INFORMAL REVISION OF ANNEX 4 OF THE MINING CODE
(ISBA/5/C/CRP.3) PREPARED BY THE SECRETARIAT TOGETHER WITH
THE PRESIDENT OF THE COUNCIL

Introductory Note

The present document contains an informal revision of Annex 4 of the draft Mining Code proposed by the Legal and Technical Commission (ISBA/5/C/4/Rev.1) in light of the comments and proposals made during the informal meetings of the Council during the fifth session of the Authority. Such informal meetings took place on 10, 11, 12 and 13 August 1999.
Annex 4

STANDARD CLAUSES FOR EXPLORATION CONTRACT

Section 1
Definitions

1.1 In the following clauses:

(a) "exploration area" means that part of the Area allocated to the Contractor for exploration, described in Schedule 1 hereto, as the same may be reduced from time to time in accordance with this contract and the Regulations;

(b) "programme of work" means the programme of work which is set out in Schedule 2 hereto as the same may be adjusted from time to time in accordance with sections 4.3 and 4.4 hereof;

(c) "Regulations" means the rules, regulations and procedures adopted by the Authority from time to time and which are in effect at the date of entry into force of this contract or which may be incorporated into this contract by written agreement or which may apply to this contract as a consequence of a revision thereof.

1.2 Terms and phrases defined in the Regulations shall have the same meaning in these standard clauses.

1.3 In accordance with the Agreement, its provisions and Part XI of the Convention are to be interpreted and applied together as a single instrument; this contract and references in this contract to the Convention are to be interpreted and applied accordingly.

1.4 This contract includes the schedules to this contract, which shall be an integral part hereof.

Section 2
Security of Tenure

2.1 The Contractor shall have security of tenure and this contract shall not be suspended, terminated or revised except in accordance with sections 19, 20 and 23 hereof.

2.2 The Contractor shall have the exclusive right to explore for polymetallic nodules in the exploration area in accordance with the terms and conditions of this contract. The Authority shall ensure that no other entity operates in the exploration area for a different category of resources in a manner that might unreasonably interfere with the operations of the Contractor.

2.3 The Contractor, by notice to the Authority, shall have the right at any time to renounce without penalty the whole or part of its rights in the exploration area, provided that the Contractor shall remain liable for all obligations accrued prior to the date of such renunciation in respect of the area renounced.

2.4 Nothing in this contract shall be deemed to confer any right on the Contractor other than those rights expressly granted herein. The Authority reserves the right to enter into contracts with respect to resources other than polymetallic nodules with third parties in the area covered by this contract.
Section 3
Contract term

3.1 This contract shall enter into force on signature by both parties and shall remain in force for a period of fifteen years thereafter unless:

(a) the Contractor obtains a contract for exploitation in the exploration area which enters into force before the expiration of such period of fifteen years; or
(b) the contract is sooner terminated.

provided that the term of the contract may be extended in accordance with sections 3.2 and 16.2 hereof.

3.2 Upon application by the Contractor, not later than six months before the expiration of this contract, this contract may be extended for periods of not more than five years each on such terms and conditions as the Authority and the Contractor may then agree in accordance with the Regulations. Such extensions shall be approved if the Contractor has made efforts in good faith to comply with the requirements of this contract but for reasons beyond the Contractor’s control it has been unable to complete the necessary preparatory work for proceeding to the exploitation stage or if the prevailing economic circumstances do not justify proceeding to the exploitation stage.

3.3 Notwithstanding the expiration of this contract in accordance with section 3.1 hereof, if the Contractor has, at least 90 days prior to the date of expiration, applied for a contract for exploitation, the Contractor’s rights and obligations under this contract shall continue until such time as the application has been considered and a contract for exploitation has been issued or refused.

Section 4
Exploration

4.1 The Contractor shall commence exploration in accordance with the time schedule stipulated in the programme of work set out in Schedule 2 hereof and adhere to such time periods or any modifications thereto as provided for by this contract.

