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UK OFFICE
PERSONNEL HANDBOOK

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1 PART I - GENERAL INFORMATION

1.1 Introduction

The UK Office Employee Handbook (the “**Handbook**”) is for the use of those office personnel of the PGS Group located in the UK [and, where applicable to PGS staff employed in the Leiden office]. The Handbook contains information about the Petroleum Geo-Services Group (which is referred to as “**PGS**”, the “**PGS Group**” or the “**Company**” in this Handbook) and its arrangements, policies and procedures, developed for the security, benefit and well-being of its employees.

Parts I, III, and IV of the Handbook do not have contractual effect, or otherwise form part of any employee’s contract of employment, although breach, failure to comply with, or abuse of the policies set out in those Parts may render an employee liable to disciplinary action, including dismissal.

Part II of the Handbook has contractual effect, and together with any letter of appointment, contract of employment, terms and conditions of employment and/or service contract (the “**Contract**”) forms the basis of all employees’ employment with PGS.

Due to the nature of our business, there will be of necessity differences in the conditions between different groups of employees. Where these terms and conditions differ, e.g. between shift employees, part-time employees (as defined in their Contracts) and other employees these will be highlighted in the Handbook and in their Contracts.

Each employee has a unique and important part to play in contributing to our success and the policies and procedures described in the Handbook are in recognition of that fact.

The Handbook has been divided into four sections, namely:

Part I - General Information

Part II - Employment Procedures

Part III - Policies and Guidance

Part IV - Compensation and Benefits

It is the intention of the Company that this Handbook will answer the majority of questions that staff may have. If staff members are unsure however, questions may be directed to the relevant manager/supervisor or the HR Department.

The Company operates a demanding and developing business which is constantly evolving. It is the Company’s intention to provide staff with relevant information as and when changes occur.

The laws governing the policies within this Handbook are those of England and Wales, although Scottish law will prevail in the case of the offices in Scotland and Dutch law will prevail in the case of offices in The Netherlands. The information provided in this Handbook is subject to any legislative changes that take place.

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N.B. Staff attention is drawn to the Company Core Values which are contained on PGS ONLiNE or on the Company website www.pgs.com. Whilst these are non-contractual they should be read in conjunction with this Handbook.

1.2 Petroleum Geo-Services

The Company:

(a) Objectives

The principal objective of the PGS Group is to operate efficiently and cost effectively in such a way as to protect its own workforce, third party personnel, the world-wide environment in which it operates and the assets with which it works or has control over.

(b) History

The PGS Group was formed in 1991 through the merger of two established Norwegian companies, followed shortly by a listing on the Oslo stock exchange. Both of these original companies have since been spun off from the PGS Group. The plan was to develop an oil field services company, with its strength in geological and geophysical expertise, which would expand its range of services to cover the entire life of an oilfield – from frontier exploration, through reservoir evaluation, through to oil production and production enhancement services. PGS’ activities would base their expansion and success on the application of new technology, which would offer lower exploration and production costs for oil company clients.

As the Company has developed, it has increased its emphasis on building a large portfolio of MultiClient data. MultiClient data comprises surveys that PGS owns itself, licensing the data for use to several oil company customers.

(c) Business Overview

PGS offers a broad range of products including: seismic and electromagnetic services, data acquisition, processing, reservoir analysis / interpretation and multi-client library data. We help oil companies to find oil and gas reserves offshore worldwide.

PGS has a presence in over 25 countries with regional centres in London, Houston and Singapore. Our headquarters is in Oslo, Norway, and the PGS share is listed on the Oslo stock exchange.

More information about the Company can be found on the website, www.pgs.com.

(d) Company Organisation

Details of the current Company Organisation can be found through PGS ONLiNE, <http://web.pgs.com/> in OrgPublisher.

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2 PART II - CONTRACTUAL PROVISIONS

2.1 Commencement of Employment

The Contract must be signed and returned to the office along with the completed NED form (New Employee Details form) on or before commencement of employment. If there are any discrepancies between the Contract and the Handbook, the terms in the Contract apply. This Handbook will be updated from time to time and the Company reserves the right, in its absolute discretion, to make any changes to the Handbook which it deems necessary. Staff will be given reasonable notice of any amendments.

All offers of employment are subject to the receipt of satisfactory references, certified proof of qualifications, pre-employment health questionnaire (which will only be required after an offer of employment has been made) and verification of employment status by the provision of passport details or work permit.

2.2 Probationary Period/Terms of Notice

(a) Probationary Trial Period

All offers of employment are made on the basis of a probationary trial period during which time the attendance and performance of the staff member will be monitored. During this period, the Company or the employee may terminate employment by giving one week's notice. Furthermore, Company sick pay policy will not apply.

In the event that a member of staff fails to complete the probationary trial period successfully the Company may, in exceptional circumstances, extend the period to allow further review. In most other circumstances, however, employment will be terminated.

The length of the probationary trial period is as stipulated in the contract of employment.

(b) Confirmation to Permanent Staff

On successful completion of the probationary trial period, the member of staff concerned will be informed of the transfer to permanent status by the Company (usually by the Head of Department) and will normally receive written confirmation from the HR Department.

(c) Periods of Notice (unless otherwise specified in contract)

LENGTH OF SERVICE	NOTICE PERIOD
Probationary period	1 week
After completion of probationary period and less than 5 years	1 calendar month
5 years and up to 12 years	1 week per year
More than 12 years	12 weeks

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N.B. Staff are required to provide notice of termination to the Company in line with the conditions outlined in the above table. Under special circumstances, however, the Company may consider reducing the notice period required.

2.3 Personal Status Changes

Staff are required to notify the HR Department, either by the relevant form or by email, of any personal changes, such as address, contact details, bank details, dependants, next of kin, emergency contacts, etc. as given on the NED forms (APPENDIX V). The HR Department will forward information onwards as necessary to Payroll or to the relevant manager/supervisor. Employees may also update any change of address or next of kin themselves using the PeopleFocus database.

Any member of staff who requires a visa or work permit to lawfully work in the UK is obliged to immediately inform the HR Department of any change in circumstances which may affect their visa or right to work. This includes any change of contact details, address or family circumstance such as marriage or birth of a child.

Staff will usually be informed in writing of any changes in job function, promotion, transfer etc.

2.4 Working Hours and Compliance with the Working Time Regulations 1998

Normal working hours for full time employees (other than shift employees) are 0900 to 1700, Monday to Friday, or as stated in the employee's Contract (although working hours may, with the appropriate consent, be varied in accordance with the Company's Working Hours and Flexible Working Policy).

The Company takes great pride in the conditions and culture of the workplace and staff are not encouraged to work excessively long hours. Staff would not normally be expected to work more than 48 hours per week, averaged over a 17 week period.

It is recognised, however, that staff may occasionally be required to work more than this in order to meet the requirements of the business, for example, if employees are involved with extensive travel on business. Accordingly, and subject to agreement, staff are required to sign the opt-out agreement set out in APPENDIX II. In addition to this, there is a memo at APPENDIX II which explains some of the key provisions of the Working Time Regulations.

2.5 Overtime

Staff may be required to undertake additional hours of work from time to time. It is a condition of employment that staff will make themselves available to work outside normal working hours. This may include Saturdays, Sundays and public holidays.

Entitlement to overtime (if any) and the rates paid are detailed in the Contract.

It is Company policy that overtime is agreed in advance and that overtime claim forms are signed by the member of staff concerned and the relevant manager/supervisor.

The authorised sheets must then be returned to Payroll. Overtime payments will then be made on the next payday, subject to monthly payroll deadlines. N.B. Incorrectly completed forms may result in a delay in payment of overtime pay.

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The Company reserves the right to change overtime rates from time to time. Revised rates will be notified to employees.

In the event that a member of staff, who is entitled to paid overtime, is required to work overtime, the right to overtime payments will not accrue on any day until the member of staff has worked his or her full normal working hours on that day. No payments for overtime are made for less than half an hour of additional continuous work.

The Company will allow overtime to be worked only in accordance with the Working Time Regulations and/or where the employee is the subject of a signed and in date opt-out agreement.

2.6 Outside Employment

Members of staff must notify the Company in writing of any intention of carrying on any other gainful trade, business, occupation or profession whilst in the employment of the Company and prior approval to engaging in such activities must be obtained from management in writing.

Staff will not be permitted to work outside their employment with the Company where either the nature of the work or the employer causes conflict. Furthermore, in the event that a member of staff sustains an injury or should fall sick during the course of the secondary employment, entitlement to Company sick pay will be suspended. In addition, such a situation may jeopardise benefits under Company Insurance policies.

2.7 Right to Benefits

The Company reserves the right to terminate its participation in the schemes set out in Part IV, paragraph 4.4(b) to (f) or to substitute another scheme (or schemes) or to alter the benefits available under the schemes. In the event of reduction or discontinuance of one or more of the schemes, the Company will be under no obligation to replace the same with identical or similar such benefits.

Right to any benefit is subject always to the rules of the scheme providing the benefit. The Company will assist staff in an application for benefits. Should the application be rejected, however, the Company is under no obligation whatsoever to take any steps to secure any benefits, and the Company is therefore under no obligation whatsoever to support any claim for benefits made by the employee or to pursue an appeal against any decision of an insurance company or other benefit provider to cease or refuse payments or other benefits. Any submission of claim forms and/or handling of the claim on behalf of the employee will not lead to there being such an obligation.

2.8 Intellectual Property

As part of the terms and conditions of employment with the Company, all members of staff are required to adhere to the Intellectual Property and confidentiality policy as follows.

All Intellectual Property Rights devised, developed or created by an employee during the period of his/her employment with the Company and relating to the business of the Company shall belong to, and be the absolute property of the Company. To the extent that such Intellectual Property Rights are not otherwise vested in the Company, each

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employee, by virtue of entering in the employment with the Company, hereby assigns the same to the Company, together with all related past and future rights to action.

It shall be part of the normal duties of each employee to consider in what manner and by what new methods or devices, products, services, processes, equipment or systems of the Company might be improved, and promptly to give to the Company full details of any invention, discovery, design, improvement or other matter or work whatsoever in relation thereto which that employee may from time to time make or discover during the course of his/her employment with the Company, and to further the interests of the Company in relation to the same.

Each employee shall at the request and cost of the Company do all things necessary or desirable and execute all and any documents required to give the Company title to the Intellectual Property Rights vested or assigned under this paragraph 2.8. The obligation contained in this paragraph shall continue to apply after the termination of an employee's employment with the Company without limit in point of time.

The Company may edit, copy, add to, take from, adapt, alter and translate the product of any employee's services in exercising the rights vested or assigned under this paragraph 2.8.

To the full extent permitted by law, each employee irrevocably and unconditionally waives any moral rights he/she may otherwise have under sections 77 to 85 inclusive of the Copyright Designs and Patents Act 1988 and any equivalent provisions of law anywhere in the world, in relation to the rights referred to in this paragraph 2.8.

No employee may knowingly do or omit to do anything which will or may have the result of preventing the Company from enjoying the full benefits of ownership of the Intellectual Property Rights vested or assigned under this paragraph 2.8.

No employee may at any time make use of the Company's property or documents or materials in which the Company owns the Intellectual Property Rights for any purpose which has not been authorised by the Company.

Each of the provisions of this paragraph 2.8 is distinct and severable from the others and if at any time one or more of such provisions is or becomes invalid, unlawful or unenforceable (whether wholly or to any extent), the validity, lawfulness and enforceability of the remaining provisions (or the same provision to any other extent) of this paragraph 2.8 shall not in any way be affected or impaired.

For the purposes of this paragraph 2.8, "Intellectual Property Rights" means rights in ideas, know how, confidential information, inventions, processes, products, patents, designs, trademarks, database rights or copyright work or any right to prevent reproduction whether or not any of these is registered and including applications for any such right, matter or thing or registration thereof and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world.

2.9 Confidentiality

During the course of their employment, each member of staff will have access to and become aware of information which is confidential to the Company. Without prejudice to his or her common law duties, each member of staff undertakes that he/she will not, save in the proper performance of his duties, make use of, or disclose to any person, (including for the avoidance of doubt any competitors of the Company), any of the trade secrets or other confidential information of or relating to the Company, or any user of the

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Company's services or any company, organisation or business with which the Company is involved in any kind of business venture or partnership, or any other information concerning the business of the Company which he/she may have received or obtained in confidence while in the service of the Company. Each member of staff will use his/her best endeavours to prevent the unauthorised publication or disclosure of any such trade secrets or confidential information.

This restriction shall continue to apply after the termination of a member of staff's employment without limit in point of time but, both during employment and after its termination, shall cease to apply to information ordered to be disclosed by a court or tribunal of competent jurisdiction or otherwise required to be disclosed by law or to information which becomes available to the public generally (other than by reason of the member of staff breaching this confidentiality obligation). Nothing in this paragraph 2.9 will prevent a member of staff making a "protected disclosure" within the meaning of the Public Interest Disclosure Act 1998 where they are lawfully entitled to do so.

For the purposes of this paragraph 2.9 'confidential information' shall include, but shall not be limited to:-

- (a) the Company's corporate and marketing strategy and plans, and business development plans;
- (b) budgets, management accounts, bank account details and other confidential financial data of the Company;
- (c) business sales and marketing methods, confidential techniques and processes used for development of the Company's products and services;
- (d) details of products and services being developed by the Company, including research and development reports, confidential aspects of the Company's computer technology and systems, confidential algorithms developed or used by the Company, confidential information relating to proprietary computer hardware or software (including updates) not generally known to the public and details of IP solutions to accompany the Company's products;
- (e) confidential methods and processes, information relating to the running of the Company's business which is not in the public domain, including details of salaries, bonuses, commissions and other employment terms applicable within the Company;
- (f) the names, addresses and contact details of any customers or prospective customers of the Company including customer lists in whatever medium this information is stored and the requirements of those customers or the potential requirements of prospective customers for any of the Company's products or services. Without prejudice to the foregoing, this includes personal information provided to the Company by visitors to and users of any of its websites;
- (g) the terms on which the Company does business with its advertisers, customers and suppliers, including any pricing policy adopted by the Company and the terms of any partnership, joint venture or other form of commercial co-operation or agreement the Company enters into with any third party;

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- (h) software and technical information necessary for the development, maintenance or operation of any of the Company's websites and the source code of each website; and
- (i) any other information in respect of which the Company is bound by an obligation of confidence owed to a third party, in particular the content of discussions or communications with any prospective customers or prospective business partners.

Each member of staff also agrees that he/she will not, during the course of his/her employment or at any time thereafter either make or publish, or cause to be made or published, to anyone in any circumstances any statement (whether of fact, belief or opinion) which directly or indirectly disparages, is harmful to or damages the reputation or standing of the Company or any of its directors, officers, employees, agents or shareholders.

