Article 140 - Benefit of mankind

1. Activities in the area shall be carried out for the benefit of mankind as a whole, irrespective of the geographical location of States, whether coastal or landlocked, and taking into particular consideration the interests and needs of the developing countries and peoples who have not attained full independence or other self-governing status as specifically provided for in this Part of the present Convention.

2. The Authority shall provide for the equitable sharing of benefits derived from the area through any appropriate mechanism in accordance with sub-paragraph (c) of paragraph 2 of Article 139.

Article 143 - Marine scientific research

1. Marine scientific research in the Area shall be carried out exclusively for peaceful purposes and for the benefit of mankind as a whole, in accordance with Part XIII of the present Convention.

New paragraph 2

2. The Authority may carry out marine scientific research concerning the Area and its resources, and may enter into contracts for that purpose. The Authority shall promote and encourage the conduct of marine scientific research in the Area, and shall co-ordinate and disseminate the results of such research and analysis when available.

3. States Parties may carry out marine scientific research in the Area. States Parties shall promote international co-operation in marine scientific research in the Area by:

   (a) Participation in international programmes and encouraging co-operation in marine scientific research by personnel of different countries and of the Authority;

   (b) Ensuring that programmes are developed through the Authority or other international bodies as appropriate for the benefit of developing countries and technologically less developed countries with a view to:

      (i) Strengthening their research capabilities;

      (ii) Training their personnel and the personnel of the Authority in the techniques and applications of research;

      (iii) Fostering the employment of their qualified personnel in activities of research in the Area;

   (c) Effective dissemination of the results of research and analysis when available, through the Authority or other international channels when appropriate.

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* Single underlining denotes changes from the ICPE.
* Double underlining denotes changes from previous IMO documents.
ANNEX II

Basic conditions of prospecting, exploration and exploitation

Title to minerals

1. Title to the minerals shall be passed upon recovery of the minerals pursuant to a contract of exploration and exploitation.

Prospecting

2. (a) (1) The Authority shall encourage the conduct of prospecting in the area.

(11) Prospecting shall be conducted only after the Authority has received a satisfactory written undertaking that the proposed prospector shall comply with the present Convention and the relevant rules and regulations of the Authority concerning protection of the marine environment, the training of personnel nominated by the Authority and accepts verification by the Authority of compliance. The proposed prospector shall, together with the undertaking, notify the Authority of the broad area or areas in which prospecting is to take place.

(111) Prospecting may be carried out by more than one prospector in the same area or areas simultaneously.

(1111) The Authority may close a particular area for prospecting when the available data indicates the risk of irreparable harm to a unique environment or unjustifiable interference with other uses of the area.

(b) Prospectng shall not confer any preferential, proprietary, exclusive or any other rights on the prospector with respect to the resources. A prospector shall however be entitled to recover a reasonable amount of resources of the area to be used for sampling.

Exploration and exploitation

3. (a) Exploration and exploitation shall be carried out only in areas specified in plans of work referred to in paragraph 3 of article 131 and approved by the Authority in accordance with the provisions of this annex and the relevant rules, regulations and procedures of the Authority.

(b) 

(c) Every plan of work approved by the Authority shall:

(1) Be in strict conformity with the present Convention and the rules and regulations of the Authority.
(ii) Ensure control by the Authority of activities in the Area in accordance with paragraph 4 of article 151;

(iii) Confer on the operator exclusive rights for the exploration and exploitation of the resources in the Area covered by the plan of work in accordance with the rules and regulations of the Authority. If the applicant presents a plan of work for one of the two stages only, the contract may confer exclusive rights with respect to such stage.

(d) Except for plans of work proposed by the Enterprise, each plan of work shall take the form of a contract to be signed by the Authority and the operator or operators upon approval of the plan of work by the Authority.

Qualifications of Applicants

4. (a) Applicants, other than the Enterprise, shall be qualified if they have the nationality or control, or ownership required by Article 151(2)(b) and if they follow the procedures and meet the standards established by the Authority by means of rules, regulations, and procedures.

(b) Except as provided in subparagraph (d) below, the qualification standards prescribed by the Authority shall relate to the financial and technical capabilities of the applicant and his performance under previous contracts with the Authority.

(c) The procedures for assessing the qualifications of States Parties which are applicants shall take into account their character as States.

(d) The qualification standards shall require that every applicant, without exception, shall be a State and the application shall be:

(1) to accept an enforceable and comply with the applicable obligations created by the provisions of the present Convention, rules and regulations adopted by the Authority, decisions of the organs of the Authority, and terms of his contracts with the Authority;

(ii) to accept control by the Authority of activities in the Area, as authorized by this Convention.