4.2 During the term of this contract, the Contractor shall carry out the programme of work set out in Schedule 2 hereof. In carrying out such work the Contractor shall spend in each contract year not less than the amount specified in such programme, or any agreed review thereof, in actual and direct exploration expenditures.

4.3 The Contractor, with the consent of the Council, which consent shall not be unreasonably withheld, may from time to time make such changes in the programme of work and the expenditures specified therein as may be necessary and prudent in accordance with good mining industry practice, and taking into account the market conditions for the metals contained in polymetallic nodules and other relevant global economic conditions.

4.4 Not later than ninety days prior to the expiration of each five-year period from the date on which this contract enters into force in accordance with section 3 hereof, the Contractor and the Secretary-General shall jointly undertake a review of the implementation of the programme of work under this contract. The Secretary-General may require the Contractor to submit such additional data and information as may be necessary for the purposes of the review. Following such review, such adjustments shall be made to the programme of work and the expenditures specified therein as are
necessary in the light of the review. Such adjustments shall be agreed between the contractor and the Secretary-General and approved by the Council.

Section 5

Environmental monitoring

5.1 The Contractor shall take precautionary measures to anticipate, prevent or minimize any adverse impacts on the marine environment arising from its activities in the Area as far as reasonably possible using the best available technology.

5.2 The Contractor shall, in accordance with the Regulations, gather environmental baseline data as exploration activities progress and develop and shall establish environmental baselines against which to assess the likely effects of the Contractor's activities on the marine environment.

5.3 The Contractor shall, in accordance with the Regulations, establish and carry out a programme to monitor and report on such effects on the marine environment. The Contractor shall cooperate with the Authority in the implementation of such monitoring.

5.4 The Contractor shall, within 90 days of the end of each calendar year, report to the Secretary-General on the implementation and results of the monitoring programme referred to in section 5.3 hereof and shall submit data and information in accordance with the Regulations.

5.5 Prior to the commencement of testing of collecting systems and processing operations, the Contractor shall submit to the Authority:

(a) a site-specific environmental impact statement based on available meteorological, oceanographic and environmental data collected during the preceding phases of exploration and containing data that could be used to establish an environmental baseline against which to assess the likely effect of the proposed tests;

(b) an assessment of the likely effects on the marine environment of the proposed tests;

(c) a proposal for a monitoring programme to determine the effect on the marine environment of the equipment that will be used during the proposed tests.

Section 6

Contingency plans and emergencies

6.1 The Contractor shall, prior to the commencement of its programme of work under this contract, submit to the Secretary-General a contingency plan to respond effectively to incidents that are likely to cause serious harm to the marine environment arising from the Contractor's activities at sea in the exploration area. Such contingency plan shall establish special procedures and provide for adequate and appropriate equipment to deal with such incidents and, in particular, shall include arrangements for:

(a) the immediate raising of a general alarm in the area of the exploration activities;

(b) immediate notification to the Secretary-General;

(c) the warning of ships which might be about to enter the immediate vicinity;
(d) a continuing flow of full information to the Secretary-General relating to particulars of the contingency, measures already taken and further actions required;

(e) the removal, as appropriate, of polluting substances;

(f) the reduction and, in so far as reasonably possible, prevention of serious harm to the marine environment, as well as mitigation of such effects;

(g) as appropriate, cooperation with other contractors with the Authority to respond to a contingency; and

(h) periodic emergency exercises.

6.2 The Contractor shall promptly report to the Secretary-General any incident arising from its activities that has caused or is likely to cause serious harm to the marine environment. Each such report shall contain the details of such incident, including, inter alia:

(a) the coordinates of the area affected or which can reasonably be anticipated to be affected;

(b) the description of the action being taken by the Contractor to prevent, contain, minimize and repair the serious harm to the marine environment;

(c) a description of the action being taken by the Contractor to monitor the effects of the incidents on the marine environment;

(d) such supplementary information as may reasonably be required by the Secretary-General.

