOR + 3%. For purposes of this Article LIBOR shall mean on any day that interest is to be calculated on an amount, the 3 months United States Dollars London interbank offer rate applicable to such amount as published in the London edition of the Financial Times on such day (or if the Financial Times is not published on that day, the previous day on which it was published). The party in delay shall pay the accrued default interest to the other party within 8 workdays of the receipt of the demand letter. The default interest shall be calculated on the basis of the number of days actually elapsed and a year of 360 days. The default interest shall be paid in the same currency as the currency of the overdue amount set out in the payment terms of the Agreement.

3.10. The service fee shall be deemed paid on the date of crediting the Provider's bank account. The Provider shall be entitled to send invoices to the Client by e-mail, by registered mail or by a courier.

3.11. Each of the Parties shall appoint its representative, who shall be the contact person for the purpose of due performance of this Agreement.

Representative of the Provider: \_\_\_\_\_

Representatives of Client.: \_\_\_\_\_

3.12. The Parties shall ensure that for the entire term of this Agreement their representatives meet at the agreed upon intervals in order to assess, whether the Agreement is being performed by both Parties in a timely and due fashion. In case of breach of the provisions of this Agreement by either Party, the representatives shall use their best efforts in order to remedy the breach and may give notice thereof to the company, which they represent under this Agreement.

3.13. All invoices shall comply with all requirements established in any invoicing regulations published by the Turkish Government.

3.14. If CLIENT is exempt from VAT (Value Added Tax) due to the Work which is subject to this CONTRACT or its amendments, the PROVIDER shall inform CLIENT before issuing any invoice and CLIENT shall supply an exemption document for each invoice. The PROVIDER shall not prepare an invoice exempt from VAT, unless VAT exemption document is supplied by CLIENT.

3.15. PROVIDER's compensation shall be exclusive of value added tax which will be stated separately on each invoice.

3.16. Stamp tax shall be borne by the Client. Stamp tax amount shall be paid within 10 working days after the signing of the Agreement to the taxing authorities by the Client. A copy of the payment receipt shall be given to the Provider.

#### **4. REPRESENTATIONS AND WARRANTIES OF THE PROVIDER**

4.1. The Provider represents that:

4.1.1. the execution of this Agreement shall not result in a breach of any of its liabilities towards any existing third party;

4.1.2. the Services shall be provided by the Provider at the requested professional level and with the necessary due diligence;

4.1.3. the Provider shall not make any disclosure or representation concerning this Agreement or any matter associated therewith without a prior written consent of the Client;

4.1.4. the Provider will be responsible for damage caused to the Client only to the extent that relates to Services rendered within this Agreement subject to Article 7.6.

#### **5. REPRESENTATIONS AND WARRANTIES OF THE CLIENT**

5.1. The Client represents that:

5.1.1. it shall ensure that its staff duly collaborate with the Provider and its Consultants Experts for the purpose of due performance of this Agreement;

5.1.2. it represents and warrants towards the Provider that it will ensure that no information concerning this Agreement or any matter pertinent thereto is disclosed or made public without a prior written consent of the Provider.

#### **6. RIGHTS AND OBLIGATIONS OF THE PARTIES**

6.1. The Provider undertakes to:

6.1.1. Advise the Client on the issues of the Agreement and stated appropriately by the Client. When giving such advice, the Service Provider shall rely on the documents and reference information supplied by the Client, as well as on the explanations and clarifications given by the specialists and/or management of the Client.

6.1.2. To provide the Client advice and expert opinions in written or verbal form.

6.1.3. If necessary, represent the Client with various authorities and issue respective power of attorneys.

6.1.4. Perform its obligations hereunder by the efforts of its own experts employed by the Provider under employment or civil law Agreements.

6.2. The Provider shall have the right to:

6.2.1. Copy the needed information from the Client and to keep such copies. All such copies shall be treated as confidential and shall not be subject to the third parties disclosure, unless the Client permits it in writing, except, for the cases described in Article 9 of this Agreement.