(iii) to provide the Authority with written assurances that its obligation covered by the contract entered into by it will be fulfilled in good faith.

(iv) to comply with the provisions on the transfer of technology set forth in paragraph 4 (D).

1/ Formerly paragraph (c)(i) in MCL/25 and Conv.1.
2/ Formerly paragraph (c)(iii) in MCL/25 and Conv.1.
3/ Formerly paragraph (c)(iv) in MCL/25 and Conv.1.
Transfer of technology

4(a)(ii) In respect of transfer of technology, every applicant, other than the Enterprise, shall:

Next: (i) Make available to the Authority a general description of the equipment and methods to be used in carrying out activities in the Area, as well as other relevant information about the characteristics of such technology and information as to where such technology is available on the open market. Such description shall be submitted with the application and thereafter whenever a substantial technological change or innovation is introduced.

Next: (ii) Undertake to use, in carrying out activities in the Area, technology other than that covered by subparagraph (iii) and which is not generally available on the open market only if he has obtained written assurance from the owner of the technology that he will, if and when the Authority so requests, make available to the Enterprise to the same extent as made available to the operator that technology under licence or other appropriate arrangements, and on fair and reasonable commercial terms and conditions. Should an owner of technology refuse to honour his assurance when requested by the Authority, subsequent assurances by him shall not be accepted, and if the owner who refuses to honour his assurance has a corporate or equity relationship with the applicant, his refusal shall be considered relevant to the applicant's qualifications and any subsequent proposed plan of work.

(iii) Undertake to make available to the Enterprise, if he receives the contract and on fair and reasonable commercial terms and conditions, the technology which is to be used by him in carrying out activities in the Area and which he is legally entitled to transfer. This shall be done upon the conclusion of the contract and if and when the Authority shall so request by means of licence or other appropriate arrangements which the Contractor shall negotiate with the Enterprise and which shall be set forth in a special agreement supplementary to the contract. This commitment may be invoked only if the Enterprise finds that it is unable to obtain the same or equally efficient and useful technology on the open market on fair and reasonable terms and conditions.

Next: (iv) Undertake to facilitate, upon the conclusion of the contract and if and when the Authority so requests, the acquisition by the Enterprise, under licence or other appropriate arrangements, and on fair and reasonable commercial terms and conditions, of the technology covered by subparagraph (a)(ii) above.

(v) Undertake the same obligations as those prescribed in subparagraphs (ii), (iii) and (iv) for the benefit of a developing country or a group of developing countries which has applied for a contract under paragraph 5 (tertius) provided that these obligations shall be limited to the exploitation of the reserved part of the area proposed by the applicant, and provided that activities under the contract sought by the developing country or group of developing countries would not involve transfer of technology to a third country or the nationals of a third country.

(vi) In the event that the Enterprise is unable to obtain appropriate technology on fair and reasonable commercial terms and conditions to commence a timely manner the processing or the utilization of the minerals to be recovered from the Area, the States Parties which are engaged in activities in the Area, and other States Parties having access to such technology, shall consult together and shall take effective measures to ensure that such technology is made available to the interacting parties on fair and reasonable commercial terms and conditions.

(b) If upon request in accordance with this paragraph the pertinent negotiations fail within a reasonable time to reach agreement on the terms and conditions of transfer to the Enterprise, either party may refer any matter arising in the application to the Conciliation in accordance with Article IV of this Convention. The Conciliation shall within 90 days make recommendations to the parties which shall form the basis of further negotiations. Should the latter negotiations fail to reach agreement on the terms and conditions of transfer to the Enterprise acting on behalf of the Authority, the contractor may thereafter refer to Binding Commercial Arbitration in accordance with the UNCITRAL Arbitration Rules (or other arbitration rules if and when prescribed in the rules, regulations and procedures of the Authority), within the dispute otherwise the offer made are within the range of fair and reasonable commercial terms and conditions, in cases where the arbitral tribunal determines that the contractors offer is not within that range and the contractor fails to revise its offer, the tribunal shall make an award, where the dispute in the pertinent negotiations refer to matters other than the terms and conditions of transfer and the parties fail to reach agreement in negotiations subsequent to the recommendations of the Conciliation.