6.3 The Contractor shall comply with emergency orders issued by the Council and immediate measures of a temporary nature issued by the Secretary-General in accordance with the Regulations, to prevent, contain and minimize serious harm to the marine environment, which may include orders to the Contractor to immediately suspend or adjust any activities in the exploration area.

6.4 If the Contractor does not promptly comply with such emergency orders or immediate measures of a temporary nature, the Council may take such reasonable measures as are necessary to prevent, contain and minimize any serious harm to the marine environment at the Contractor's expense. The Contractor shall promptly reimburse the Authority the amount of such expenses. Such expenses shall be in addition to any monetary penalties which may be imposed on the Contractor pursuant to the terms of this contract or the Regulations.

Section 6 bis

Objects of an archaeological or historical nature

The Contractor shall immediately notify the Secretary-General in writing of any finding in the exploration area of an object of an archaeological or historical nature and its location. Following the finding of any such object of an archaeological or historical nature in the exploration area, the Contractor shall take all reasonable measures to avoid disturbing such object.
Section 7
Training

7.1 In accordance with the Regulations, the Contractor shall, prior to the commencement of exploration under this contract, submit to the Authority for approval proposed training programmes for the training of personnel of the Authority and developing States, including the participation of such personnel in all of the Contractor's activities under this contract.

7.2 In accordance with regulation 23, the scope and financing of the training programme shall be subject to negotiation between the Contractor, the Authority and the sponsoring State or States.

7.3 The Contractor shall conduct training programmes in accordance with the specific programme for the training of personnel referred to in section 7.1 hereof approved by the Authority in accordance with the Regulations, which programmes, as revised and developed from time to time, shall become a part of this contract as Schedule 3.

Section 8
Books and records

The Contractor shall keep a complete and proper set of books, accounts and financial records, consistent with internationally accepted accounting principles. Such books, accounts and financial records shall include information which will fully disclose the actual and direct expenditures for exploration and such other information as will facilitate an effective audit of such expenditures.

Section 9
Annual reports

9.1 The Contractor shall, within 90 days of the end of each calendar year, submit a report to the Secretary-General covering its activities in the exploration area and containing, as far as applicable:

(a) details of all the exploration work carried out during the calendar year, including results of testing of technologies and maps, charts and graphs illustrating the work that has been done and the results obtained;

(b) the estimation of mineable areas, when such areas have been identified, which shall include details of the grade and quantity of the proven, probable and possible polymetallic nodules reserves and the anticipated mining conditions;

(c) details of the equipment used to carry out the exploration work;

(d) the results of observations, measurements, evaluations and analyses of environmental parameters for the area;

(e) the results of environmental monitoring programmes;

(f) information on the implementation of training programmes, including any proposed revisions to or developments of such programmes;

(g) a statement of the quantity of polymetallic nodules recovered as samples or for the purpose of testing;
(h) a statement, in conformity with internationally accepted accounting principles and
certified by a duly qualified firm of public accountants, or, where the Contractor is a State or a state
enterprise, by the sponsoring State, of the actual and direct exploration expenditures of the Contractor in
carrying out the programme of work during the contractor's accounting year. Such expenditures may
be claimed by the contractor as part of the contractor's development costs incurred prior to the
commencement of commercial production; and

(f) details of any proposed adjustments to the programme of work and the reasons for such
adjustments.

9.2 The Contractor shall also submit additional reports to the Secretary-General in such form, in such
detail and at such times as the Secretary-General may from time to time reasonably require in order to
carry out the Authority's functions under this contract, the Regulations and the Convention.

9.3 The Contractor shall keep, in good condition, a representative portion of samples of polymetallic
nudules obtained in the course of exploration until the expiration of this contract. The Authority may
request the Contractor in writing to deliver to it for analysis a portion of any such sample obtained during
the course of exploration.