6.2.2. Obtain from the management or representatives of the management of the Client any explanations necessary for the Provider to fulfill the conditions of this Agreement.

6.2.3. Request explanations in verbal and written form from the specialists and management of the Client or representatives of the management.

6.2.4. Sub-contract any of its obligations under this Agreement to third parties, including the necessary specialists and experts, whose performance is carried out under the Provider's responsibility.

6.3. The Client undertakes to:

6.3.1. Timely and in full amount pay for the Services of the Provider.

6.3.2. Assist the Provider in business collaborating with the \_\_\_\_\_ (*please insert relevant country*) legal entities, whereas the Client has direct or indirect participation.

## **7. LIABILITY OF THE PARTIES**

7.1. It is expressly understood by the Client that advice, expert opinions and recommendations given by the Provider hereunder are the opinion of the Provider's specialists, based on their interpretation of the market condition, demands and supply and current legislation.

7.2. Said opinion may appear to not coincide with the opinion of representatives of the tax, judicial or other controlling authorities or other experts in the given sphere, including employees of the Client's counterparties. The Client is also aware that the risk of conflict between it and the controlling authorities and/or between it and its counterparties, employees, etc. will be minimized but not eliminated by following the Provider's recommendations.

7.3. In the event that such conflicts arise, the Parties shall not submit against each other any claims and/or other demands directly or indirectly based on the fact of said conflict.

7.4. The Provider shall be liable to the Client for actual harm caused to the latter if it is proved that said harm arose as a result of willful misconduct of the Provider.

7.5. Indirect, consequential damages

Notwithstanding anything contained in this Agreement to the contrary, neither party shall be liable to the other party for, and each party hereby releases, indemnifies, defends and holds harmless the other party from and against, any indirect, incidental, special, punitive, exemplary or consequential damages or losses (whether foreseeable or not at the date of this contract), including, without limitation, damages or losses for lost production, lost revenue, lost product, lost profit, lost business, or business interruptions, brought by or in favor of each party as indemnitor, arising out of, or related to, the performance of or subject matter of this Agreement, regardless of the cause, including without limitation any form of negligence, strict liability, breach of warranty (express or implied), breach of duty (statutory or otherwise), breach of contract, or any other legal fault or responsibility of either party, its employees or agents, or any other person or party.

7.6. Provider's overall aggregate liability

Notwithstanding anything to the contrary in this Agreement or elsewhere, the parties agree that Provider's maximum aggregate liability with respect to this contract and its subject matter shall be strictly limited to the amount of [.] USD ("Maximum Liability"). Client shall, to the maximum extent permitted under law, release, defend, indemnify and hold Provider, its parents, subsidiaries, and affiliated or related companies, and Provider's subcontractors, and each of its and their respective directors, officers, employees, consultants, agents and invitees, harmless from and against any and all claims, demands, causes of action, liabilities, damages, judgments, awards, losses, costs, penalties, fines and expenses including, without limitation, reasonable attorneys' fees and costs of litigation of any kind or character ("Claims"), without limit in excess of that Maximum Liability, asserted by or in favor of any person, party or entity, including, without limitation, Claims for damage to or loss or destruction of real or personal property belonging to any person, party or entity (including, without limitation, property belonging to Provider, Client or any third party), and Claims for personal or bodily injury to, sickness, disease or death of any person (including, without limitation, personnel of Provider, Client or any third party), and any indirect, incidental, special, punitive, exemplary or consequential damages or losses (which shall include any and all damages and losses for lost production, lost revenue, lost product, lost profit, lost business or business interruptions), regardless of the cause, including without limitation any form of negligence, strict liability, breach of warranty (express or implied),

breach of duty (statutory or otherwise), breach of contract, or any other legal fault or responsibility of Provider, Provider's subcontractors, Client, or any other person, party or entity.

7.7. The Parties agree and Client expressly acknowledges that the above liability limitations are fair and practice-like, they are well-balanced by the value of the service fees, and during the establishing of the contract conditions the Parties have taken into consideration these circumstances as well as the relation of the Parties.