In this paragraph 2.9, any reference to “Company” includes, for the avoidance of doubt, all companies in the PGS Group and each member of staff’s undertaking to the Company in this paragraph 2.9 is given to the Company for itself and as trustee for each company in the PGS Group.

The provisions of this paragraph 2.9 shall be without prejudice to a member of staff’s duties at common law.

All members of staff further agree that if employment ceases, any documents, drawings, blueprints, compilations of technical data, specifications or any other record of any nature belonging to the Company or any reproductions thereof will be returned to the Company. Staff should be aware that this condition also prevails in regard to electronic documentation that may be stored on desk-top, lap-top or any other form of IT equipment.

2.10 Annual Leave

The holiday year runs from 1st January to 31st December of each year.

Before leave can be granted, staff must first seek authorisation from management. For some employees, this will be through the completion of a holiday request form (APPENDIX III and available to download on ONLiNE through the Global HR gateway). Once the form has been authorised it must be passed to the Department Administrator, where applicable, and the HR Department for the recording of staff movements. Alternatively, some staff may seek electronic approval for annual leave through the absence management module in the PeopleFocus system. Staff will not be entitled to take leave if a holiday request is not authorised by the appropriate manager.

N.B. It should not be assumed that a holiday request will be authorised. It is incumbent upon managers to take into consideration the needs of the business and the required staffing levels for the Department concerned before such authorisation may be given. Furthermore, the Company will not entertain any compensation claim arising from an employee needing to cancel or change leave arrangements due to the non-authorisation of holiday requests.

Once leave has been authorised, leave dates may not be rescheduled without the express written authorisation of the relevant manager. All changes or cancellations must be set out on a separate holiday request form or authorised in PeopleFocus.

Holidays should be requested as far in advance as possible in order to assist in the planning of the workload and staff cover. Such requests should be submitted in advance

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by no less than the number of working days that are required for leave, i.e. staff who require 10 days' leave should submit the request at least 10 working days before such leave is taken.

(a) Full Time Employees

Holiday entitlement for office-based employees is 25 days (in addition to applicable public holidays) regardless of length of service.

The Company will deduct any excess leave taken over and above annual entitlement from salary.

(b) Shift Employees

Because cover may need to be arranged, either through overtime or changing other employees' individual shifts, rules for requesting holidays differ from non shift employees.

Shift employees must complete a holiday request form and pass it to their Operational Support Supervisor for authorisation at least 2 weeks in advance when requesting holiday of up to two consecutive shifts, and at least 4 weeks in advance when requesting holiday of more than 2 consecutive shifts.

(c) New Employees

New employees will be entitled to annual leave on a pro rata basis dependent upon the date of commencement of service with the Company. Every effort will be made to meet the holiday commitments of staff who have made bookings before the offer of employment with the Company was accepted. If this exceeds the pro rata entitlement, however, the excess will be treated as unpaid leave.

(d) Employees Leaving Mid-Year

Employees working out their notice period may be allowed to take annual leave during this period, provided it does not cause any operational difficulties. Any remaining holiday will normally be paid in lieu with final pay. Where annual holiday taken exceeds that which has been accrued at the date of leaving, the Company reserves the right to deduct the equivalent payment from final pay.

(e) Full Time Employees

Full time employees accrue holiday entitlement at the following rate:

Annual Leave Entitlement: 25 days plus 8 public holidays	Leave (exclusive of entitlement to UK public holidays) accrues at 2.08 days for each completed month of service in the current holiday year.
-------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------

Holiday entitlement calculated on a pro rata basis will be rounded to the nearest half day. All full-time employees will be entitled to a minimum of 28 days' paid annual leave (inclusive of public holidays) in each full holiday year. This will be pro rated for part-time workers.

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(f) Part-time Employees

Holiday entitlement for part-time employees is reduced on a pro rated basis. Staff should contact the HR Department which can confirm entitlement.

(g) Carrying Forward

The Company encourages staff to take holiday during the current holiday year. Therefore, carrying forward holiday is only permitted strictly as set out in this clause.

No more than five days' leave may be carried over into the following holiday year and must be taken by 30th April. **Holiday not taken by that date will be forfeit.**

Except for the five days' leave carried over to the following year, any annual leave entitlement not used before 31st December will be forfeit.

(h) Additional Holiday

It is not permitted for employees to hold a negative holiday balance at the end of the year, for any reason. If an employee has a minus balance of annual leave at the end of the holiday year then the balance of additional leave will be treated as unpaid leave and the commensurate overpayment will be deducted from salary.

(i) National Holidays

Full Time Employees: In addition to annual holiday entitlement, staff are entitled to all Public and bank holidays applicable to the country in which they are based, plus nationally proclaimed holidays. Details of the regular statutory holidays for the UK are as follows: -

New Year's Day	1 st January (plus 2 nd January in Scotland)*
Good Friday	Variable
Easter Monday	Variable (not applicable in Scotland)
May Day	First Monday in May
Whit Monday	Last Monday in May
August Bank Holiday	Last Monday in August (First Monday in August in Scotland.)
Christmas Day	25 th December*
Boxing Day	26 th December*

* Unless these days fall over a weekend, when the Statutory Holiday will vary slightly. e.g. if 25th December is a Saturday, the following Monday (27th) and Tuesday (28th) will be public holidays instead.

Shift employees: may be required to work on bank and public holidays, depending on their individual shift patterns, but they will be compensated for this. In all instances employees will be permitted to take at least 28 days' holiday in each holiday year

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(including public holidays and calculated on a pro rata basis for part-time workers). Overtime rates for public and bank holidays are available from the Operational Support Supervisor.

Part-time employees: should contact the HR Department with any queries as to whether they are eligible for additional holiday, in respect of a Public or Bank holiday. Part-time employees' annual holiday entitlement is calculated pro rata inclusive of entitlements to public holidays. If a part-time employee would normally be at work on the day on which a public holiday falls, they must take that day as holiday if they do not wish to attend work on that day. Please contact HR for clarification on part-time annual leave entitlements.

Scotland: While St Andrew's Day has been designated a public holiday in Scotland, PGS employees in Scotland are not entitled to additional holiday on this date.

2.11 Sickness

A member of staff unable to attend work due to illness or injury is required to contact the office by telephone by 10:00 a.m. on the first day of absence and on all subsequent days as outlined below. Wherever possible, staff are required to give some indication as to the likely date of return to work.

Action	Non Shift Office Employees	Shift Employees
Who to contact	Manager/supervisor or the nominated Deputy. If not available then the HR Department.	Operational Support Supervisor or, if not available, Duty Shift Leader.
By what time	10:00 a.m.	As early as possible before the start of the shift, in order that cover can be arranged.

A member of staff who, due to the nature of the illness or injury, is unable to make contact with the office, should arrange for either the next of kin or emergency contact (as detailed on the NED form or in PeopleFocus) to telephone the Company instead and make contact with the relevant manager/supervisor as outlined above. Personal contact, however, must be made as soon after this as possible.

(a) Self Certification

For periods of absence due to sickness or injury up to 7 days (including weekends and Public or Bank holidays and in the case of shift workers, rest days during a shift cycle) a Self-Certification Form (APPENDIX IV) must be completed, giving details of the reason for absence signed by the relevant manager/supervisor and a copy sent to the HR Department.

Should the period of absence due to illness exceed this seven day period, then a doctor's certificate stating that the employee should refrain from work will be required and this should be forwarded to the Company for the attention of the relevant manager/supervisor, who should then provide this to HR.

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In the event that the absence due to illness or injury should continue, then further medical certification stating that the employee should refrain from work must be forwarded to the Company on a weekly basis. Failure to provide such certification will result in the cessation of Company sick pay.

The required certification should also be provided in the event of a planned sickness absence or operation.

(b) Fit Notes

If at any time, whether during or following a period of absence due to illness or injury, or otherwise, an employee is issued medical certification that they 'may be fit for work' (a 'Fit Note'), the employee should notify their manager/supervisor on the day of issue of the Fit Note (or at the start of the next business day if it is issued on a Saturday, Sunday or public holiday), providing a copy of the Fit Note.

The manager/supervisor will (in conjunction with the HR Department where appropriate) consult with the employee at the earliest opportunity to consider what adjustments or arrangements may be made to enable the employee to return to or remain at work in accordance with the Fit Note. The Company will take reasonable steps to make the necessary adjustments or arrangements.

The employee's manager/supervisor will continue to consult with the employee during the currency of the Fit Note regarding the arrangements or adjustments necessitated by the employee's illness or injury, but it is incumbent on the employee to contact their manager/supervisor if at any time they feel that these arrangements or adjustments are not sufficient for them to remain at work.

On the expiry of a Fit Note, any arrangements or adjustments made by the Company will usually terminate, unless a further Fit Note is issued to the employee. Further Fit Notes must be notified to the employee's manager/supervisor on the day of issue (or at the start of the next business day where it is issued on a Saturday, Sunday or public holiday), and a copy of the new Fit Note provided to the manager/supervisor, who will consult with the employee as detailed above.

If the Company takes the view that the arrangements or adjustments that would be necessary to enable an employee to return to (or remain at) work in accordance with a Fit Note cannot reasonably be made, the Company will treat the Fit Note as instead certifying that the employee should refrain from work, and Company and/or Statutory Sick Pay will be payable in accordance with the Company's normal procedures.

Where in accordance with a Fit Note an employee is able to work only on reduced hours, the unworked hours will be treated as absence due to sickness or injury, and Company and/or Statutory Sick Pay will be payable in accordance with the Company's normal procedures in respect of those unworked hours.

The Company reserves the right to ask the employee at any stage of absence, or during the currency of a Fit Note to undergo a medical or dental examination by the Company's medical/dental advisor or by a doctor or dentist nominated by the Company as and when it deems necessary. The examination will be at the expense of the Company and at a mutually convenient time. A staff member refusing to attend such an examination without adequate reason will be regarded as being in breach of Company rules which may lead to disciplinary action and cessation of Company sick pay. The Company reserves the right to reach conclusions based on the information available.

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The Company also reserves the right to request medical reports from an employee's General Practitioner (GP), Consultant or other medical adviser if the employee is absent from work due to illness or injury, or is subject to a Fit Note. The Company would require the employee's signed authorisation before requesting any personal information.

(c) Sick Pay

The Company adheres to the Statutory Sick Pay (SSP) scheme and staff are required to co-operate with the maintenance of all necessary records. For the purposes of claiming SSP, "**qualifying days**" are those days on which an employee is required to work in each week.

In addition, the Company will pay full basic salary (of which an element is SSP) for up to six months in any twelve month period, after completion of the probationary period. The Company may withhold entitlement to sick pay if there is any reason to believe that the member of staff is not ill or injured or that the illness or injury does not prevent attendance at work. As described above, if an employee is fit to work only on reduced hours in accordance with a Fit Note, Company and/or Statutory Sick Pay will be payable in respect of those unworked hours. In these circumstances unworked hours will be aggregated for the purposes of entitlement to Company sick pay, to determine the number of days' entitlement to Company sick pay expended. An employee who has exhausted their initial entitlement to sick pay in respect of a continuous or near continuous period of absence (or period(s) of working reduced hours) shall not be entitled to any further sick pay in respect of that absence.

(d) Long Term Sickness

If a member of staff is absent for a continuous period in excess of six months and a return to work in the foreseeable future is unlikely, Long Term Disability (LTD) or Permanent Health Insurance (PHI) may take effect. See Section 4.4(e) for full details.

In the case of long term absence, regular contact should be made with the HR Department to keep the Company informed of the likely date of return. The Company reserves the right to make contact at home during periods of long term absence to discuss the situation.

When a member of staff is absent from work, or is subject to a Fit Note, due to illness or injury that is, or appears to be, due to the negligence of a third party, the employee must notify the Company of this. The employee must also notify the Company of any claim, settlement or judgement made or awarded in connection with the third party's negligence. The employee is required to give the Company all particulars of these matters that it may reasonably require and shall, if the Company requires, refund to the Company the lesser of:

- (i) any Company or Statutory Sick Pay paid to him in respect of any absence from work or;
- (ii) the damages paid to him by the third party.

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(e) **Sickness whilst on Annual Leave**

In the event that a member of staff is taken ill whilst on annual leave then the affected leave days may be taken again as long as the Company is provided with a medical certificate from a GP or hospital stating that the employee was unfit for work in respect of those days.

2.12 Termination of Employment and Transfers

Staff wishing to terminate their employment with the Company are required to inform the relevant manager/supervisor in writing. The notice periods are set out in the Contract, or otherwise are as set out at Section 2.2(c).

The Company reserves the right to pay staff in lieu of notice instead of allowing the staff member to remain employed during the notice period.

Although every effort will be made to pay any outstanding salary/expenses by the leaving date, in some circumstances it may be necessary for an outstanding amount to be paid on the following payday.

The Company retains the right to request that staff resigning from the service of the Company keep the date of termination as confidential.

There may be occasions when staff serving notice may be required to complete the notice period at home. In such instances, the member of staff concerned will be informed after discussion between the relevant supervisor and the HR Manager.

On the last day of employment with the Company, staff must return all property, documents and correspondence relating to the Company's affairs (together with any copies thereof), including books of instruction and reference, identity and security passes, computer equipment and the Company mobile telephone. The Company reserves the right to make a deduction from a member of staff's final salary to the value of the unreturned property if there is a failure to return any property by the date of receipt of final salary payment.

On occasion, it may be necessary to transfer employees to different positions/locations. These transfers can be temporary or permanent. PGS always attempts to accommodate the preferences of employees. However, if no qualified employee is willing to accept a transfer, PGS will designate the individual required to transfer.

2.13 Retirement Age

The Company does not at present operate a fixed retirement age, or a mandatory retirement policy in the UK, although it is in the course of consulting with employees about retirement arrangements generally, and will be implementing a formal policy in due course. In the meantime, staff who are considering retirement are encouraged to discuss their thoughts with the HR Department at any time, and preferably as far in advance as possible, to facilitate smooth succession planning.

2.14 Personal Appearance

Members of staff are to present themselves in a professional manner in Company offices or on Company business. This includes behaviour, general appearance, dress and

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standards of hygiene. Radical departures from conventional dress, personal grooming or hygiene standards are not permitted.

Employees are expected to dress and maintain a standard of personal appearance that is appropriate to their business circumstances or work environment. The determination of appropriate business attire for a particular unit is left up to the discretion of management.

All staff who have regular contact with clients, vendors or the general public are expected to dress in a manner that is normally acceptable in similar business establishments. Suggestive attire, shorts, T-shirts, athletic clothing, unsuitable headgear and similar items of casual wear are not considered appropriate.

At management discretion, staff may be allowed to dress in a more casual fashion than is normally required. Staff are still expected, however, to present a neat appearance and suggestive, torn or dishevelled clothing, athletic wear or similar inappropriate dress is not permitted.

Members of staff who fail to comply with the above policy will have the matter drawn informally to their attention in the first place. Continued disregard of the Company policy may result in disciplinary action being taken.