Section 10

Data and information to be submitted on expiration of the contract

10.1 The Contractor shall transfer to the Authority all data and information that are both necessary for,
and relevant to the effective exercise of the powers and functions of the Authority in respect of the
exploration area in accordance with the provisions of this section.

10.2 Upon expiration or termination of this contract the Contractor, if it has not already done so, shall
submit the following data and information to the Secretary-General:

(a) copies of all geological, environmental, geochemical and geophysical data acquired by
the Contractor in the course of carrying out the programme of work;

(b) copies of all geological, technical, financial and economic reports made by or for the
contractor, including interpretations concerning the mineral prospects in the exploration area;

(c) copies of any other related data recorded by the Contractor in connection with the
programme of work;

(d) details of the equipment used to carry out the exploration work; and

(e) a statement of the quantity of polymetallic nodules recovered as samples or for the
purpose of testing.

(f) a representative portion of the samples retained by the Contractor pursuant to section
9.3 hereof.

10.3 The data and information referred to in section 10.2 hereof shall also be submitted to the
Secretary-General if, prior to the expiration of this contract, the Contractor applies for approval of a plan
of work for exploitation or if the Contractor renounces its rights in the exploration area to the extent that
such data and information relates to the renounced area.
Section 11
Confidentiality

11.1 Data and information of commercial value transferred to the Authority in accordance with this contract shall be treated as confidential in accordance with the provisions of this section and the Regulations. The Contractor shall identify such data and information as it believes are of commercial value in accordance with the Regulations.

11.2 The Secretary-General shall not, except with the prior written consent of the Contractor, release such data and information to any person external to the Authority. Confidential data and information may only be used by the Authority as necessary for and relevant to the effective exercise of the powers and functions of the Authority in respect of the exploration area.

11.3 Confidential data and information shall remain confidential for a period of ten years after the expiration of this contract. If the Contractor subsequently within such ten-year period enters into a contract for exploitation in respect of any part of the exploration area, such data and information relating to such area shall remain confidential in accordance with the terms of the contract for exploitation.

Section 12
Undertakings

12.1 The Contractor shall carry out exploration in accordance with the terms and conditions of this contract, the Regulations, Part XI of the Convention, the Agreement and other rules of international law not incompatible with the Convention.

12.2 The Contractor undertakes:

(a) to accept as enforceable and comply with the terms of this contract;

(b) to comply with the applicable obligations created by the provisions of the Convention, the Agreement and the Regulations, and the decisions of the organs of the Authority;

(c) to accept control by the Authority of activities in the Area, as authorized by the Convention;

(d) to fulfil its obligations under this contract in good faith; and

(e) to observe, as far as reasonably practicable, any recommendations which may be issued from time to time by the Legal and Technical Commission.

12.3 The Contractor shall actively carry out the programme of work:

(a) with due diligence, efficiency and economy;

(b) with due regard to the impact of its activities on the marine environment; and

(c) with reasonable regard for other activities in the marine environment.

12.4 The Authority undertakes to fulfil in good faith its powers and functions under the Convention and the Agreement in accordance with article 157 of the Convention.
Section 13

Inspection

13.1 The Contractor shall permit the Authority to send its inspectors on board vessels and installations used by the Contractor to carry out activities in the exploration area in order to:

(a) monitor the Contractor's compliance with the terms and conditions of this contract and the Regulations; and

(b) monitor the effects of such activities on the marine environment.

13.2 The Secretary-General shall give reasonable notice to the Contractor of the projected time and duration of inspections, the name of the inspectors and any activities the inspectors are to perform that are likely to require the availability of special equipment or special assistance from personnel of the Contractor.

13.3 Such inspectors shall have the authority to inspect any vessel or installation, including its log, equipment, records, facilities, all other recorded data and any relevant documents which are necessary to monitor the Contractor's compliance.