## **8. TERM AND TERMINATION OF THE AGREEMENT**

8.1. This Agreement becomes effective on the Signature Date and continues to be effective for one (1) year, unless terminated in accordance with this Article.

8.2. The Parties may terminate this Agreement by entering into a mutual written understanding specifying the effective date of its termination.

8.3. Either Party shall be entitled to terminate this Agreement in writing, by sending a letter with 90 days of notice to the other Party without specifying the reasons thereof or liability for indemnification thereof.

8.4. The Parties may terminate the Agreement with a month notice period on the following grounds:

8.5. the other Party breaches any term of this Agreement and, if the breach may be remedied, the Party fails to provide a remedy within 14 days from the day, on which the terminating Party call for the other Party to discontinue the breach and to remedy the same. If it is a case of breach, which may not be remedied, the terminating party needs not call for the other Party to provide a remedy and to perform the agreement in a due manner.

8.6. if the competent body of either Party or a public authority of the country of its residence orders a winding up of the company with liquidation and without any successor-in-law.

8.7. if a petition in bankruptcy has been filed against any of the Parties and such a petition has not been rejected due to insufficient property or if a bankruptcy order was made against any Party or arrangement with creditors was ratified by the Court.

8.8. if any of the Parties ceases to be authorized to conduct its main business.

8.9. In case of default of the Client in the settlement of payments due under this Agreement for a period longer than 60 days, the Provider shall be entitled to terminate this Agreement. The termination

of the Agreement by the Provider shall not result in termination of any of the liabilities of the Client towards the Provider then due and payable.

8.10. Upon termination of this Agreement the Provider shall return any documents, records and other items belonging to the Client at the expense of the Client.

## **9. NON DISCLOSURE**

9.1. The Parties may have access to certain information, which are of confidential nature towards the other Party, including, but not limited to, information related to the fees for the services provided under this Agreement, and also any materials, which arose upon the provision of services under this Agreement and other information and documents of various nature, clearly identified as confidential and also information related to the Client and customers of both Parties (hereinafter referred to only as "Confidential Information"). Both Parties undertake to refrain from disclosing any Confidential Information for the term of this Agreement and thereafter.

9.2. Confidential Information concerning the Parties shall not include any information, which (a) is or may become known to the general public by reason other than the conduct or negligence of the other Party, or (b) was available to the other Party prior to the disclosure thereof and the other Party did not obtain the same directly or indirectly from the disclosing Party, or (c) were lawfully disclosed to the other Party by a third party without limitation of their disclosure, or (d) has been developed on an individual basis by the other Party without any breach of this Agreement, or (e) has been disclosed pursuant to the law.

9.3. The Parties have agreed not to disclose any Confidential Information related to the other Party in any form to any third party and not to use any such Confidential Information for any purpose other than the performance of this Agreement. Each of the Parties agrees to take all the reasonable steps in order to prevent disclosure or diffusions of Confidential Information by its statutory bodies, supervisory and other bodies, staff or its related Parties.

9.4. If either of the Parties learns of any breach of the confidentiality duty by any of its statutory representatives, members of its bodies, staff or any of its related parties, it shall promptly give a notice to the Client accordingly and shall provide to the same all the reasonable assistance in connection with any actions, which the Client may file against such parties.

9.5. Provider owns all material (including Intellectual Property Rights) developed by it, or its personnel, or at its or their direction. Provider may permit the Client to use this material, or other material licensed by the Provider, as part of the service. This permission is subject to any conditions which Provider may impose from time to time and will cease when the service is cancelled.

## **10. FORCE MAJEURE**

10.1 The Parties shall be partially or fully relieved from liability for non-performance hereunder in the event that such non-performance is caused by force-majeure circumstances (flood, fire, earthquake and other natural disasters, as well as wars and military actions and major strikes, acts of the government), on the condition that these circumstances were beyond the control of the Parties and made it impossible for either of the Parties to fulfill its obligations hereunder.