2.15 Personal Belongings

The Company is not responsible for any loss or damage to personal property. This also applies to bicycles, motorbikes and cars, which are parked on the Company's premises at the owner's risk.

2.16 Office-based Staff working in the Field

Office-based staff working in the field need to familiarise themselves with the relevant extracts from the Offshore Seismic Personnel Handbook before travelling, and must comply with the instructions in that handbook. The Offshore Handbook can be found ONLiNE at the following address,
http://sponline.onshore.pgs.com/bu/marine/ma/OPS_HR/Pages/Handbook.aspx.

Any members of staff who are required to work offshore are responsible for ensuring that they have valid and up to date travel documents, medical and training certificates (as outlined below). Failure to do so is likely to be considered misconduct, which may result in disciplinary action being taken.

When undertaking any work offshore, employees may be subject to additional tax liabilities when working in certain waters. It is the responsibility of the employee to meet the costs of any personal tax liability where this situation arises.

N.B. When travelling to and from vessels, staff are still classed as working and the normal high standards of behaviour expected of employees will prevail. Instances of poor behaviour, alcohol and substance abuse and misconduct will be dealt with in accordance with the Disciplinary Procedures.

(a) Revised Contracts

Certain office-based staff will be required to work in the field as part of their normal job function. Where this applies specific contracts relating to fieldwork may be issued.

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(b) Offshore Survival Training

Any staff going offshore to undertake working operations **MUST** complete an offshore sea survival course to Company approved standards. Details of training centres may be obtained from the HR Department. Regular refresher courses are required.

Visitors to Company vessels who will be offshore for less than 15 days in a calendar year shall be required to complete an approved 8 hour combined offshore survival course. Further information is available from the HR Department.

(c) Offshore Medicals

All employees working offshore or in remote areas must undergo a medical and drug and alcohol test to certify that they are fit for the work, before travelling. The medicals need to be in accordance with Company standards (currently NMD/Oil and Gas UK) and are normally valid for 2 years for staff under 50 years of age and for 12 months for those over the age of 50 years. Staff are advised that failure to undergo a drug and alcohol test will ordinarily constitute misconduct in accordance with the Company's Disciplinary Procedure. Any staff member yielding a positive response to a drugs and alcohol screening will almost certainly be subject to disciplinary action, which may result in dismissal.

(d) Offshore Compensation for Office-based Personnel

UK office-based staff required to work offshore will be entitled to a field allowance and accrued time off as set out below. These allowances are **not** paid to staff who are employed on an offshore rotational basis and are as compensation for being captive onboard one of the company vessels.

Compensation when working onboard a vessel or in a remote office working 12 hour days

Exceptions

- *It is not applicable for rigging periods*
- *It is not applicable for days spent travelling*

	field allowance	accrued time off (days)
Weekdays	GBP 77.00	0.5
Weekends	GBP 155.00	1.0
Public holiday	GBP 225.00	1.0

Compensation when working onboard vessel alongside port or at yard stay of at least 12 hours

	field allowance	accrued time off (days)
Weekdays	GBP 77.00	n/a
Weekends	GBP 155.00	0.5
Public holiday	GBP 225.00	1.0

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Compensation when travelling on a weekend or public holiday

	field allowance	accrued time off (days)
Weekdays	n/a	n/a
Weekends	n/a	1.0
Public holiday	n/a	1.0

Guidelines for Offshore Compensation

- Accrued time off and payment for accrued time off are subject to line management approval
- Any accrued days earned must be used or cashed in immediately following any work offshore
- Any accrued days cashed in will be paid at the following daily rate: Annual Base Salary / number of days worked per annum
- The salary used to calculate the daily rate will be annual base salary as at the last day of the trip offshore
- An Offshore Compensation Form must be signed by line management and submitted to Payroll. This can be found in APPENDIX VII

2.17 Drugs and Alcohol

(a) Policy

The Company recognises that prohibited drugs and alcohol and other intoxicants can have a detrimental effect on the health and safety of individuals and co-workers. All members of staff must be in a fit condition at all times to deal with any emergency situation that might arise.

In the context of this policy the Company defines a drug as any hallucinogenic, narcotic, stimulant or other substance likely to alter an individual's state of mind. This policy does not apply to possession or use of, for medical reasons, drugs prescribed by a recognised medical practitioner or drugs available without prescription from a chemist and used in accordance with their product guidelines. If, however, a member of staff is prescribed drugs that may affect their state of mind (or obtains these from a chemist for use at work) they must raise this with their manager/supervisor.

Staff and third parties are expected to be in a suitable mental and physical condition at work in order to perform their duties in a satisfactory manner and to behave appropriately. Where these expectations are not met, the Company reserves the right to refuse entry to any Company vessel or premises or to remove such staff at the first opportunity without recourse. Disciplinary action may be taken in accordance with the Company's Disciplinary Procedure and may lead to dismissal.

Staff who are on prescribed or over the counter medication and are required to report for field and offshore duties, should in the first instance, inform the HR Department of the prescription and the reason for the medication being taken. Once on location, the medication must be declared to the vessel Master or Party Chief by means of the "Personal Safety Logbook" or other written notification.

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(b) Procedures During Employment

Members of staff reporting for or returning to work whose behaviour reflects the consumption of alcohol and/or drugs shall not be permitted to conduct their normal duties until such a time as their condition is acceptable. In such cases, a staff member may be referred for medical evaluation to a Company designated physician to determine fitness for work, and/or removed from the worksite. Disciplinary action may be taken in accordance with the Company's Disciplinary Procedure and may lead to dismissal.

Any member of staff found to be involved in the sale, purchase, use or possession of any amount of illegal drugs, or under the influence of them or of alcohol whilst at work, or, in the case of members of staff working on vessels, while engaged in active employment on behalf of the Company, will be subject to disciplinary action that may lead to dismissal. Active employment is defined as any working days reported on work logs.

Whilst on Company premises or onboard a vessel, it is the responsibility of all staff to report to their immediate supervisor anyone demonstrating curious or unusual behaviour. All information and suspicions will be held in absolute confidence. Staff should feel free to approach any supervisory function at any time to discuss any drugs or alcohol related issues in the full knowledge that such information will be treated in the strictest confidence. Records of such contacts will be deemed confidential and will be kept separately from an individual's personnel file. Where appropriate, the Company may assist individuals in dealing with drugs and alcohol related issues.

The consumption of a limited and controlled quantity of alcohol on Company vessels or on Company premises will be allowed on special occasions but only when explicitly endorsed by management as appropriate. Alcohol is not allowed on any commercial marine vessel in certain territorial waters. The Master is responsible for ensuring compliance with these rules. All staff should cease alcohol consumption at least 8 hours prior to reporting for work, and in any event must not report for work under the influence of alcohol or drugs pursuant to this policy.

Right to Search: If a member of staff is suspected of holding illegal drugs, alcohol or stolen property whilst on board a vessel, on Company premises, or otherwise whilst at work, the Company reserves the right to carry out a full search of the member of staff's property, any on-board accommodation, computer files and emails. Failure to submit to a search can lead to disciplinary action in accordance with the Disciplinary Procedure and may lead to dismissal. Employees found in possession of drugs, alcohol or stolen property will be subject to appropriate disciplinary action, and details of the offence may be passed to the police for criminal prosecution.

Pre-employment medical examination: Before an offer of employment is made for all positions related to offshore duties, the candidate must first undertake a medical to Oil and Gas UK or NMD standards. This will include a drugs and alcohol test. Once the medical examination is completed, the HR Department will be informed in confidence of the findings. If the results are acceptable, an offer of employment may be made.

Travelling to/from Vessels/Port Calls: When travelling to and from vessels and during port calls staff are still classed as working. The normal high standards of behaviour expected of staff will prevail. Instances of poor behaviour, drug or alcohol abuse and misconduct may be deemed gross misconduct and will be dealt with under the provisions of the Disciplinary Procedure which may lead to dismissal.

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(c) Medical/Drugs and Alcohol Screening:

A programme of screening for drugs or alcohol misuse is in place through the Offshore Medical process. This is further supported by the Company providing access to occupational health advisors. Such measures have been put in place to safeguard staff in all working areas, either onshore or offshore and to meet and exceed requirements under Health and Safety legislation.

These measures include the following:-

- Detecting the use of drugs by existing staff;
- Detecting the use of alcohol and/or drugs by any person(s) involved in a Safety Critical Incident where there are grounds to suspect that the actions of the person(s) led to the incident;
- Detecting the use of alcohol and/or drugs where abnormalities of behaviour prompt managerial intervention (which may include a request for screening).

The Company reserves the right to operate a random testing programme for drugs and alcohol. If this right is invoked the decision of staff to attend such a medical evaluation is purely voluntary. Staff are advised, however, that failure to undergo an evaluation will ordinarily constitute misconduct in accordance with the Company's Disciplinary Procedure. The Company maintains the right to undertake additional screening on an ad hoc basis to ensure that employees working on Safety Critical projects are appropriately monitored. Staff will be randomly selected for such screening. If this right is invoked, it will, in the first instance, be on a voluntary basis, but again, failure to undergo an evaluation will constitute misconduct under the Company's Disciplinary Procedure.

Any staff member yielding a positive response to a drugs screening will almost certainly be subject to disciplinary action, which may result in dismissal. Additionally, a medical clearance will be required before a return to work can be authorised and payment for the duration will be suspended. The Company will decide whether a disciplinary sanction is required and/or whether treatment should be undertaken for rehabilitation. In the event that rehabilitation is offered, the Company will decide on expert advice, the fitness and suitability for return to work. Additional time off for rehabilitation will be taken as unpaid leave.

N.B. Staff attention is drawn to the Company Core Values and Health and Safety Policy which are contained on the Company Intranet, PGS ONLiNE or at the Company Website www.pgs.com and, while these do not have contractual effect, they should be read in conjunction with this Handbook.

2.18 Smoking

The Company maintains a policy of No Smoking on all properties in the UK and The Netherlands.

2.19 Email, Internet and Software and Monitoring Policies

Staff should read these policies carefully as they will, in future, be deemed to be aware of their contents in the event that there is any breach of any of these policies. These policies, set out at Paragraphs 2.19 to 2.25 apply whenever a member of staff:

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- Is using a Company computer;
- Is logging on to the PGS net;
- Is using a computer and or mobile phone representing the Company.

(a) Purpose

The purpose of these policies is to ensure that members of staff understand the way in which email and access to the Internet should be used within the Company, and to ensure that Staff understand that any software used within the Company must be properly authorised and licensed. They aim to ensure that email, access to the Internet and software are used effectively for their intended purposes without infringing legal requirements or creating unnecessary business risk.

(b) Scope

All employees of the Company and its subsidiaries, including contractors and temporary staff, are subject to these policies. Failure to comply with these policies may lead to disciplinary action, including dismissal, being taken against a member of staff. At the same time, the member of staff's conduct and/or action(s) may be unlawful or illegal and they may be personally liable.

NB: Staff attention is drawn to Global IT and HR policy documents relating to email and internet usage, which can be found on the Company Intranet, PGS ONLiNE or at the Company Website www.pgs.com, while these do not have contractual effect, to the extent that they impose requirements beyond those set out in this Handbook, they should be read in conjunction with this Handbook.

2.20 Email and Internet Policies - General Principles

We provide email systems and access to the Internet to support our activities, and access to these systems and to the Internet is granted to staff on this basis. Emails sent or received on the Company email systems are not private property; they form part of the operational and administrative records of the company. All internal and external emails sent or received on the Company's systems may be archived onto a system in order to provide a record of such communications.

Use of the Internet by unauthorised users is strictly prohibited. If a member of staff is allocated use of external dial up, wireless or broadband access to the Internet, they are responsible for ensuring that they are the only person using this authorised Internet access and services.

Incidental and occasional personal use of our email systems or of the Internet is permitted, subject to the restrictions contained in these policies. Any personal use of email or of the Internet is expected to be in the employee's own time and is not to interfere with the person's job responsibilities or any other business task or function.

Personal use of the email systems must not detrimentally affect the job responsibilities of other employees, disrupt the system or harm the Company's reputation. Employees may not copy or download any attachment to a personal email, irrespective of whether or not a virus has been detected in the attachment.

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Personal use of the Internet must not disrupt our IT systems or harm the Company's reputation. Participation in non-business discussion groups or 'chat rooms' is strictly prohibited. The Company does not assume any responsibility for the content or material that might be encountered by staff using the Internet.

If a member of staff is deemed to have exceeded reasonable non-business use of our email systems or of the Internet, they will be informed by their manager and asked to reduce the frequency and/or volume of such emails, and/or access time, accordingly. Failure to comply with a request to reduce frequency and/or volume and/or access time may result in the member of staff being denied access to our email systems or to the Internet and will be regarded as a disciplinary offence.

Employees should exercise caution in any use of the Internet and should never rely on information received or downloaded without appropriate confirmation of the source. The Internet is not inherently secure hence should not be used for any confidential purpose without confirmation of appropriate security measures being in place.

2.21 Email Policy

(a) Use of Email

Employees should take care when using email because email messages are perceived to be less formal than paper-based communication and there is a tendency to be less careful about content. Bear in mind that all expressions of fact, intention and opinion via email can be held against an employee and/or the Company in the same way as verbal and written expressions.

Formal methods of email distribution (such as distribution lists) must not be used for sending emails that are not relevant to our business. Access to all third party email facilities (e.g. Hotmail, Yahoo mail etc.) may be restricted due to the potential security threats posed by these unregulated systems and the subsequent impact their use could have on our internal operations.

As users of our email systems, employees are responsible for following our standards and guidelines in respect of the following:

- Format of emails in respect of usage of disclaimers, email signatures and presentation (use of graphics, fonts and message formats);
- Management of their mailbox to minimise mailbox size whilst complying with requirements for email retention and archiving; and
- Avoidance of sending excessively large emails or those with unnecessary attachments.

Should a member of staff receive an email message which has been wrongly delivered to their email address they should notify the sender of the message by redirecting the message to that person. Further, in the event that the email message contains confidential information, staff must not disclose or use that confidential information. Should a member of staff receive an email which contravenes this policy (or any other of the Company's policies) the email should be brought to the attention of their manager.

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(b) Confidentiality

All information relating to our customers and the business operations of the Company is confidential. Employees are expected to treat electronic information with the same care as they would paper-based information that is confidential. Employees must keep all such information secure, use it only for the purpose(s) intended and must not disclose it to any unauthorised third party (which may sometimes include other employees). Employees must keep passwords safe and not disclose them to anyone.

If a document sent or received by email is highly confidential or sensitive in nature, an employee should store it in a private directory and (if possible) password protect it. Employees must not forward, send or in any way disseminate such information that may compromise the Company.

Members of staff should maintain confidentiality by not forwarding or sharing any customer information that would violate appropriate data protection legislation or regulatory guidelines. Staff should return any message received that was intended for another recipient and delete any copies of misdirected messages. An incorrectly addressed message should only be forwarded to the intended recipient if the identity of that recipient is known and certain. Employees should verify that the recipients of the email are approved to receive the information contained in the email to avoid a breach of confidence.