13.4 The Contractor, its agents and employees shall assist the inspectors in the performance of their duties and shall:

(a) accept and facilitate prompt and safe boarding of vessels and installations by inspectors;

(b) cooperate with and assist in the inspection of any vessel or installation conducted pursuant to these procedures;

(c) provide access to all relevant equipment, facilities and personnel on vessels and installations at all reasonable times;

(d) not obstruct, intimidate or interfere with inspectors in the performance of their duties;

(e) provide reasonable facilities, including, where appropriate, food and accommodation, to inspectors; and

(f) facilitate safe disembarkation by inspectors.

13.5 Inspectors shall avoid interference with the safe and normal operations on board vessels and installations used by the Contractor to carry out activities in the area visited and shall act in accordance with the Regulations and the measures adopted to protect the confidentiality of data and information of commercial value.

13.6 The Secretary-General and any duly authorized representatives of the Secretary-General, shall have access, for purposes of audit and examination, to any books, documents, papers and records of the Contractor which are necessary and directly pertinent to verify the expenditures referred to in section 9.1(b).

13.7 The Secretary-General shall provide relevant information contained in the reports of inspectors to the Contractor and its sponsoring State or States where action is necessary.
Section 14
Safety, labour and health standards

14.1 The Contractor shall comply with the generally accepted international rules and standards established by competent international organizations or general diplomatic conferences concerning the safety of life at sea, and the prevention of collisions and such rules, regulations and procedures as may be adopted by the Authority relating to safety at sea and each vessel used for carrying out activities in the Area shall possess current valid certificates required by and issued pursuant to such international rules and standards.

14.2 The Contractor shall, in carrying out exploration under this contract, observe and comply with such rules, regulations and procedures as may be adopted by the Authority relating to protection against discrimination in employment, occupational safety and health, labour relations, social security, employment security and living conditions at the work site. Such rules, regulations and procedures shall take into account conventions and recommendations of the International Labour Organization and other competent international organizations.

Section 15
Responsibility and liability

15.1 The Contractor shall be liable for the actual amount of any damage, including damage to the marine environment, arising out of wrongful acts or omissions, and those of its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this contract, including the costs of reasonable measures to prevent or limit damage to the marine environment, account being taken of any contributory acts or omissions by the Authority.

15.2 The Contractor shall indemnify the Authority, its employees, subcontractors and agents against all claims and liabilities of any third party arising out of any wrongful acts or omissions of the Contractor and its employees, agents and subcontractors, and all persons engaged in working or acting for them in the conduct of its operations under this contract.

15.3 The Authority shall be liable for the actual amount of any damage to the Contractor arising out of its wrongful acts in the exercise of its powers and functions, including violations under article 168, paragraph 2, of the Convention, account being taken of contributory acts or omissions by the Contractor, its employees, agents and subcontractors, and all persons engaged in working or acting for them in the conduct of its operations under this contract.

15.4 The Authority shall indemnify the Contractor, its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this contract, against all claims and liabilities of any third party arising out of any wrongful acts or omissions in the exercise of its powers and functions hereunder, including violations under article 168, paragraph 2, of the Convention.

15.5 The Contractor shall maintain appropriate insurance policies with internationally recognized carriers, in accordance with generally accepted international maritime practice.

Section 16
Force majeure
16.1 The Contractor shall not be liable for an unavoidable delay or failure to perform any of its obligations under this contract due to force majeure. For purposes of this contract, force majeure shall mean an event or condition that the Contractor could not reasonably be expected to prevent or control, provided that the event or condition was not caused by negligence or by a failure to observe good mining industry practice.

16.2 The Contractor shall, upon request, be granted a time extension equal to the period by which performance was delayed hereunder by force majeure and the term of this contract shall be extended accordingly.

16.3 In the event of force majeure, the Contractor shall take all reasonable measures to remove its inability to perform and comply with the terms and conditions of this contract with a minimum of delay; provided that the Contractor shall not be obligated to resolve or terminate any labour dispute or any other disagreement with a third party except on terms satisfactory to it or pursuant to a final decision of any agency having jurisdiction to resolve the dispute.