2/ Formerly paragraph 5(i)(iv) in BG/1/3 and Corr.1 with amendments.
Commission, either party may within 60 days, refer the matter to the appropriate disputes settlement mechanism established in the Convention for its decision. In the event that the contractor does not accept or fails to implement, the arbitral award, or the decision of the appropriate tribunal, the contractor shall be liable to penalties in accordance with the provisions of paragraph 12 of this Annex.

(c) In the case of joint ventures with the enterprise technology transfer will be in accordance with the terms of the joint venture agreement.

Approval of Plans of Work

submitted by applicants

5.

(a) 6/ Six months after the entry into force of the present Convention, and thereafter each fourth month the Authority shall take up for consideration proposed plans of work.

(b) 7/ When considering an application for a contract with respect to exploration and exploitation, the Authority shall first ascertain whether

(i) the applicant has complied with the procedures established for applications in accordance with paragraph 4 of this annex and has given the Authority the commitments and assurances required by that paragraph. In cases of non-compliance with these procedures or of absence of any of the commitments and assurances referred to, the applicant shall be given 45 days to remedy such defects;

(ii) the applicant possesses the requisite qualifications pursuant to paragraph 4.

Note: (c) All plans of work proposed by qualified applicants shall be dealt with in the order in which they were received, and the Authority shall conduct, as expeditiously as possible, an inquiry in connexion with operational requirements, financial contribution, and transfer of technology as provided in the relevant provisions of the present Convention and this annex. As soon as the issues under investigation have been settled, the Authority shall approve such plans of work, provided that they conform to the uniform and non-discriminatory requirements established by the rules, regulations and procedures of the Authority, unless:

(i) Part or all of the proposed area is included in a previously approved plan of work or a previously submitted proposed plan of work which has not yet been finally acted on by the Authority;

(ii) Part or all of the proposed area is disapproved by the Authority pursuant to Article 162, paragraph 2(dii); or

6/ Formerly paragraph 5(a) in NII/13 and Corr.1, with amendments.
7/ Formerly paragraph 5(b) in NII/13 and Corr.1.
(iii) Selection among applications received during that period of time is
necessary because approval of all plans of work proposed or
undertaken in that period would be contrary to the production limitation set forth in
Article 150(bis), paragraph 2, or to the obligations of the Authority
under a commodity agreement or arrangement to which it has become a
party, as provided for in Article 150(bis), paragraph 2; or

(iv) The proposed plan of work has been submitted or sponsored by a State
Party which has already had approval:

- plans of work for exploration and exploitation of sites
  not reserved pursuant to paragraph 5 (tertius) below within a circular
  area of 400,000 square kilometers which is centered upon a point
  selected by the applicant within the designated additional area,

- plans of work for exploration and exploitation of sites not
  reserved pursuant to paragraph 5 (tertius) below which in aggregate
  size constitute three per cent of the total sealable area which is not
  reserved pursuant to that paragraph or otherwise withdrawn by the
  Authority from eligibility for exploitation pursuant to Article 163,
  paragraph 3(dii).

Note:

(a) For the purpose of the standard set forth in subparagraph (a)(iv)
above, a plan of work proposed by a consortium shall be evaluated on a pro rata
basis among the States Parties whose nationals compose the consortium. The
Authority may approve plans of work proposed by subparagraph (a)(iv) above if it
determines that such approval would not permit a State Party or persons sponsored
by it to monopolize the conduct of activities in the area or to preclude other
States Parties from activity in the area.

Selection of applicants

Note:

5. (bis) (a) Where the selection must be made among applicants because of the
production limitation set forth in Article 150(bis), paragraph 2, or because of
the obligations of the Authority under a commodity agreement or arrangement to
which it has become a party, as provided for in Article 150(bis), paragraph 1,
the Authority shall make the selection on the basis of objective and
non-discriminatory standards set forth in rules and regulations drawn up in
accordance with this paragraph.

(b) The Authority shall consider all qualified applications received within
the preceding period of time, as prescribed in the rules, regulations, and
procedures, and shall give priority to those which:

(i) give better assurance of performance, taking into account the
financial and technical qualifications of the proposed operator and
performance, if any, under previously approved plans of work; or

(ii) provide any additional prospective financial benefit to the
Authority, taking into account when production is scheduled to
begin.
(a) Selection shall be made taking into account the need to provide for all States Parties, irrespective of their social and economic systems or geographical locations, opportunities to participate in activities in the area, the need to prevent monopolization of such activities and the need to exploit reserved sites, and on the basis of a determination of equitable merit, taking into account the resources and effort already invested by prospective operators in prospecting and in exploration, if any.