(c) Inappropriate Use

Employees should exercise due care when writing an email to avoid being rude or unnecessarily terse and ensure that their message meets the standards of professionalism we expect of their position. Staff must not make any statements on their own behalf or on behalf of the Company that do or may defame, libel or damage the reputation of any person.

Members of staff must not engage in email related activity that is illegal or distasteful. Staff must not use, retain, send, distribute or disseminate any text, images, materials or software which:

- Are or might be considered to be indecent, obscene, pornographic or illegal;
- Are or might be offensive or abusive in that its context is or could be considered to be a personal attack, rude or personally critical, discriminatory on unlawful grounds, or generally distasteful;
- Are or might constitute annoyance, harassment or intimidation of another person;
- Relate to computer viruses, political content or other information apart from business oriented information;
- Encourage or promote activities which make unproductive use of the Company resources;
- Involve activities outside of the scope of their responsibilities – for example, unauthorised selling/advertising of goods and services;

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- Might affect or have the potential to affect adversely the performance of, damage or overload our system, network and/or external communications in any way;
- Might be defamatory or incur liability on the part of the Company or adversely impact on our image;
- Would be a breach of copyright or licence provision with respect to both programs and data; or
- For which they cannot or are not prepared to account.

If an employee considers that an email received by them contains material which should be referred to the police, or receives any email that contains indecent, obscene, pornographic, discriminatory or otherwise illegal or prohibited material, the material may be printed and passed to the HR Department, who will deal with it as appropriate, following which the email(s) should be deleted immediately by the employee.

The following activities are expressly forbidden:

- The deliberate introduction of any form of computer virus via email;
- Seeking to gain access to restricted areas of the email systems or other hacking activities; and
- Forgery or attempts to read other users' mail without their express permission.

(d) **Logging of Email**

In addition to secure archiving, we log all email traffic and retain these logs for information. These logs can be used to confirm the sending or receipt of an email together with its subject, sender, intended recipient(s) and date/time of message. These logs may be used in the following circumstances:

- To confirm that an email was sent or received by a user or users on reasonable request;
- To investigate any potential abuse of the email systems; and
- To provide information on the extent and nature of email traffic within the Company.

We reserve the right to retain email logs indefinitely within the periods necessary to meet appropriate legal and other statutory requirements.

2.22 Internet Use Policy

(a) **Inappropriate Use**

The Internet is a potentially valuable information resource to our business but if used inappropriately may result in severe consequences to both the member of staff and the Company. The nature of the Internet makes it impossible to fully define all of the

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circumstances of inappropriate use, however staff are expected to ensure that their use of the Internet meets the general standards of professionalism we expect of them.

Specifically, during any use of the Internet, employees must not:

- Visit Internet sites or download any files that contain indecent, obscene, pornographic, hateful or other objectionable materials, material which is discriminatory or material that may cause embarrassment to or liability of the Company;
- Make or post indecent, obscene, pornographic, hateful or otherwise objectionable remarks, proposals, or materials, or material which is discriminatory on the Internet;
- Upload, download, or otherwise transmit commercial software or any copyrighted materials belonging to the Company or other third parties. Staff should avoid material that has no source reference, as use of this may be a violation of copyright;
- Reveal or publicise confidential or proprietary information about the Company, our employees, customers and business contacts;
- Download and use any software that has not been explicitly approved for use by the Company;
- Download any files without using virus protection measures that have been approved by the Company; or
- Make any unauthorised commitment or contract on behalf of the Company i.e. signing up to a service provider.

The following activities are expressly forbidden:

- The deliberate introduction of any form of computer virus; and
- Seeking to gain access via the Internet to restricted areas of the Company network or another organisation's or person's computer systems or data without authorisation or other hacking activities.

(b) Use of Social Media

Use of social media, including Facebook and Twitter is governed by the Social Media Policy and Guidelines published ONLiNE and all members of staff should adhere to this.

Employees should be aware that there are many examples of social media and Company policy should be followed in relation to any social media or networking sites that are used.

Staff are allowed to access certain social media websites through Company computers during limited hours, as defined by Global IT and not all social media sites are restricted. Employees should not spend an excessive amount of time while at work using social media websites and should ensure that use of social media does not interfere with their other duties.

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The Company recognises that many employees make use of social media in a personal capacity. While they are not acting on behalf of the Company, employees must be aware that they can damage the organisation if they are recognised as being an employee.

Employees are allowed to say that they work for PGS, however, the profile of any member of staff must not contain the Company name. Any communications that employees make in a personal capacity through social media must not:

- Bring the Company into disrepute. For example by criticising customers, colleagues or rivals; making defamatory comments about individuals or other organisations or groups or posting images that are inappropriate or links to inappropriate content.
- Breach confidentiality. For example by revealing trade secrets or information owned by the organisation; giving away confidential information about an individual or organisation or discussing the Company's internal workings or business plans.
- Breach copyright. For example, using someone else's images or written content without permission.
- Do anything that could be considered discriminatory against, or bullying or harassment of any individual.

The above list is not intended to be exhaustive and all staff are expected to exercise common sense when using social media. Employees should note that any breaches of this policy may lead to disciplinary action. Serious breaches, for example incidents of bullying or social media activity causing serious damage to the Company may constitute gross misconduct and lead to dismissal.

2.23 Software Policy

General Principles

Unlicensed duplication or use of any software programme is illegal and can expose a member of staff and the Company to civil and criminal liability under copyright law.

The Company is committed to ensuring that all software utilised within the Company is properly licensed. In order to ensure that the Company does not intentionally or inadvertently violate software publishers' copyright or other legal rights, employees should not copy any programme installed on any computer for any purpose without permission from the IT department. Likewise, employees should not install any programme onto any computer without such permission, in order to verify that a licence is held to cover such installation and that use of the software will not compromise other aspects of the provision of our IT systems.

2.24 Email, Internet and Software Monitoring Policy

All Company resources, including computers, email and voicemail are provided solely for business purposes. At any time and without prior notice, we maintain the right and ability to examine any systems and inspect and review any and all data recorded in those systems. Any information stored on a computer, whether the information is contained on a hard drive, computer disk or in any other manner may be subject to scrutiny by us. This examination helps ensure compliance with internal policies and the law. It supports the performance of internal investigations and assists the management of information systems.

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In order to ensure compliance with this policy, the Company may employ monitoring software to check on the use of the Internet and block access to specific websites, and to check on the use and content of email, to ensure that there are no serious breaches of the Company's policies. We specifically reserve the right for authorised personnel to access, retrieve, read and delete any information that is created by, received or sent as a result of using the Internet, or through our email systems, to assure compliance with all our policies. Such monitoring will be used for legitimate purposes only and operate under the monitoring standards laid down by the Company.

A filter may also be placed upon our IT systems which will prevent access to specific internet sites (or sites of a particular name). In circumstances where an employee were to access a 'restricted' site, an automated message may be sent to them advising that access to the site has been denied and that any further attempt to gain access would be regarded as a disciplinary offence. Any further attempt to access that 'restricted' site will be notified automatically to the HR Department.

In circumstances where a site has been deemed 'restricted' but for which it is later established that there exists a legitimate business need for the employee (and others) to access it, the employee should submit a request to the IT department through their manager for an alteration to be made to the filter parameters.

2.25 Mobile Telephones

(a) General

All mobile phones required by staff for business purposes are procured through the IT Department after authorisation in advance by the Department Manager. Staff are not permitted to make personal selection and must adhere to the Company Procurement Policy.

The Company expects staff to read and understand the mobile telephone policy before taking delivery of a Company provided telephone as receipt and acknowledgement of the terms and conditions of provision and use.

A Company provided mobile telephone must only be used for business calls. In the event that the telephone is used for private calls, the Company may require reimbursement for the cost of such calls.

Staff are required to take care of mobile telephones that are made available for such use and ensure that they are kept secure at all times. In the event that a Company mobile telephone is stolen or lost, the Department Manager and IT Department must be informed immediately and all reasonable steps taken to arrange for the mobile telephone to be disconnected.

The mobile telephone should be immediately returned to the Department Manager on request or on termination of employment.

(b) Use of Mobile Phones whilst Driving

The use of mobile phones, whether personal or otherwise, while driving or operating other machinery is banned by law in the UK. 'Driving' means being in control of a

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vehicle while the engine is running, and therefore includes, for example, stops at traffic lights.

When driving any vehicle or operating machinery, it is at all times prohibited to hold a mobile phone (which includes cradling between shoulder and ear) in order to make or receive a call. All mobile phones have a voicemail facility that should be used in such circumstances, and any messages received can be retrieved by the driver after he or she has found the first safe opportunity to stop.

Whilst legal obligations under the legislation would be met through the installation of hands free equipment in Company cars or the use of hands free handsets, risk assessments reflect that an employee is more likely to have an accident using a hands free than if he or she was obliged to pull over at the first safe opportunity before accepting/making a call. Employees may therefore not operate a mobile telephone using hands free equipment while driving.

In order to fully comply with the legislation, the Company also requires that any employee who believes that another employee to whom they are speaking is driving, should request that the employee calls back after finding a safe place to stop.

There is an exemption in the legislation allowing the use of a hand-held mobile phone for calls to 999 (or 112) in genuine emergencies where it is unsafe or impractical to cease driving to make the call.

For more information on mobile phone law, please refer to www.rosopa.com.

2.26 Monitoring of Communications

To assist with cost control and planning of future hardware requirements, and for the reasons set in the Email, Internet and Software monitoring policy, telephone calls, emails and Internet usage may be monitored.

The monitoring shows volume of usage from an individual workstation/telephone and specific external telephone and email contacts or Internet sites, which are being contacted frequently. In addition, regular random checks are made to check actual sites visited on the Internet in case of inappropriate use. Please see the Company's Email, Internet and Software monitoring policy at 2.25 for further information regarding monitoring of these facilities.

Abuse of Company communication facilities may lead to disciplinary action being taken against the member of staff concerned.

2.27 Company Equipment

In the event that a member of staff is required to transport or keep any Company IT or communications equipment at home, it must be kept in a safe and secure place to minimise the risk of theft.

When using any Company equipment all staff should ensure that they are used in line with all Global IT policies published ONLINE.

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2.28 Data Protection

The Data Protection Act 1998 requires the Company to take appropriate technical and organisational measures to protect against unlawful or unauthorised processing, accidental loss, destruction or damage to personal data held by the Company relating to individuals, whether those individuals are employees, customers or suppliers of the Company.

The HR Department keeps personal information on employees, and provides such information only on a need to know basis as and when required. These records include name, age and address, bank details, attendance, performance and disciplinary records, and other information that the Company requires so that it can comply with its legal and other obligations and business and administrative requirements as an employer.

Personal data also includes more sensitive information that the Company may hold including details of marital status, racial or ethnic origin, trade union membership, physical or mental health and the details of any criminal or driving offences or alleged offences.

Staff who have access to or control over personal data held by the Company, (for example employee records or lists, or details relating to customers or others who are private individuals), should ensure that such data is stored securely (for example, in locked filing cabinets and offices, or password protected computers) and that access to it within the Company is restricted to a need to know basis. Personnel files are kept by the HR Department on a strictly confidential basis.

Staff have the right to inspect the personal data that the Company holds relating to them (subject to limited exceptions) (see APPENDIX VIII) and, if necessary, to require corrections, should records be inaccurate.

Personal data about employees, customers or suppliers should not be processed within/outside the Company unless expressly permitted in accordance with this policy or authorised by the Company. The term 'processing' includes but is not limited to recording, holding, transmitting and disclosing information.

A member of staff who may be required to transfer personal data to recipients outside the department and/or outside the Company (e.g. giving out a home telephone number of an employee or details of a customer or disclosing data to insurers or external advisors) should be satisfied that the transfer is authorised by the Company. Transfer of personal data to countries outside the EEA must be authorised by the HR Department.

Personal data will be processed by the Company in the following circumstances:

- to perform the Company's contractual obligations to its employees, customers and suppliers including the payment of wages, union subscriptions and the provision of benefits for employees and their families and dependants;
- to comply with the Company's obligations to its employees, customers and suppliers under the general law including the keeping of records for sickness absence, working time, national minimum wage, taxation or social security purposes or law enforcement;

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- to provide information about employees to those persons who require it in connection with services that they provide to the Company or that the Company provides to them or who do or may own or invest in the Company or who may need such information in connection with the assumption by them of responsibility for any of our employees (e.g. in outsourcing arrangements) or the Company's business operations;
- to keep personnel records for administrative purposes and for the purposes of assessing the performance of employees and their suitability for particular roles;
- to protect the interests of the employee or the Company and its customers or suppliers;
- to monitor or promote equality of opportunity or treatment between persons of different racial or ethnic origin; and
- to provide information to potential clients at bid and award of contract stage.

In order that the Company may hold and process personal data, staff are required to complete a Data Protection Act Consent form and return it to the HR Department at the commencement of employment (see APPENDIX IX). Staff should contact the HR Department with any questions concerning the processing of their own personal data.

Non-compliance with this policy may result in action being taken in accordance with the Company's Disciplinary Procedures.

2.29 Authorisation Level – Commercial Contracts

All members of staff are required to be fully aware of the level of negotiation and financial responsibility at which they may operate. If a member of staff should have any doubts regarding their authorisation level, management must be consulted prior to entering into any negotiation for contractual agreement on behalf of the Company. Failure to follow these guidelines will be seen as a disciplinary matter and may lead to dismissal.

2.30 Media

Staff who may be contacted by the Press or media regarding matters that involve the Company must make no comment and immediately inform the Corporate Communications Department. Similarly, a member of staff who wishes to publish an article regarding the Company or its activities must, in the first instance, seek advice from the Corporate Communications Department before authorisation may be given by the Company.

2.31 Gratuities

Staff are not to accept any gratuities or other rewards from any person other than the Company, without first having received the written approval of management.

This policy is intended to protect all staff and the Company from any allegation of favouritism, bias, conflict of interest or other embarrassing situations. Should the Company discover that a member of staff has accepted a gratuity without permission, the Company will treat the matter very seriously under its Disciplinary Procedures.

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2.32 Anti-Bribery Statement

It is a key Company principle to avoid any involvement in corrupt or illicit activities or conduct, and the following statement is part of how we adhere to that principle.

The Company can also be found criminally liable if a person associated with it bribes another person with the intention to obtain or retain business, or an advantage in the course of business, unless we have implemented procedures to prevent bribery from occurring. This statement also forms part of those procedures.

Employees' obligations under this statement have contractual effect. Breach of this statement will be viewed extremely seriously by the Company, and will normally amount to gross misconduct.

Bribes do not have to be wholly monetary. Any kind of financial reward, or any other kind of advantage, may amount to a bribe.