16.4 The Contractor shall give notice to the Authority of the occurrence of an event of force majeure as soon as reasonably possible, and similarly give notice to the Authority of the restoration of normal conditions.

Section 17
Disclaimer

Neither the Contractor nor any affiliated company or subcontractor shall in any manner claim or suggest, whether expressly or by implication, that the Authority or any official thereof has, or has expressed, any opinion with respect to polymetallic nodules in the exploration area and a statement to that effect shall not be included in or endorsed on any prospectus, notice, circular, advertisement, press release or similar document issued by the Contractor, any affiliated company or any subcontractor that refers directly or indirectly to this contract. For the purposes of this section, an “affiliated company” means any person, firm or company or State-owned entity controlling, controlled by, or under common control with, the Contractor.

Section 18
Renunciation of rights

The Contractor, by notice to the Authority, shall have the right to renounce its rights and terminate this contract without penalty, provided that the Contractor shall remain liable for all obligations asserted prior to the date of such renunciation and those obligations required to be fulfilled after termination in accordance with the Regulations.

Section 19
Termination of sponsorship

19.1 If the nationality or control of the Contractor changes or the Contractor’s sponsoring State, as defined in the Regulations, terminates its sponsorship, the Contractor shall promptly notify the Authority forthwith.

19.2 In either such event, if the Contractor does not obtain another sponsor meeting the requirements prescribed in the Regulations which submits to the Authority a certificate of sponsorship for the Contractor in the prescribed form within the time specified in the Regulations, this contract shall terminate forthwith.
Section 20
Suspension and termination of contract and penalties

20.1 The Council, acting through the Secretary-General, may by notice, which shall include a statement of the reasons for taking such action, suspend or terminate this contract, without prejudice to any other rights that the Authority may have, if any of the following events should occur:

(a) if, in spite of written warnings by the Authority, the Contractor has conducted itself in activities in such a way as to result in serious persistent and willful violations of the fundamental terms of this contract, Part XI of the Convention, the Agreement and the rules, regulations and procedures of the Authority; or

(b) if the Contractor has failed to comply with a final binding decision of the dispute settlement body applicable to it; or

(c) if the Contractor becomes insolvent or commits an act of bankruptcy or enters into any agreement for composition with its creditors to go into liquidation or receivership, whether compulsory or voluntary, or petitions or applies to any tribunal for the appointment of a receiver or a trustee or a receiver for itself or commences any proceedings relating to itself under any bankruptcy, insolvency or readjustment of debt law, whether now or hereafter in effect, other than for the purpose of reconstruction.

20.2 The suspension or termination shall be effective sixty days after such notice, unless the Contractor within such period disputes the Authority's right to suspend or terminate this contract in accordance with Part XI, section 5, of the Convention.

20.3 If the Contractor takes such action, this contract shall only be suspended or terminated in accordance with Part XI, section 5, of the Convention.

20.4 If the Council has suspended this contract, the Council may by notice require the Contractor to resume its operations and comply with the terms and conditions of this contract, not later than sixty days after such notice.

20.5 In the event of any violation of this contract not covered by section 20.1(a) hereof, or in lieu of suspension or termination under section 20.1 hereof, the Council may impose upon the Contractor monetary penalties proportionate to the seriousness of the violation.

20.6 The Council may not execute a decision involving monetary penalties until the Contractor has been accorded a reasonable opportunity to exhaust the judicial remedies available to it pursuant to Part XI, section 5, of the Convention.

20.7 In the event of termination or expiration of this contract, the Contractor shall comply with the Regulations and the terms of this contract and shall remove all installations, plant, equipment and materials in the exploration area and shall make the area safe so as not to constitute a danger to persons, shipping or to the marine environment.