(b) When, due to the same reasons set forth in paragraph (a) of this paragraph, the selection must be made among the Enterprises and applicants for contracts, the Authority shall have priority to exploit the area reserved to it under paragraph 5 (tertius) below within the policies of article 130(bis), either solely through the Enterprise or through joint ventures with States or with private parties sponsored by the States.

(c) The Authority shall make its decisions pursuant to this paragraph as promptly as possible after the close of each period.

Reservation of sites

5. (tertius) (a) 9/ Each application, other than those submitted by the Enterprise or by any other for reserved sites, shall cover a total area which need not be a single continuous area but shall be sufficiently large and of sufficient value to allow the mining operation. The proposed operation shall indicate the co-ordinates dividing the area into two parts of equal estimated commercial value. Within forty-five days of receiving the data necessary to make the assessment of the value of the sites from the applicant, the Authority shall designate the part which is to be reserved solely for the conduct of activities by the Authority through the Enterprise or in association with developing countries. The area designated shall become a reserved area as soon as the plan of work for the non-reserved area is approved and the contract is signed.

(b) 9/ The Enterprise shall be given an opportunity to decide whether it wishes itself to conduct activities in each area reserved pursuant to this paragraph.

(c) 10/ In conducting activities in the areas reserved pursuant to this paragraph, the Enterprise may enter into joint arrangements with any entity qualified to conduct activities in the area. In such joint arrangements appropriate provisions shall be made for participation by developing countries, the nature and extent of such participation to be approved by the Authority.

(d) Nothing in this paragraph shall be interpreted as preventing the Enterprise from carrying out activities in accordance with this annex in any part of the Area not included in a previously approved plan of work or a previously submitted plan of work which has not yet been finally acted on by the Authority.

Separate stages of operations

5. (quartus) 12/ If an operator in accordance with subparagraph (e)(iii) of paragraph 3 of this annex has an approved plan of work for exploration only, he shall have a preference and a priority among applicants for a plan of work for exploitation with regard to the same areas and resources; provided, however, that where the operator's performance has not been satisfactory such preference or priority may be withdrawn.

Joint arrangements

5. (quintus) (a) 13/ Contracts for the exploration and exploitation of the resources of the Area may provide for joint arrangements between the Contractor and the Authority through the Enterprise, in the form of joint ventures, production sharing or service contracts, as well as any other form of joint arrangement for the exploration or exploitation of the resources of the Area.

(b) 14/ Contractors entering into such joint arrangements with the Enterprise may receive financial incentives as provided for in the financial arrangements established in paragraph 7 of this annex.

Activities conducted by the Enterprise

6. 15/ Activities in the Area conducted under subparagraph (d) of paragraph 2 of article 15 of the Enterprise shall be governed by the provisions of Part XI of the present Convention, the rules, regulations and procedures of the Authority and its relevant decisions.

New (b) Any plan of work proposed by the Enterprise shall be accompanied by evidence supporting its financial and technological capability.

Financial terms of contracts

12/ Formerly paragraph 5(h) in NGL/13 and Corr. 1.
13/ Formerly paragraph 5(i) in NGL/13 and Corr. 1.
14/ Formerly paragraph 5(h) in NGL/13 and Corr. 1, with amendments.
15/ Formerly paragraph 6 in Annex 2 of the NGL.
Transfer of data

8. (a) The operator shall transfer in accordance with the rules and regulations and the terms and conditions of the plan of work to the Authority at time intervals determined by the Authority all data which are both necessary and relevant to the effective implementation of the powers and functions of the principal organs of the Authority in respect of the area covered by the plan of work.

(b) Transferred data in respect of the area covered by the plan of work, deemed to be proprietary may only be used for the purpose set forth above in this paragraph. Data which are necessary for the proclamation of rules and regulations concerning protection of the marine environment and safety shall not be deemed to be proprietary.

(c) Data transferred to the Authority by prospectors, applicants for contracts for exploration and exploitation, and contractors, deemed to be proprietary, shall not be disclosed by the Authority. The responsibilities set forth in paragraph 2 of Art. 167 are equally applicable to the staff of the Authority.

Training programmes

9. The Contractor shall draw up practical programmes for the training of personnel of the Authority and developing countries, including the participation of such personnel in all activities covered by the contract, in accordance with paragraph (b) of Article 144.

Exclusive right to explore and exploit

10. The Authority shall, pursuant to Part XI of the present Convention and its rules and regulations prescribed by the Authority, accord the operator the exclusive right to explore and exploit the area covered by the plan of work in respect of a specified category of minerals and shall ensure that no other entity operates in the same area for a different category of minerals in a manner which might interfere with the operations of the operator.