All members of staff should also familiarise themselves with and adhere to the PGS Anti-Corruption Policy and Guidelines, which can be found ONLINE, <http://online.onshore.pgs.com/corp/Pages/Anti-corruption-Policy.aspx>.

Bribing another person

No member of staff, while in any way associated with the Company, may bribe another person (directly or through a third party), either:

- intending that the bribe will cause that other person to improperly perform any function of a public nature, any activity in the course of business, or any activity performed in the course of any person's employment; or
- while knowing or believing that if the recipient accepted the bribe, that in itself would amount to improper performance of any such function.

Being bribed

No member of staff, while in any way associated with the Company, may request, agree to, or accept a bribe which is made with the intention that any function of a public nature, any activity in the course of business, or any activity performed in the course of any person's employment will be improperly performed, or as a reward for such improper performance.

Furthermore, no member of staff, while in any way associated with the Company, may improperly perform any function of a public nature, any activity in the course of business, or any activity performed in the course of employment, in anticipation of a bribe. Please note that simply accepting, requesting or agreeing to a bribe will amount to improper performance of a member of staff's duties.

For the above purposes, please also note that the person to whom the bribe is offered or given does not have to be the same as the person who performs the function or activity concerned, in order for a breach of this statement to occur. A breach of this statement will occur even if the bribe is received by a person other than the person who has been bribed, or who solicited the bribe.

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Bribery of a foreign official

No member of staff, while in any way associated with the Company, may bribe or promise to bribe a foreign public official with the intention to influence the recipient in his capacity as a foreign public official and to obtain or retain business or a business advantage.

Members of staff should note that the above prohibitions reflect criminal offences under the UK's Bribery Act, and criminal proceedings may also be instigated against a member of staff if they breach any of the above obligations and prohibitions.

Please be aware also that the Bribery Act extends to acts committed privately, as well as in the course of employment, and that a member of staff who is convicted of a criminal offence in their private capacity will be subject to action under the Company's Disciplinary Procedures.

On a wider note, the Company is aware that illicit or corrupt activities or conduct could be envisaged, which would go beyond the specific scope of the prohibitions set out in this statement, but which would nevertheless violate the spirit of this statement, and the Company's commitment is to avoiding activities or conduct of this kind.

Therefore, if a member of staff engages in any conduct, while in any way associated with the Company, that could be viewed as illicit or corrupt, notwithstanding that it may not fall within the prohibitions set out above, this will be addressed through the Company's Disciplinary Procedures, and may amount to gross misconduct.

Reporting Bribery

All members of staff are required to inform the Company if they believe that another member of staff, or any person or business with whom the Company deals or is associated, is or may be offering, receiving, or agreeing to receive bribes. In the first instance the member of staff should communicate their belief to their manager, who will notify the relevant officer in the Company for further investigation and action.

If the member of staff cannot raise the matter with their immediate supervisor for any reason, then they should instead contact either their supervisor's manager or, if they prefer, someone in the HR Department, who will pass the matter to the relevant officer. It is always open to any member of staff who believes that bribery may be taking place to contact the relevant officer in the Company directly if they feel that this is appropriate.

A member of staff raising a concern that bribery is or may be taking place, even if the concern is subsequently determined to be unfounded, will not be penalised in any way unless the concern was not raised in good faith.

2.33 Company Social Events

All members of staff should be aware that the normal high standards of behaviour are expected of employees attending *any* work-related social event. Social events are not limited only to those events organised on behalf of PGS and may incorporate any function associated with the Company or its employees or clients.

Any breach of Company terms or policy whilst attending a social event may be subject to disciplinary action.

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N.B. Staff attention is drawn to the Company Core Values, the Code of Conduct and the compliance department, details of which are contained on PGS ONLiNE or at the Company website www.pgs.com and which should be read in conjunction with this Handbook.

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3 PART III - POLICIES AND GUIDANCE

3.1 Commencement of Employment and Induction

- (a) Before commencement of employment the following are issued:

An offer letter and employment contract / terms and conditions of employment / service agreement (the “**Contract**”);

New Employee Details (NED) form;

Job Profile;

MBI Medical Questionnaire;

Reference Request form;

The Company Defined Contributions Pension Scheme Handbook; and

Summary of Insurances.

- (b) Induction

This will include, within the first week of joining:

Tour of the building;

Introduction to immediate colleagues;

Introduction to HR, Payroll and Office Administration Services;

Details of general procedures;

Health and Safety issues; and

Guide to local Facilities and Services.

The Company operates a swipe card security and identity system. The Company provide staff with a card holder and lanyard which should be worn at all times whilst on company premises. The lanyards come in four separate colours which denote the following:

Black lanyard – Company employee

Green lanyard – Company employee and qualified First Aider

Red lanyard – Visitor

Blue lanyard – Contractor working on site.

3.2 Career Opportunities

Our business offers dynamic and challenging opportunities in all its aspects.

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It is the intention, therefore, that opportunities for rewarding and fruitful careers are made available to all staff and that these opportunities should, where possible, be a marriage of individual preferences, business objectives and individual performance. It is our policy that wherever possible the Company will recruit from within and that staff are “grown” to fill new positions as they arise.

There may be occasions, however, when it may be necessary for the Company to re-align staff positions to meet the requirements of the business. An example of such an occasion would be in the event that the Company were having to restructure due to business requirements which may result in redundancies. On such occasions, staff concerned would be consulted in the first instance.

3.3 Training and Development

Training and Development are not only to assist in the advancement of staff careers, but are also an essential aspect in providing quality services and product excellence to our clients. If a member of staff believes that training and development is needed to assist in carrying out the role in which they are employed more effectively, the matter should be discussed with the relevant Head of Department in the first instance. Employees who leave the service of the Company within a specified time after completion of a job related course will be expected to reimburse the full cost of the course fees.

As in Section 3.6(g) Education Leave, below, staff are required to provide the Company with the Diploma or certificate issued for retention on the personal files. Any members of staff who are responsible for organising any training courses are also responsible for ensuring that the HR Department is provided with copies of certificates for all attendees.

Members of staff who are interested in undertaking further education relevant to their position within the company should refer to the Global HR website. The Company policy on further education scholarships is in the sub-section entitled Learning and is included under Global Programmes.

3.4 Performance Management System and Appraisals

The Company has developed and put in place a performance management system, PeopleFocus, to assist in the development of both the Company and staff.

Information about the PeopleFocus system can be found at the Global HR site, ONLiNE. The system is an integrated system, which has the following objectives:

- To reflect PGS Core Values, KPIs and Performance Management policy;
- To assist in the creation of an individual development plan for staff and to identify any training and development requirements;
- To provide a unique, focused, two-way communication forum relating to individual career and objectives, and;
- To provide transparency for management and employees on performance.

The system based Performance Contract is finalised on an annual basis, but is subject to review by employees and managers throughout the year. A face to face appraisal meeting will be held annually with line management and will form part of the Performance Contract.

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For some positions, the Performance Contract in PeopleFocus may not be deemed appropriate and in these circumstances, the Company's pre-existing appraisal system will be followed. An example of the form, Global Performance Appraisal for employees without a Performance Contract, may be found in APPENDIX I.

3.5 Working Hours and Flexible Working Policy

Employees fall into one of three main categories, which govern working hours. Hours are detailed in individual Contracts, and the categories are:

Full Time Office;

Part-time Office; and

Computer Operations – Shift.

(a) Building Opening Hours

The switchboard and reception will be staffed at the following times:

Monday – Friday, 08.00 to 18.00

Monday – Friday, 09.00 to 17.00 (PGS EM Edinburgh office)

N.B. In the case of the Edinburgh office staff should refer to local out of hours access and lone working procedures. Relevant information on documents and Sharepoint links will be provided and highlighted at induction.

Outside these hours the telephone system switches to Night Service, and a security officer, where applicable, will be present, although the phone may be answered by night working staff where such arrangements are in place. Details of entering the building after hours are contained in the Guide to Local Facilities and Services.

(b) Full Time Office Employees

(i) Standard hours

Full time employees have the opportunity, subject to management approval, to work a flexitime schedule other than standard hours. This allows staff to coordinate dependant care requirements, avoid traffic congestion and to arrange medical/dental appointments at the beginning or the end of the working day. The essential needs of the office, however, are of paramount importance and management has the right to suspend flexitime working in order to meet the requirements of the business.

The flexitime system will comply with the requirements of the Working Time Regulations.

(ii) Exceptions

Management is responsible for ensuring that staffing levels are maintained to meet the requirements of the business during standard business hours. Some positions may not be

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suitable for flexitime operations and management will, in such circumstances, set working time as standard hours of operation.

(iii) Rules

Normal working hours are 8 hours per day, which includes one hour for lunch, Monday to Friday.

Normal Office hours are 09.00 to 17.00. The core hours run from 09.30 to 15.30 and staff are required to be present between these times. Therefore, staff arriving at work at 09.30 will finish at 17.30; staff arriving at 07.30 will be allowed to finish work at 15.30.

Staff are free to arrive and depart at any time outside the core time provided that:

- The departmental requirements as laid down by management are met.
- A break of up to one hour each day is taken between 12.00 and 14.00. Staff wishing to take a lunch break outside these times should get prior approval from management.
- On each day a minimum of 7 hours is worked with no carry over to other days, unless the member of staff's manager has given prior approval.

(c) Computer Operations – Shift Employees

Definitions

Shift	12 hour work period
Shift Team	Group of employees working a specific shift (A and B)
Shift Cycle	14 day period

Shift employees' hours of work are 07.00 to 19.00, inclusive of a one-hour mid shift break, and two 20-minute breaks, one normally taken before and one after the mid shift break. Breaks are subject to greater flexibility at weekends. The level of any flexibility is governed by operational criteria such as staffing levels and workload. Any flexibility is at the discretion, and is the responsibility, of the Shift Supervisor. Any changes to normal breaks must be documented accordingly.

Currently, the shift cycle runs for 14 days, during which time a shift employee will work 7 shifts in total. The other 7 days of the period are defined as rest days. Any overtime (see section 3.3) is in addition to this pattern.

The Company reserves the right to change the shift times, cycle or pattern for operational reasons.

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A shift pattern is as follows:

Day	Mon	Tue	Wed	Thur	Fri	Sat	Sun
Week 1	D	D			D	D	D
Week 2			D	D			

In exceptional circumstances and as a last resort, employees may swap a shift with another employee. Requests **MUST** be in writing, and approval is at the discretion of the Operations Supervisor. Full details on the procedures to be followed for swapping a shift are in section 2.6 of the Operational Support Procedures and Instruction Manual.

3.6 Leave Policies

(a) Compassionate Leave

The reasons for requesting compassionate leave vary and each case will be considered on its merits, although every effort will be made to be sympathetic to individual needs. Whether any leave granted is paid or unpaid will be dependent on each particular case and will normally be limited to matters concerning a close relative*.

The employment rights staff earn under their employment contracts, other than salary, will continue to accrue and staff may remain covered by all insurances during any period of unpaid compassionate leave.

(b) Bereavement Leave

In the event of the death of a close relative*, staff may take up to five days' paid leave of absence. Those wishing to take more than five days' leave, should contact the relevant manager/supervisor or the HR Department and request Compassionate Leave.

* For the purposes of compassionate leave and bereavement leave, a close relative is defined as a member of staff's spouse/partner, civil partner, children, grandchildren, parents, grandparents, brothers and sisters. Other applications for bereavement leave will be considered on a case by case basis.

(c) Maternity, Paternity and Adoption Leave

Maternity, paternity and Adoption Leave rules are not only complex but also continually evolving. Therefore full details are available on request from the HR Department and can be viewed ONLINE.

(d) Parental Leave

Parental Leave is a right for parents to take time off work to look after a child or make arrangements for the child's welfare.

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To be entitled to Parental Leave, a staff member needs to be an employee who has completed one year of service with Company and be responsible for the child. The Company reserves the right to request evidence of such responsibility.

Details of the Parental Leave entitlement are as follows:

Parental Leave is unpaid, and applies in respect of each child of five years of age or under.

Parents of a disabled child may exercise the right to Parental Leave up to the child's eighteenth birthday.

An employee has the right to Parental Leave in respect of a child under the age of eighteen whom they adopt. The right lasts for five years from the date on which the child is placed for adoption with them, or until the child is eighteen, whichever is the sooner.

Staff are entitled to a total of eighteen weeks' unpaid Parental Leave from the date of birth up to the expiry of the entitlement to Parental Leave.

The eighteen weeks are accrued against all employers during the period of eligibility for Parental Leave – i.e. if prior to working for the Company a member of staff had taken three weeks' Parental Leave with a previous employer, the balance of the entitlement would be fifteen weeks.

Staff can take a maximum of four weeks Parental Leave in respect of any individual child in any one year.

Such leave must be taken in blocks of one full week (five working days) and must not be taken in individual days, except that the parent of a disabled child may take Parental Leave in one day blocks.

A week's leave is a period of absence from work which is equal in duration to the period that the member of staff is required to work during a week. This means that for an employee who normally works from Monday to Friday, a week's leave is five days. However, for an employee who works on Mondays and Tuesdays only, a week's leave is two days. For shift workers, a week is five shifts.

Twenty-one days' notice must be given in order to take Parental Leave.

The Company may postpone any Parental Leave for up to six months if the date requested is operationally inconvenient. Once an employee has given notice to the Company of their intention to take Parental Leave the Company has seven days in which to notify them of postponement. The postponement notice will be in writing and will inform the employee of the reason for the postponement and specify the dates on which the Parental Leave can be taken.

The rules are slightly different on the birth of a child. Where the employee is the father of the child, and the period of leave is to begin on the day on which the baby is born, the notice must specify the expected week of childbirth and the duration of the period of leave, and it must be given to the Company at least twenty one days before the beginning

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of the expected week of childbirth. Once the correct notice is given, the period of leave may start as soon as the baby is born, even if this is later or sooner than expected.

In the case of adoption, the notice must specify the duration of the period of leave and the week in which placement is expected to occur, and must be given at least twenty one days before the beginning of that week. Once the correct notice is given, leave may begin as soon as the child is placed for adoption, even if this occurs earlier or later than the specified week.

The Company will not postpone an employee's Parental Leave where it is to be taken by the father to commence on the birth of a child, or by either parent where the leave is to commence on the date that a child is placed with them for adoption.

Parental Leave may be taken immediately after the end of Ordinary and/or Additional Maternity Leave or paid Paternity Leave. In these instances again, the Company will not postpone the Parental Leave.

Employees will remain employed whilst on Parental Leave but will not be paid. A period of Parental Leave will count as continuous service. All other terms and conditions will remain as applied prior to Parental Leave taking place.

An employee who returns from Parental Leave is generally entitled to return to the job in which he or she was employed before his or her absence. Special rules apply where the Parental Leave period has exceeded four weeks or has been added to the end of additional maternity or Adoption Leave. Details can be obtained from the HR Department.