Section 21
Transfer of rights and obligations

21.1 The rights and obligations of the Contractor under this contract may be transferred in whole or in part only with the consent of the Authority and in accordance with the Regulations.
21.2 The Authority shall not unreasonably withhold consent to the transfer if the proposed transferee is in all respects a qualified applicant in accordance with the Regulations and assumes all of the obligations of the Contractor and if the transfer does not confer on the transferee a plan of work, the approval of which would be forbidden by article 6, paragraph 3(e), of Annex 3 of the Convention.

21.3 The terms, undertakings and conditions of this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 22

No waiver

No waiver by either party of any rights pursuant to a breach of the terms and conditions of this contract to be performed by the other party shall be construed as a waiver by the party of any succeeding breach of the same or any other term or condition to be performed by the other party.

Section 23

Revision

23.1 When circumstances have arisen or are likely to arise which, in the opinion of the Authority or the Contractor, would render this contract inequitable or make it impracticable or impossible to achieve the objectives set out in this contract or in Part XI of the Convention or the Agreement, the parties shall enter into negotiations to revise it accordingly.

23.2 This contract may also be revised by agreement between the Contractor and the Authority in the light of any rules, regulations and procedures adopted by the Authority subsequent to the entry into force of this contract.

23.3 Except as otherwise provided, this contract may be revised, amended or otherwise modified only with the consent of the Contractor and the Authority by an appropriate instrument signed by the authorized representatives of the parties.

Section 24

Disputes

24.1 Any dispute between the parties concerning the interpretation or application of this contract shall be settled in accordance with Part XI, section 5, of the Convention.

24.2 Any final decision rendered by a court or tribunal having jurisdiction under the Convention relating to the rights and obligations of the Authority and of the Contractor shall be enforceable in the territory of each State party to the Convention.

Section 25

Notice

25.1 Any application, request, notice, report, consent, approval, waiver, direction or instruction hereunder shall be made by the Secretary-General or by the designated representative of the Contractor, as the case may be, in writing. Service shall be by hand, or by telex, facsimile or registered airmail to the Secretary-General at the headquarters of the Authority or to the designated representative.
25.2 Either party shall be entitled to change any such address to any other address by not less than ten days notice to the other party.

25.3 Delivery by hand shall be effective when made. Delivery by telex shall be deemed to be effective on the business day following the day when the “answer back” appears on the sender’s telex machine. Delivery by facsimile shall be effective when the “transmit confirmation report” confirming the transmission to the recipient’s published facsimile number is received by the transmitter. Delivery by registered airmail shall be deemed to be effective 21 days after posting.

25.4 Notice to the designated representative of the Contractor shall constitute effective notice to the Contractor for all purposes under this contract, and the designated representative shall be the Contractor’s agent for the service of process or notification in any proceeding of any court or tribunal having jurisdiction. The written notice of such an appointment shall be given to the counterparty within 30 days of the appointment and shall remain in force until such time as the Contractor shall give written notice of a subsequent appointment.

25.5 Notice to the Secretary-General shall constitute effective notice to the Authority for all purposes under this contract, and the Secretary-General shall be the Authority’s agent for the service of process or notification in any proceeding of any court or tribunal having jurisdiction.

Section 26

Applicable law

26.1 The rights and responsibilities of the contracting parties shall be governed by the terms of this contract, the Regulations, Part XI of the Convention, the Agreement and other rules of international law not incompatible with the Convention.

26.2 The Contractor, its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this contract shall observe the applicable law referred to in section 26.1 hereof and shall not engage in any transaction, directly or indirectly, prohibited by the applicable law.

26.3 Nothing contained in this contract shall be deemed an exemption from the necessity of applying for and obtaining any permit or authority that may be required for any activities under this contract.

Section 27

Interpretation

The division of this contract into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 28

Additional documents

Each party hereto agrees to execute and deliver all such further instruments, and to do and perform all such further acts and things as may be necessary or expedient to give effect to the provisions of this contract.