An operator shall have security of tenure in accordance with paragraph 6 of Article 151.

Rules, Regulations and Procedures

11. (a) The Authority shall adopt and uniformly apply rules, regulations and procedures for the implementation of its functions as prescribed in Part XI of the present Convention, on the following matters:

(1) Administrative procedures relating to prospecting, exploration and exploitation in the area.
(2) Operations

(i) Size of area;

(ii) Duration of operations;

(iii) Performance requirements including assurances pursuant to paragraph 4 (d)(iii);

(iv) Categories of minerals;

(v) Renunciation of areas;

(vi) Progress reports;

(vii) Submission of data;

(viii) Inspection and supervision of operations;

(ix) 

(x) Prevention of interference with other activities in the marine environment;

(xi) Transfer of rights by a Contractor;

(xii) Procedures for transfer of technology to developing countries in accordance with Article 144 and for their direct participation;

(xiii) Mining standards and practices including those relating to operational safety, conservation of the resources and the protection of the marine environment;

(xiv) 

(xv) Definition of commercial production;

(xvi) Qualification standards related to transfer of technology.

(3) Financial matters

(i) Establishment of uniform and non-discriminatory costing and accounting rules, as well as the method of selection of auditors;

(ii) Apportionment of proceeds of operations;

(iii) The incentives referred to in paragraph 7.

(4) Rules, regulations and procedures to implement decisions of the Council taken in pursuance of Articles 150 (bis) and 162, paragraph 7.

(a) Regulations on the following items shall fully reflect the objective criteria set out below:
(1) **Size of area**

The Authority shall determine the appropriate size of area for exploration which may be up to twice as large as those for exploitation in order to permit intensive exploration operations. Areas for exploitation shall be calculated to satisfy the requirements of paragraph 5, (d), (e) and (f). The authority shall reserve of sites as well as stated production requirements over the term of the contract taking into account the state of the art of technology then available for ocean mining and the relevant physical characteristics of the area. Areas shall neither be smaller or larger than are necessary to satisfy this objective.

(2) **Duration of operations**

(i) Prospecting shall be without time-limit;

(ii) Exploration should be of sufficient duration as to permit a thorough survey of the specific area, the design and construction of mining equipment for the area, the design and construction of small and medium-size processing plants for the purpose of testing mining and processing systems;

(iii) The duration of exploitation should be related to the economic life of the mining project, taking into consideration such factors as the depletion of the ore, the useful life of mining equipment and processing facilities, and commercial viability. Exploitation should be of sufficient duration as to permit commercial extraction of minerals of the area and should include a reasonable time period for construction of commercial-scale mining and processing systems, during which commercial production should not be required. The total duration of exploitation, however, should also be short enough to give the Authority an opportunity to amend the terms and conditions of the plan of work at the time it considers renewal in accordance with rules and regulations which it has issued subsequent to entering into the plan of work.

(3) **Performance requirements**

The Authority shall require that during the exploration stage, periodic expenditures be made by the operator which are reasonably related to the size of the area covered by the plan of work and the expenditures which would be expected of a bona fide operator who intended to bring the area into commercial production within the time-limits established by the Authority. Such required expenditures shall not be established at a level which would discourage prospective operators with less costly technology than is presently in use. The Authority shall establish a maximum time interval after the exploration stage is completed and the exploitation stage begins to achieve commercial production. To determine this interval, the Authority should take into consideration that construction of large-scale mining and processing systems cannot be initiated until after the termination of the exploration stage and the commencement of the exploitation stage. Accordingly, the interval to bring an area into commercial production should take into account the time necessary for this construction after the completion of the exploration stage and reasonable allowance should be made for unavoidable delays in the construction schedule.
Once commercial production is achieved in the exploitation stage, the Authority shall within reasonable limits and taking into consideration all relevant factors require the operator to maintain commercial production throughout the period of the plan of work.

(4) Categories of minerals

In determining the category of mineral in respect of which a plan of work may be approved, the Authority shall give emphasis inter alia to the following characteristics:

(i) Resources which require the use of similar mining methods; and

(ii) Resources which can be developed simultaneously without undue interference between operators in the same area developing different resources.

Nothing in this paragraph shall deter the Authority from granting a contract for more than one category of mineral in the same area to the same applicant.

(5) Rescission of areas

The operator shall have the right at any time to rescind without penalty the whole or part of his rights in the area covered by a plan of work.