The Company reserves the right to make enquiries of an employee's previous employer as to how much Parental Leave an employee has taken and/or to seek a written declaration from an employee about how much Parental Leave he or she has previously taken.

Breach of the Parental Leave policy will be treated as a disciplinary offence.

(e) **Dependant Care Leave**

Employees are entitled to a reasonable amount of unpaid time off during working hours in order to take necessary action to ensure dependants are properly cared for in the following circumstances:

- To provide assistance on an occasion when a dependant falls ill, gives birth or is injured or assaulted;
- To make arrangements for the provision of care for a dependant who is ill or injured;
- In consequence of the death of a dependant;
- Because of the unexpected disruption or termination of arrangements for the care of a dependant; or

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- To deal with an incident which involves a child of the employee and which occurs unexpectedly in a period during which an educational establishment which the child attends is responsible for him or her.

The right to time off is intended to enable employees to deal with emergency dependant care issues in the short term and/or, when necessary, to make longer term care arrangements such as making arrangements to employ a temporary carer or taking a sick child to stay with relatives.

The right to Dependant Care Leave is a right to cover unforeseen matters. If an employee knows in advance that time off is likely to be required, employees should arrange for time off using their annual leave entitlement or through unpaid Parental Leave. For example, if an employee is required to take a dependant into hospital for an operation, and the operation is not an emergency and has been booked in for a period of time and the employee was aware of this, it would be inappropriate to take time off under the right to Dependant Care Leave.

The right to care for dependants does not cover the right to take time off for domestic emergencies such as a boiler bursting in the home. In this case, employees should not rely upon the terms of this policy but should contact their line manager at the earliest opportunity who will deal with such a matter sympathetically.

In the majority of cases, whether or not an individual is a dependant of the employee will be obvious. For instance, young children living with their parents who are employees are likely to be regarded as dependants. However, an aunt who lives nearby whom the employee looks after outside work could also be a dependant. Should an employee have any questions as to whether or not an individual they are caring for falls within the definition of dependant, he or she should contact the HR Department.

When taking Dependant Care Leave, an employee must inform his or her line manager as soon as reasonably practicable of the reason for his or her absence and how long he or she expects to be absent. Failure to do so may result in the employee being treated as absent without authorization.

Dependant Care Leave is unpaid. For each half day an employee is absent from the office, the employee will lose half a day's basic pay. The Company may at its absolute discretion continue to pay an employee during a period of Dependant Care Leave. The fact that the Company may do so on any particular occasion does not mean that it will do so on any subsequent occasion.

Misuse of the Dependant Care Leave policy or failure to comply with its terms will be treated as a disciplinary offence. Should an employee attempt to claim Dependant Care Leave dishonestly, such conduct is likely to be regarded as gross misconduct and may result in his or her dismissal.

(f) House Move

Paid leave will be granted for one day, provided this is taken during the week in which the house move takes place. An appropriate Leave of Absence request should be made and approved by line management.

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(g) Education Leave

In the first instance, members of staff wishing to request such leave should refer to the Global HR website and acquaint themselves with the content of the further education scholarship policy which is included under the sub-section headed Learning and outlined under Global Programmes.

Staff who have at least one year's service may request Education Leave for a period not exceeding one year, although the granting of such leave will be entirely at the Company's discretion. During this time remuneration will not be paid but staff may remain covered by the Company's insurance schemes and length of service will continue to accrue. In exceptional cases and where the course of study relates to our business, funded Education Leave may be considered. Please see the paragraph on "**Training and Development**" for further details. These requests must be signed and approved by both the Department Manager and the HR Manager.

These requests will be considered on an individual basis balancing the reasons with the overall Company requirements. Whilst every effort will be made, the Company cannot absolutely guarantee that the same job/salary or indeed that any job will remain open at the end of the Education Leave.

A member of staff wishing to request a few days of exam leave must send a written application to the relevant manager/supervisor. At the discretion of management one day off with pay for the exam day and one day off with pay to prepare for the exam will be granted. Please note that the subject of the exam should be related to the member of staff's work.

In all cases where the Company has funded training, education or additional qualifications, a copy of the diploma awarded must be made available to the Company for retention on personal files.

The above provisions are additional to any statutory right an employee may have to request time off for training under the Employment Rights Act 1996.

(h) Marriage

Staff who get married or enter into civil partnerships on a weekday (Monday to Friday, excluding Bank holidays), will be granted paid leave for one day. Honeymoon, however, has to be taken as part of the normal holiday entitlement.

A Leave of Absence request should be made and approved by line management.

(i) Extended Leave of Absence

In exceptional circumstances and where business conditions permit, a member of staff who has at least one completed year of service may request extended leave of absence for a period of up to one year. During this period, salary will not be paid although coverage under certain Company insurance schemes may remain in place. Length of service will also continue to accrue.

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Dependent upon individual circumstances and the availability of a suitable position, as detailed below, the rate of pay upon recommencement of work will be the same as the rate payable prior to the leave being granted.

It must be stressed that, where leave of this type is contemplated, each case will be treated on its own merits and specific circumstances. Whilst every effort will be made, the Company cannot guarantee that the same or indeed any job will remain open at the end of a period of extended leave of absence.

Unpaid leave taken in excess of 10 days will result in a pro rata reduction to annual leave entitlement.

(j) Jury Service

It is the Company's policy that staff should not lose out financially if required for Jury Service. Whilst Jury Service is a civic responsibility, the compensation for loss of earnings and travelling expenses recoverable from the court is limited, and consequently there is the possibility of financial loss.

Loss of earnings allowance: A member of staff attending Jury Service must obtain the appropriate form for loss of earnings from the court and send it to Payroll. Normal salary will be paid less any amount received from the court.

(k) Court Appearances

When an employee is summoned to appear in court as a witness to a crime, there is an entitlement to paid leave of absence up to a maximum of one week.

Should further court appearances be necessary, this should be taken as an unpaid leave of absence.

Summons to appear in court for any other reason will be handled at the discretion of line management and HR.

(l) Time Off in Lieu

In exceptional circumstances time off in lieu for overtime worked may be granted, but this will be at the discretion of the relevant Department Manager and must be agreed in advance of any overtime worked.

(m) Armed Forces Reservists

A member of staff who is a territorial or reservist with H.M. Forces is permitted, at the discretion of their Department Manager, to take an additional five working days' holiday with pay during any year when they undertake a minimum of two consecutive weeks' full time training. The balance of any additional leave required may be taken as annual leave, or as unpaid leave. In the event of a member of staff being subject to full call up, the leave required may be taken as unpaid leave or, at the absolute discretion of the Department Head, may be given as additional paid holiday.

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3.7 Communications Guidance

Effective communication is the lifeblood of any efficient organisation and no more so when it is field-based such as ours. It is our aim, therefore, to establish efficient and effective lines of formal and informal communication whilst at the same time reducing bureaucracy to a minimum.

The elements of the communication structure within the Company are as follows:

(a) **Manuals and Documentation**

When joining the Company a member of staff is provided with this Handbook and will take part in an induction designed to give pertinent details concerning the Company and its methods.

(b) **Reports**

As part of their job function, staff will have to complete a variety of reports at one time or another, e.g. timesheets, safety reports, progress reports, etc. These should be completed as concisely and accurately as possible. Staff who feel that the report format no longer reflects the information requirement should inform the relevant manager/supervisor who will address the issue.

(c) **Meetings**

In addition, staff will be asked to attend specific meetings as part of their job function or to further their career development. These include appraisal meetings, safety meetings and client meetings. These meetings at all times should be focused and professional.

(d) **Email and Internet**

Staff should read the company's contractual Email, Internet and Software policies at Part II, Paragraphs 2.18 to 2.25. In the event of any doubt, staff should refer to the PGS Servicedesk.

The PGS website is located at www.pgs.com. Group Marketing will update all newsletters, press releases and current information here.

(e) **Notice Boards**

Press releases, personnel announcements and social events will be displayed throughout the building and on PGS ONLiNE.

(f) **Intranet**

The main PGS site addresses relevant to staff are:

PGS ONLiNE (Corporate gateway): <http://web.pgs.com>

Internal vacancies, and other information relevant to PGS, are published on this site.

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3.8 Grievance Procedure

In any work situation there will be occasions when a member of staff will have a complaint or problem that requires attention. It is important, therefore, that lines of both informal and formal communication exist and that all legitimate complaints and concerns are dealt with as promptly as possible. The Grievance Procedure applies to all employees, irrespective of job or grade, however, it does not form part of the contract of employment or otherwise have contractual effect. Staff can use this procedure freely and without prejudice to their position in the Company, provided that the procedure is not invoked in bad faith, which may result in disciplinary action being taken against an employee who does so.

It is anticipated that many staff grievances will be resolved at the informal level, and the Company encourages staff to discuss the issue informally with their immediate supervisor, where practicable. The Grievance Procedure should normally only be invoked when full informal discussions between a member of staff and their immediate superior have failed to produce a mutually satisfactory solution. In cases where a member of staff wishes to raise a formal grievance the following procedure should be observed:

(a) Grievance Procedure: Stage 1

The member of staff wishing to raise a formal grievance should set out the basis for the grievance in writing and send it to their supervisor, or, if this is not practicable, to a manager. The written basis for the grievance should normally be sent within seven days of the circumstances which gave rise to the grievance taking place. Should the grievance involve the member of staff's immediate supervisor, or should the member of staff concerned feel uncomfortable discussing the matter with their immediate supervisor then the grievance should be raised with the supervisor's superior or with another manager of equal status.

Where appropriate the Company will then investigate the grievance as necessary.

(b) Grievance Procedure: Stage 2

The Company will invite the member of staff to attend a meeting, at a reasonable time (usually within 7 days of receiving the written statement from the member of staff) and place, at which the grievance may be discussed fully to try to reach a satisfactory solution. The member of staff must make all reasonable attempts to attend this meeting and may be accompanied by a work colleague or an employed trade union official or an appropriately certified trade union official. The person who accompanies the member of staff may, if the member of staff wishes, assist in the preparation of the case and the companion is permitted to address the hearing in order to set out and/or sum up the staff member's case, confer with the staff member, and respond on behalf of the staff member to any views expressed at the meeting. The chosen companion is not, however, permitted to answer questions on behalf of the staff member and may not prevent the Company from explaining its case.

If the chosen companion cannot attend the hearing, then the Company will reschedule the hearing provided a reasonable alternative time and date is suggested no later than five working days from the original hearing date.

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After the grievance meeting serious consideration will be given to the matter, and the Company will reach a decision that aims to settle the matter fairly having regard to the person raising the grievance, other individuals, and the Company. The Company will inform the staff member of its decision and outline the staff member's right of appeal if the staff member is not satisfied with the decision.

(c) **Grievance Procedure: Stage 3**

If the member of staff concerned is dissatisfied with the outcome of Stage 2 of the Grievance Procedure then the member of staff must inform the Company of the desire to appeal within a reasonable time, and usually within seven days of the date of the Stage 2 decision.

The person dealing with the grievance will arrange a further meeting with the member of staff concerned to investigate the matter. The appeal will normally be heard by a person at the next level of management above the person who heard the Stage 2 meeting (who will normally be a senior manager or director) who will review the case with the HR Manager. The member of staff will be given every opportunity for the grievance to be stated and thoroughly discussed at the appeal meeting and will have the right to be accompanied on the same basis as provided for at the Stage 2 meeting. As appropriate, further investigation may take place and further action may be taken.

Stage 3 will be the final stage of the Grievance Procedure and the outcome will be notified to the member of staff and will be binding on both parties. It is Company policy that during all stages of the Grievance Procedure audio recordings are not made without the express consent of all parties involved. Employees should be aware that it is not acceptable to make secret recordings during this process and in doing so they may be subject to disciplinary action.

3.9 Disciplinary Procedure

The Disciplinary Procedure is designed to help and encourage staff to achieve and maintain standards of conduct, attendance and job performance. It applies to all staff. The procedure is, however, intended only as a guideline and does not form part of the contract of employment or otherwise have contractual effect. The Company's aim in setting out this Disciplinary Procedure is to ensure consistent and fair treatment.

(a) **Principles**

No disciplinary action will be taken until the case has been fully investigated.

Staff will be advised of the nature of the complaint and will be given the opportunity to state their case before any decision is made.

At all meetings under the procedure, the staff member may be accompanied by a colleague from within the Company or by an employed trade union official or an appropriately certified trade union official. The person who accompanies the member of staff may, if the member of staff so wishes, assist in the preparation of the case and is permitted to address the hearing in order to set out and/or sum up the case, confer with the member of staff, and respond on behalf of the member of staff to any views expressed at

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the meeting. The chosen companion is not, however, permitted to answer questions on behalf of the member of staff and may not prevent the Company from explaining its case.

If the chosen companion cannot attend the hearing, then the Company will reschedule the hearing provided a reasonable alternative time and date is suggested by the member of staff that is no later than five working days from the original hearing date.

Staff members will not normally be dismissed for the first incident giving rise to disciplinary action being taken, except in the case of gross misconduct, when a staff member may be dismissed without notice or a payment in lieu of notice.

Staff members will have the right to appeal against any disciplinary penalty imposed.

The Company may impose whichever form of disciplinary action it considers appropriate even if the member of staff has not previously been subject to lesser action, e.g. a final written warning may be imposed if justified by conduct even though the member of staff has not previously received a written warning.

(b) Misconduct Giving Rise to Disciplinary Action

(i) Minor Incidents

The following are examples of conduct/performance that will also be dealt with in accordance with the Disciplinary Procedure outlined below, but would not normally amount to gross misconduct, save in the event of very serious or repeated offences. Examples of such behaviour include, but are not limited to:

Absenteeism and/or bad time keeping;

Failure by staff to take reasonable care for the health and safety of themselves and other persons who may be affected by that member of staff's actions;

Failure to meet performance standards after reasonable effort has been made by the Company to ensure all relevant training has been given to bring the member of staff to the required standard;

Failure to notify the Company of reasons for absence and failure to supply a medical certificate for absences of more than 7 days unless prior written permission has been given;

Inappropriate standards of dress;

Failure to comply with instructions given in relation to the Company's use of its premises (such as failing to adhere to local speed limits on Company premises and in particular in the staff car park);

Problematic relations with clients/other staff members;

Excessive personal use of the telephone/internet/email;

Providing the Company address for personal correspondence.

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Disruptive behaviour;

Misuse of the Company's property and machinery for purposes other than normal use on the Company's business; and/or

Failure to comply with a reasonable request made by either a director of the Company or any of the Company's clients.