10.2 The Party for which it has become impossible to perform hereunder shall, within a maximum of 10 (ten) banking days of the onset or termination of the force-majeure circumstances, notify the other Party to this effect in writing. At the same time, performance hereunder shall be prolonged by a time commensurate with the duration of said circumstances. If, during this period, performance of obligations becomes impossible or inadvisable for the Parties, they may agree to terminate this Agreement.

10.3 On termination of this Agreement by reason of force-majeure, the Parties shall perform mutual settlements with respect to the obligations fulfilled as of the time the Agreement is terminated.

## **11. ASSIGNMENT OF RIGHTS AND DUTIES**

11.1 The Provider is entitled to transfer/assign the Agreement, in whole or in part or specific rights, obligations or claims set out in the Agreement to a third party provided that prior written notice is given to the Client. By the execution of this Agreement, the Client irrevocably approves any such transfer/assignment.

11.2 Client is entitled to transfer/assign the Agreement, in whole or in part or specific rights, obligations or claims set out in the Agreement to a third party with the previous written consent of the Provider.

## **12. SEVERABILITY**

In case any of the provisions of this Agreement ceases to be valid or enforceable, while the Agreement may still be duly performed in accordance with its purpose pursued by its execution, the other provisions of this Agreement shall remain in full force and effect.

## **13. WAIVER OF RIGHTS**

13.1 If in accordance with the provisions of the governing law any of the parties waives its rights arising out of any of the provisions of this Agreement or any breach thereof or out of generally binding legal regulations, it must give a written notice thereof to the other Party.

13.2 The waiver of rights under this Agreement or the waiver of any rights related to the breach of this Agreement by any Party shall not be construed as a waiver of any other rights or remedies in case of continued or other breach.

#### **14. ENTIRE AGREEMENT**

14.1 This Agreement constitutes the entire and final understanding between the Parties concerning the subject matter thereof and supersedes any and all previous agreements and representations, either written or verbal, with respect to its subject matter.

14.2 This Agreement may only be amended or modified in writing, while any such a modification or amendment must be duly undersigned by authorized representatives of both Parties.

#### **15. LAW AND JURISDICTION**

15.1 This Agreement shall be governed by the Turkish Law without referring to rules of conflict of laws.

15.2 Parties shall initially try to resolve a dispute amicably. Should the disputes be not solved in the amicable way during the 20 days from the issuance of dispute notice by disputed party, such disputes shall be treated according to the procedural law of Turkey.

15.3 The parties have agreed on the settlement of any dispute arising out of or in connection with this Agreement by arbitration through the TOBB Arbitration Council in accordance with the TOBB Arbitration Rules (“Rules”). The parties, by reading the Rules, shall declare that they have accepted to comply with its terms, obligations and consequences beforehand. The seat of arbitration shall be Ankara. The parties each undertake to pay half of the arbitration expenses that shall be notified subsequent to filing the suit before the TOBB Arbitration Council as an advance payment. Each party also undertakes to pay his share of the total expenses determined within the Arbitral Award approved by the Council. In the case where the defendant does not pay half of the advance payment, then the claimant shall be obliged to pay the total advance payment amount. It is determined by the parties that disputes shall be settled by [.] arbitrator(s).

15.4 This Agreement is prepared in two identical copies in English language.

15.5 This Agreement has been executed in \_\_\_ counterparts, \_\_\_ for each of the Parties.

#### **16. COSTS**

Either Party shall bear its own costs and expenses, which have accrued thereto in relation to the negotiations, preparation and effectiveness of this Agreement.

This Agreement is signed between the Parties on \_\_\_/\_\_\_/\_\_\_\_\_ (“Signature Date”) and comes into effect on the Signature Date.

On behalf of:

**Türkiye Petrolleri A.O.**

Signature: \_\_\_\_\_

Full name:

Job title:

Signature: \_\_\_\_\_

Full name:

Job title:

On behalf of:

\_\_\_\_\_

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Job title: \_\_\_\_\_

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

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