(6) Protection of the marine environment

Rules and regulations shall be drawn up in order to secure effective protection of the marine environment from harmful effects directly resulting from activities in the area or from shipboard processing immediately above a mine site of minerals derived from the mine site, taking into account the extent to which such harmful effects may directly result from drilling, dredging, coring and excavation as well as disposal, dumping and discharge into the marine environment of sediment, wastes or other effluents.

(7) Commercial production

Commercial production shall be deemed to have begun if an operator engages in activity of sustained large-scale recovery operations which yield a sufficient quantity of materials as to indicate clearly that the principal purpose is large-scale production rather than production intended for information gathering, analysis or equipment or plant-testing.

Penalties

12. (a) A Contractor's rights under the contract concerned may be suspended or terminated only in the following cases:

(i) If, in spite of warnings by the Authority, the Contractor has conducted his activities in such a way as to result in serious and willful violations of the fundamental terms of the contract, Part XI of the present Convention and the rules and regulations of the Authority.
(ii) If a Contractor has failed to comply with a final binding decision of the dispute-settlement body applicable to him.

(b) The Authority may impose upon the Contractor monetary penalties proportionate to the seriousness of the violation in any case of violation of terms of contract not covered under subparagraph (a) above.

(c) Except in cases of emergency orders as provided for in subparagraph (xi) of paragraph 5 of Article 16, the Authority may not execute a decision involving monetary penalties, suspension or termination until the Contractor has been accorded a reasonable opportunity to exhaust his judicial remedies available to him pursuant to section 6 of Part XII of the present Convention.

Revision of Contract

13. When circumstances have arisen, or are likely to arise, which, in the opinion of either party, would render the contract inequitable or make it impracticable or impossible to achieve the objectives set out in the contract or in Part XI of the present Convention, the parties shall enter into negotiations to adjust it to new circumstances.

(b) Any contract entered into in accordance with paragraph 3 of Article 151, may be revised only with the consent of the parties.

Transfer of Rights and Obligations

14. The rights and obligations arising out of a contract shall be transferred only with the consent of the Authority, and in accordance with the rules and regulations adopted by it. The Authority shall not unreasonably withhold consent to the transfer if the proposed transferee is a qualified applicant, and assumes all of the obligations of the transferor.

Applicable Law

15. (a) The law applicable to the contract shall be the provisions of Part XI of the present Convention, the rules and regulations of the Authority, the terms and conditions of the contract, and other rules of international law not inconsistent with the present Convention. Any final decision rendered by a court or tribunal having jurisdiction or sitting of the present convention relating to the rights and obligations of the Authority and of the Contractor shall be valid and enforceable in the territory of each State Party.

(b) No State Party may impose conditions on a Contractor that are inconsistent with Part XI of the present Convention. However, the application by a State Party of environmental or other regulations to sea-bed mining it sponsors or to ships flying its flag, more stringent than those imposed by the Authority pursuant to subparagraph (b)(6) of paragraph 11 of this annex, shall not be deemed inconsistent with Part XI of the present Convention.
Liability

16. Any responsibility or liability for wrongful damage arising out of the conduct of operations by the Contractor shall lie with the Contractor, account being taken of contributory factors by the Authority. Similarly, any responsibility or liability for wrongful damage arising out of the exercise of the powers and functions of the Authority shall lie with the Authority account being taken of contributory factors by the Contractor. Liability in every case shall be for the actual amount of damages.

Revised: Suggested Compromise Formula by
the Chairman of Negotiating Group 1

Corrigendum

1. Page 2, Article 150, paragraph (d), line 2 should read:
   Area as needed, in conjunction with minerals produced from other sources,
   to ensure supplies.

2. Page 10, sub-paragraph (vi) should be inserted as new sub-paragraph (c).

3. Page 11, sub-paragraph (e) should be renumbered as sub-paragraph (d).

4. Page 12, after sub-paragraph (d) insert new sub-paragraph (e)
   New: (e) For the purposes of this paragraph, "technology" means the equipment
   and technical know-how, including manuals, designs, operating
   instructions, training and technical advice and assistance necessary to
   assemble, maintain and operate a system for the exploration for and
   exploitation of the resources of the Area and the non-exclusive legal
   right to use these items for that purpose.

5. Page 17 sub-paragraph (xxx) should read
   Qualification standards for applicants

   /* Single underlining denotes changes from the ICNF.
   Double underlining denotes changes from previous NEL documents. */