(ii) Major Incidents

Cases of gross misconduct/gross misdemeanour will be also dealt with in accordance with the Disciplinary Procedure outlined below and may result in summary dismissal without notice. Examples of such behaviour include, but are not limited to:

Fighting and other acts of violence;

Conviction of any criminal offence other than a minor road traffic offence;

Gross insubordination;

Intimidation of work colleagues;

Wilful destruction or theft of Company or employee property;

Fraud and/or falsifying Company records;

Misuse of Company assets or funds;

Any act or acts of unlawful harassment or discrimination;

Possessions of firearms or other weapons on Company property;

Being on Company premises under the influence of any intoxicating substance including alcohol, illegal drugs or solvents;

Possession of illegal drugs on Company property;

Bringing the Company into disrepute;

Serious breach of confidence (subject to employees' rights under the Public Interest Disclosure Act 1998);

Discrimination, harassment and/or victimisation of/against another on unlawful grounds;

Refusal to carry out a reasonable or lawful working instruction;

Flagrant disregard of the Company's Email and/or Internet policy; and/or

Any act which whilst normally is not a matter of gross misconduct, is so serious that it should be treated as such.

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In the case of alleged gross misconduct, if the Company feels that it is necessary to investigate the alleged offence, the member of staff may be suspended from work on full pay, normally for no more than five working days, while the investigation takes place. The matter will then be dealt with in accordance with Stages 1-3 of the Disciplinary Procedure.

(c) Disciplinary Procedure

Minor issues will usually be dealt with informally, but where the matter is more serious, or if incidents are repeated, the Disciplinary Procedures set out below may be implemented if a staff member's alleged misconduct or poor performance warrants such action. The three stage process is as follows:

(i) Disciplinary Procedure: Stage 1

The Company will set out in writing the nature of the conduct, capability or other circumstances that may result in dismissal or disciplinary action and the basis of the complaint. This will be sent to the relevant member of staff who will be invited to attend a meeting to discuss the matter. At the meeting the member of staff may be accompanied by a colleague from within the Company or by an employed trade union official or an appropriately certified trade union official, in accordance with the terms set out under "Principles", above. If there are any documents which will be used in the meeting these will be enclosed with the letter, as appropriate.

(ii) Disciplinary Procedure: Stage 2

The meeting will be held in a private location. The meeting will be held promptly so that events may be accurately recalled, but the Company will ensure that there is sufficient time for the member of staff to consider their response.

During the meeting the Company will explain the circumstances giving rise to the meeting and go through any evidence gathered. The member of staff will be given an opportunity to set out their version of events.

All reasonable attempts must be made to attend this meeting and any further meetings the member of staff is requested to attend. In most circumstances no formal disciplinary penalty will be imposed without a disciplinary hearing but a hearing may proceed in the absence of the member of staff if he or she fails to attend.

After the meeting(s) the Company will inform the member of staff of its decision and of the right of appeal. A decision will be taken as to whether disciplinary action is justified, having regard to the member of staff's disciplinary and general record, action taken in previous cases, relevant explanations and whether disciplinary action is reasonable in all the circumstances. Whilst it is to be hoped that use of the disciplinary sanctions will prove unnecessary, it must be recognised that incidents requiring a formal response may occur. In these instances the meeting(s) may result in :

(A) Level 1 - Improvement Note or First Warning

- (1) **An Improvement Note** if performance does not meet acceptable standards (having regard to the member of staff; terms and conditions of employment and/or general good practice in the

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office). This will set out the performance problem, the improvement that is required, the timescale, any help that might be given and a right of appeal. The employee will be informed that this constitutes the first stage of the formal procedure. A record of the Improvement Note will be kept for [6] months; but it will then normally be considered spent, subject to achieving and sustaining satisfactory conduct and performance; or

- (2) **A First Warning** for misconduct if conduct does not meet acceptable standards (having regard to the member of staff; terms and conditions of employment and/or general good practice in the office). This will be in writing and set out the nature of the misconduct, the change in behaviour required, and the right of appeal. The employee will be warned that action under Stage 2 will be considered if there is no satisfactory improvement or further misconduct occurs. A record of the First Warning will be kept, but it will then normally be considered spent after [6] months, subject to an acceptable standard of conduct and performance being maintained.

(B) Level 2 - Final Written Warning

If conduct and/or performance still fails to improve or if further misconduct occurs or if the misconduct or performance issue is sufficiently serious to warrant only one written warning, but insufficiently serious to justify dismissal, a **FINAL WRITTEN WARNING** will normally be given to the employee. The employee will be advised of the reason for the warning, the consequences of any repetition or failure to improve to acceptable standards within a specified timescale and of his or her right of appeal. The employee will be warned that action under Stage 3 will be considered if there is no satisfactory improvement or further misconduct occurs. A copy of the written warning will be kept on file, but will normally be disregarded for disciplinary purposes after 24 months, subject to an acceptable standard of conduct and performance being maintained.

(C) Level 3 - Dismissal or other sanction

If conduct and/or performance still fails to improve or if further misconduct occurs, **DISMISSAL** (with or without notice) will normally result, or some other action short of dismissal such as demotion or transfer. The employee will be provided, as soon as reasonably practicable, with written confirmation of the dismissal and the reason for it, the date on which employment terminated or will terminate, and the right of appeal.

(iii) Taking expired warnings into account

With regard to First Warnings and Final Written Warnings, although each of these warnings will normally be disregarded after the stated period of time has expired, in the event that an employee commits an act of misconduct of the same type as that which led to a previous warning and it is less than [6] months since the last warning expired, then

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the Company expressly reserves the right to take the previous warning(s) into account when dealing with the subsequent act of misconduct.

(iv) Longer Warnings

In certain circumstances the Company may reach the view that an act of misconduct, such as an act of discrimination, is sufficiently serious that a record of a First Warning or a Final Written Warning should lie on an employee's file for a longer period than the time limits stated above.

(v) Disciplinary Procedure: Stage 3

If the member of staff wishes to appeal against a disciplinary decision, the relevant manager should normally be informed within 5 working days of the written decision being received by the member of staff. The member of staff will be invited to an appeal meeting where he or she has the right to be accompanied, in accordance with the terms set out under 'Principles', above. The appeal will normally be heard by a person at the next level of management above the person who attended the meeting at Stage 2 and all records and notes of the original disciplinary hearing will normally be made available to that manager. At the appeal any disciplinary penalty imposed will be reviewed but it cannot be increased. After the appeal meeting the member of staff will be informed of the outcome of the appeal and the reasons for the decision. The appeal decision is final and the Disciplinary Procedure is exhausted following this stage.

It is Company policy that during all stages of the Disciplinary Procedure, audio recordings are not made without the express consent of all parties involved. Employees should be aware that it is not acceptable to make secret recordings during this process and in doing so they may be subject to disciplinary action.

(d) Dismissal

The decision to dismiss may only be taken by the Department Manager after full consultation with the HR Manager.

3.10 Absence Management Procedures

A member of staff, whose absence record due to illness or injury is considered excessive, or if an individual situation warrants an earlier review, will be invited to attend a meeting with a member of staff from the HR Department, which will be carried out in accordance with Stages 1-3 of the Company Disciplinary Procedures. The meeting will be to review the sickness record and ways in which this may be improved although may result in disciplinary action being taken where the circumstances warrant.

The meeting will aim to:

Identify the frequency and reason for the absences and ensure that the staff member is aware that the absence record is giving cause for concern;

Ask the staff member to seek proper medical attention if there is an underlying medical problem. A medical report could be requested if appropriate;

Give consideration to personal problems and possible ways of resolving them;

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Give consideration to any matters raised in Fit Notes that have been issued to the staff member in the past;

Agree a reasonable period of time over which attendance can be assessed;

Indicate what the next step will be if there is failure to reach the standard required. These standards or targets will be specified; and

Impose disciplinary action if this is warranted.

A letter confirming the facts and the action to be taken and specifying what will happen if attendance does not improve, will be given to the employee after this meeting.

Wherever possible, the Company will consider the provision of additional services in order to minimise unnecessary absence from work and to provide assistance to staff for the benefit of their health and welfare.

3.11 Retirement Policy

The Company does not at present operate a fixed retirement age, or a mandatory retirement policy in the UK, although it is in the course of consulting with employees about retirement arrangements generally, and will be implementing a formal policy in due course. In the meantime, staff who are considering retirement are encouraged to discuss their thoughts with the HR Department at any time, and preferably as far in advance as possible, to facilitate smooth succession planning.]

3.12 Health, Safety and Environment Policies

The Company is dedicated to maintaining the environment in which it works and to providing, so far as is reasonably practicable, a safe and healthy workplace for its employees through the active implementation of comprehensive policies, which comply with the laws of the UK and any applicable EU laws. Full details are contained in the Health and Safety Guidelines, which are available on request or which can be viewed ONLiNE.

Staff also have a responsibility to protect their own health and safety and that of others in so far as is reasonably practicable.

Any breach of the Company's health, safety, and environment policies may constitute a disciplinary offence which may lead, in appropriate cases, to a member of staff's dismissal.

(a) Fire and Emergency Procedures

Details relating to these will be explained during induction. The procedures are included in the Guide to Local Facilities and Services and are also posted on staff notice boards on each floor.

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(b) In-house Safety Programme

Health and Safety issues are covered in the Guide to Local Facilities and Services, are posted on notice boards, and are contained in the Health and Safety Guidelines. The names of First Aiders and Fire Wardens/Marshalls are posted on notice boards.

Health and Safety issues are also included on the agenda of the HSE Committee where elected representatives for all departments meet on a regular basis. Staff who have any concerns regarding Health and Safety issues should raise them with management, the respective representative, and/or the Team Leader, Office Administration Services (OAS).

Staff who are required to lift heavy objects but who have not received the appropriate training must contact OAS for assistance.

It is the responsibility of all staff to ensure they are aware of alarm and safety routines. The Team Leader, OAS will distribute updates as and when they occur.

(c) Personal Electrical Equipment

Any electrical equipment/machinery belonging to an employee that is brought onto Company premises must undergo a 'Portable Appliance Test' before being used. The nominated employee who has been assigned and trained in this task must carry out this test. Please contact the Team Leader, OAS for further details.

(d) Occupational Health Surveillance

As part of the Company's intention to adhere to Health and Safety regulations, staff may be entitled to individual and personal consultation with the Company Doctor or occupational health advisor only after special consideration and with Company authorisation. Such meetings should be made through the HR Department so that appropriate arrangements may be made and confidentiality respected.

(e) Eye Tests

Members of staff required to work regularly at a workstation are entitled to request an eye sight test to ascertain whether glasses are required for VDU use. Vouchers for eye tests are available from the HR Department. If special corrective spectacles are necessary for working on display screens the Company will provide a voucher towards the cost on provision of the correct documentation provided by an optician.

(f) Accidents at Work

Any accident, injury or near miss to either Company personnel or visitors, however minor, which occurs whilst on Company premises, must be reported using an Accident and Incident Report form. These forms are held electronically on the local network. Completed forms should be passed to OAS.

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3.13 Travel Policies

Overseas Travel

Staff may be required to travel overseas as part of their job function on behalf of the Company. Some general guidelines are set out below. N.B. These are not comprehensive. Staff who have any further queries should contact the travel agency, manager/supervisor, travel booker or HR Department.

(i) Passports and Visas

Staff should ensure that their passport is valid for at least six months, and will not run out during a period overseas. It is the responsibility of anyone travelling to check with the travel agency in case a visa is required.

(ii) Health

It is the responsibility of anyone travelling abroad on Company business to check with the travel agency or the local doctor as early as possible, and preferably by the time of booking the tickets, whether any vaccinations are compulsory or recommended when visiting an area.

The Company has an arrangement with a local doctor who will vaccinate individuals by appointment. The Department Administrator, where applicable, or the HR Department/HR Administrator should make appointments, but it is always staff's own responsibility to ensure that the appropriate vaccinations have been received before travel.

(iii) Medicals for Frequent Travellers

Staff who travel on long haul flights on Company business, or who travel overseas frequently, are strongly advised to have a regular medical, at the Company's expense, to assess any possible risks. This will minimise the risk of a medical emergency occurring whilst travelling. Please contact the HR Department/local HR Administrator, who will make the necessary arrangements.

(iv) Travelling with Medical Conditions

The Company recognises that some medical conditions may have an impact upon a member of staff's ability to travel for business purposes. The Company is therefore committed to working with such staff to bring job related travel requirements into alignment with personal G.P. recommendations. Examples of this include identifying another member of staff to take the trip, using videoconference technology instead of face to face meetings or using an alternative form of transportation. In many cases this will be a matter of common sense based upon discussion between the member of staff and management or a Fit Note or other recommendation made by a medical practitioner. In cases involving substantial additional expenses, the Company will require a doctor's written recommendation.

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(v) Personal Safety

Staff should remember that whilst abroad there may be a higher personal risk than when at home. Members of staff who are required to travel overseas, therefore, should be more cautious with personal effects and seek advice on the area to which they are travelling either from local contacts or the travel agency.

More detailed risk assessments can be obtained if felt necessary from the relevant manager/supervisor or the HSE Department. As a precaution, staff should always ensure that an office-based colleague has a copy of the relevant itinerary, and that contact can be made at any time. N.B. In some areas, mobile phone reception is poor, and staff should not rely on mobile phones as the only means of contact. Further information is available on PGS ONLiNE or on the Europ Assistance / Drum Cussac website.

(vi) Behaviour Whilst Travelling

At all times whilst travelling on the Company's behalf, staff are classed as working, and the normal high standards of behaviour expected of employees will prevail. Instances of poor behaviour, alcohol and/or substance abuse and misconduct will be dealt with in accordance with the Disciplinary Procedures.

3.14 Stress at Work Policy

(a) Policy

The Company is committed to providing support and assistance necessary to enable its employees to undertake their job duties in an environment that is as stress free as possible. The Company's aim is to ensure employees' health and safety at work and that they are not subjected to excessive workloads, onerous working practices or a detrimental work environment. Employees who have high stress levels are more likely to work inefficiently, behave erratically, have low morale and be absent from work. Work performance will then suffer.

(b) Procedure

If a member of staff feels that their work performance or their health is suffering because of stress related matters, whether those matters are occurring outside the workplace or within the work environment, they should first raise this with their line manager. The line manager will arrange a meeting with the member of staff to discuss the matter with a view to taking the appropriate steps to remove the cause of the stress or to assist the member of staff in dealing with it. This may include evaluating the amount or complexity of their workload, their work environment and/or referring the matter to a more senior manager who may be in a better position to provide guidance and to take the appropriate steps to assist.

The Company also provides access to an occupational health advisor. Should a member of staff wish to do so they can contact Maggie Bream on +44 (0) 7966 582772. This is an entirely confidential service and any discussions will be strictly confidential unless the member of staff agrees otherwise.

All members of staff are encouraged to make use of this service if they are feeling stressed for whatever reason. They will be able to obtain advice concerning their condition, the cause of it and appropriate action which might be taken to assist them.

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Members of staff are also free to seek help themselves from their own doctor or counsellor. Please note, however, that if a member of staff does not tell the Company that they are suffering from stress and/or feel unable to cope, or if the Company is unaware that they have a particular problem or vulnerability, we may not be in a position to help them.

3.15 Equal Opportunities Policy

The Company strictly prohibits discrimination on the basis of race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, pregnancy and maternity, age, marital or civil partnership status or disability. The Company also strictly prohibits discrimination on any other basis that is prohibited by law.

It is the Company's policy to provide equal opportunities to its employees with respect to all decisions pertaining to employment and employee relations including, but not limited to, recruitment and selection, transfers, redundancies, terminations, training and development, promotions, compensation practices, benefits and all other terms and conditions of employment. Decisions relating to these matters will be made on objective grounds, i.e. based on ability, skills and aptitudes relevant to the requirements of the position although equal opportunities factors, such as reasonable adjustments for disabled employees or applicants, will be considered and implemented where appropriate. The Company's equal opportunities policy may apply after an employee's employment has terminated and before it commences.

The Company strictly prohibits unlawful direct and indirect discrimination, unlawful disability related discrimination, harassment and victimisation.

- (a) **Direct Discrimination** occurs when a person is treated less favourably because of his/her race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, pregnancy/maternity, gender reassignment, age, marital or civil partnership status or disability. Direct discrimination will always be unlawful (with the exception of certain actions taken because of age, which may be lawful in certain circumstances).
- (b) **Indirect Discrimination** takes place in relation to an individual employee when a provision, criterion or practice is applied or would apply to some employees, but puts, or would put a particular group of employees and the individual employee at a disadvantage because of race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, age, marital or civil partnership status or disability. Indirect discrimination will only be acceptable where the Company can show that it is a proportionate means of achieving a legitimate aim.

3.16 Discrimination Arising from a Disability and Reasonable Adjustments

- (a) **Discrimination arising from a Disability** occurs where a disabled person is treated unfavourably because of something arising in consequence of their disability and that treatment is not a proportionate means of achieving a legitimate aim.
- (b) **Disability Discrimination – Reasonable Adjustments.** Where an employee is placed at a substantial disadvantage compared to a non-disabled employee by a physical feature of the Company or any provision, criterion or practice applied by the Company, reasonable adjustments must be made to avoid the disadvantage. Failure to make reasonable adjustments will constitute disability discrimination.

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Where, during the course of their employment, a disabled employee believes there is the need for a reasonable adjustment to be made to employment arrangements or premises to facilitate any aspect of their employment that has not already been implemented by the Company, he or she should discuss the requirement with his or her manager or the HR Department. Once an adjustment has been made, its operation may be reviewed at agreed intervals to assess its continuing effectiveness.

3.17 Bullying and Harassment

Bullying, harassment or intimidating behaviour are an abuse or misuse of power which undermines or humiliates an employee.

Harassment occurs where a person engages in unwanted conduct of a sexual nature or unwanted conduct relating to an employee's race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, age or disability which has the purpose or effect of violating the employee's dignity or of creating an intimidating, hostile, degrading, humiliating or offensive environment for the employee.

When determining whether unwanted conduct has the effects described above, the staff member's perception of the conduct, other circumstances of the case, and whether it is reasonable for the conduct to have had that effect will be taken into account.

Further to this, harassment also occurs if a person treats an employee less favourably due to the employee's rejection of or submission to that person's unwanted conduct of a sexual nature or unwanted conduct relating to the employee's gender reassignment or sex which conduct has the purpose or effect of violating the employee's dignity or of creating an intimidating, hostile, degrading, humiliating or offensive environment for the employee.

Conduct may be harassment whether or not the person intended to offend. Something intended as "a joke" or as "office banter" may offend another person. This is because different members of staff find different levels of behaviour acceptable and everyone has the right to decide for themselves what behaviour they find acceptable to them.

Behaviour which a reasonable person would realise could be likely to offend a staff member will always constitute harassment without the need for the member of staff having to make it clear that such behaviour is unacceptable, for example, touching someone in an overly familiar manner. With other forms of behaviour, it may not always be clear in advance that it will offend a particular member of staff, for example, office banter and jokes. In these cases, first time conduct which unintentionally causes offence may not be harassment, though just because the harasser does not intend it to be harassment does not prevent it from being so if it is obvious. It will, in any event, become harassment if the conduct continues after the staff member has made it clear by words or conduct that such behaviour is unacceptable to him or her. A single incident can amount to harassment if it is sufficiently serious.

Examples. Bullying and harassment may be verbal, non-verbal, written or physical. Examples of unacceptable behaviour include, but are not limited to, the following:

Unwelcome sexual advances, requests for sexual favours, other conduct of a sexual nature;

Subjection to obscene or other sexually suggestive or racist comments or gestures;

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The offer of rewards for going along with sexual advances or threats for rejecting sexual advances;

Jokes or pictures of a sexual or racial nature;

Demeaning comments about a member of staff's appearance;

Questions about a staff member's sex life;

The use of nicknames related to a member of staff's sex, sexual orientation, gender reassignment, race, colour, ethnic or national origin, nationality, religion or belief, age or disability;

Picking on or ridiculing a member of staff; or

Isolating or excluding a member of staff from social activities or relevant work-related matters.

Reporting Discrimination, Bullying or Harassment. Discrimination, bullying or harassment of any kind will not be tolerated by the Company and all allegations of such behaviour will be dealt with seriously, confidentially and speedily. In the first instance, any employee who feels they have been the target of such behaviour should make it clear to the person who is discriminating against them, bullying or harassing them that their behaviour is unacceptable and ask them to cease their discriminatory, bullying or harassing behaviour. However, the Company realises that actual or perceived power and status disparity may make such confrontation impractical and therefore, if the employee feels that he/she cannot speak to the person directly or if the conduct continues, the employee should ask his/her immediate supervisor to investigate and resolve the matter. If the employee cannot speak to their immediate supervisor about the problem then the employee should either speak to their manager or, if he/she would prefer, to someone in the HR Department.

The Company will not ignore or treat lightly grievances or complaints of discrimination or harassment from employees of a particular race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation or age or from staff members who have undergone gender reassignment, are married, have entered into a civil partnership are pregnant or on maternity leave or have a disability.

If the employee is not satisfied that the problem has been resolved, the employee should raise a formal grievance in accordance with the Company's Grievance Procedure. The most important thing is for the employee to take appropriate steps to tell someone who will be able to take action.

The Company will take all necessary steps to investigate the complaint. It is more than likely that the HR Department will be involved since they have expertise in dealing with these types of complaints. They may arrange investigatory interviews with both the employee who believes they have been discriminated against/harassed/bullied and the person who is believed to be discriminating/harassing/bullying and also anyone else who is able to throw further light on the complaint. Any employee asked to attend an interview will have the right to be accompanied by a colleague, an employee trade union official or a certified trade union official.

If, after investigating the complaint, the Company agrees that there are reasonable grounds to uphold the complaint then disciplinary action will be taken against the person against whom the complaint is made in accordance with the Company's Disciplinary

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Procedure. This action may result in their dismissal. In addition, line managers who had knowledge that such discrimination or harassment had occurred in their Departments but who had taken no action to eliminate it will also be subject to disciplinary action under the Company's disciplinary procedure.

The Company wishes all employees to realise that discrimination, harassment and bullying are very serious offences and may be treated as gross misconduct under the Company's Disciplinary Procedure. Any incident of discrimination, harassment or bullying may therefore lead to dismissal.

A member of staff raising a complaint, even if it is not upheld, will not be penalised in any way unless the complaint was not made in good faith.

If a complaint is upheld and the bully, harasser or discriminator remains in the Company's employ, then the Company will take all reasonable steps to ensure that the staff member concerned does not continue to work alongside the person against whom the complaint was lodged. This would be subject to further discussion between the staff member and the Company so all options may be considered.

If the complaint is not upheld, arrangements will be made to assist in the resumption of good and harmonious working relationships.

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4 PART IV - COMPENSATION AND BENEFITS

4.1 Compensation Structure

Individual Contracts will detail the structure and composition of individual salary packages. Details regarding overtime are set out in Part II of the Handbook. If a member of staff has any queries, please contact the HR Department.

The gross monthly salary will be gross annual salary divided by twelve.

For all staff, excluding shift workers, the daily rate of pay is calculated as follows:

$$\frac{\text{Annual Salary}}{260 \text{ (working days per annum)}} = \text{Daily rate}$$

The hourly rate of pay for all staff excluding shift workers is calculated as follows:

$$\frac{\text{Annual Salary}}{2184 \text{ (working hours per annum)}} = \text{Hourly rate}$$

Computer Operations – Shift Employees: The annual salary for shift employees is inclusive of a shift allowance to cover shift operations. The hourly rate for overtime purposes is calculated as:

$$\frac{\text{Annual Salary (incl. shift allowance)}}{2184 \text{ hours (incl. lunch and breaks)}}$$

4.2 Payroll Procedures

(a) Pay Day

Salaries are normally paid on the 20th day of each month, i.e. 20 days in arrears and up to 11 days in advance. If the 20th is a weekend or Bank Holiday salaries will be paid on the preceding Friday.

Payslips are sent via email and staff may opt to receive hard copy payslips instead. Staff who wish to receive their payslips in this manner should inform the Payroll Department in writing. Otherwise, Payroll will arrange for payslips to be sent to employee's company email (e.g. @pgs.com). If staff elect to receive hard copy payslips, Payroll will distribute payslips by hand on payday. Staff who are not in the office that day will receive their payslip from the Payroll Department by hand on their next working day. Otherwise payslips will be sent to home addresses by post.

Staff who have any queries regarding pay should contact the Payroll Department. The Company will do its utmost to ensure that staff are paid in accordance with this policy. From time to time, however, payment may be delayed. The Company therefore recommends that employees arrange standing orders and direct debits to be paid a few days later than payday. The Company is not responsible for any penalties incurred as a result of delayed payment of salary.

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The Company reserves the right to change the payday where appropriate. Changes will be notified to staff in advance.

(b) Notification of Changes

Staff must ensure that changes to personal details affecting payroll, e.g. a change of bank account, are notified in writing to the Payroll Supervisor by the payroll deadline for the month in which the change is to commence so that alterations are processed that month.

Notification of changes to personal details should be in writing using APPENDIX V or by email.

4.3 Salary Reviews

The salary review will normally be effective from 1st January each year. Any decision to increase salary is entirely at the Company's discretion.

Salary changes, due to promotion or change of position will be from the date stated in the letter of notification.

4.4 Insurances

(a) UK Pension Fund

All UK employees over the age of 18 are entitled to join the PGS UK Defined Contribution Pension Fund from commencement of employment. Full details are contained in the Fund booklet which can be obtained from the Pensions Administrator.
Health Insurance

(b) All members of staff are insured on a worldwide basis for health care, currently through BUPA International, subject to the rules of that scheme. Employees may add dependants (partner and / or children) to the BUPA scheme at their own cost. Anyone wishing to add or remove family members from BUPA can do so by contacting HR. Staff may only add or remove dependants effective from the beginning of each scheme year (i.e. 1st July) with the exception of changes in circumstances (e.g. marriage, birth, adoptions etc.).

For employees' dependant children aged 18 and over, evidence of genuine dependency on the employee is required for them to enter or remain in the scheme. Any child dependants over the age of 25 as at the time of scheme renewal are not covered by BUPA International and will be removed from the scheme.

Further information about dependant costs and the rules of the BUPA scheme are available from the HR Department. N.B.: The Company may, at its discretion, change the insurance provider at any time.

BUPA International have a website, www.bupa-intl.com/membersworld, where you can review local facilities, download forms and track a claim online. For full information about cover and claims, please contact BUPA direct on:

Tel: +44 1273 323563

Email: info@bupa-intl.com

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Full details of the scheme are provided on joining. However, the following provides a summary:

BUPA HEALTH CARE	
Out-patient surgical operations	Paid in full
Consultants' fees for consultations, pathology, X-rays, diagnostic tests Costs for treatment by therapists and complementary medicine practitioners Consultants' fees and psychologists' fees for psychiatric treatment (after two years' membership)	Up to £3,000 each membership year
In-Patient and Day-Case Treatment	
Hospital accommodation Surgical operations, including pre- and post-operative care Nursing care, drugs and surgical dressings Physicians' fees Theatre charges and intensive care Pathology, X-rays, , diagnostic tests and therapies Prosthetic implants and appliances Parent accommodation (accompanying child under 18) Psychiatric treatment (after two years' membership, lifetime maximum 90 days)	Paid in full
Other benefits	
Advanced imaging Cancer treatment Emergency local road ambulance Transplant services	Paid in full
Home nursing, after in-patient treatment (up to a maximum of 20 days each membership year)	Up to £100 each day
Routine maternity cover, (please check BUPA handbook for restrictions)	Up to £3,000 each membership year
Annual overall maximum benefits for medical cover, each year	£750,000

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Employees must note that the above table may be subject to change at any time, and should always satisfy themselves directly with the insurer that a benefit or payment is available. The Company makes no representation whatever as to the ongoing accuracy or availability of the payments and benefits listed above. Staff must always check with BUPA before incurring any expense with them.

(i) Renewal

The scheme renewal is currently 1st July each year. Around this time an updated membership certificate will be distributed. Membership cards will only be replaced in the event of a name change or loss of membership card. Employees may only add or remove their dependants from the BUPA scheme at the time of renewal, except in the event of birth, death, marriage or divorce. Dependant changes can only be made through HR.

(ii) Income Tax on Health Insurance

Membership of BUPA for staff is taxable and will be recorded on the P11D at the end of the tax year.

(c) Dental

The Company travel insurance policy may cover any necessary emergency dental work whilst on business travel only. Payment for any dental treatment will be subject to the terms of the policy.

Preventative, cosmetic and routine dental treatments are not covered under any policy.

(d) Evacuation

From PGS vessel: The Party Chief and the Vessel Supervisor will arrange evacuation from the vessels in the event of serious illness or injury.

From elsewhere: This cover is provided globally through Europ Assistance. Employees who travel on business should ensure that they are carrying a Europ Assistance card, which can be obtained from HR. This provides staff with a dedicated 24/7 contact number which should be used in the event of any medical or political emergency.

Europ Assistance cover is for employees only, travelling on business and is for use in emergency situations only. For any non-emergency medical issues, employees should contact BUPA International. Further information about this insurance can be found ONLiNE.

(e) Life Insurance

The Company provides Death in Service life assurance cover which will, subject always to the rules of the scheme, provide a lump sum benefit of 4 x basic annual salary for a staff member's nominated beneficiary.

The maximum payment is subject to the earnings cap dictated by HM Revenue & Customs (HMRC) (£137,400 in the 2012/2013 tax year, adjusted annually). If basic pay is more than the earnings cap, a member of staff has the option of increasing cover by providing medical evidence to satisfy the Insurance Company.

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It is strongly advised that staff should read the rules regarding nominated beneficiaries detailed on the Beneficiary Form, which are included with the pension booklet and can be obtained from the HR Department. Staff must also ensure that the HR Department is kept informed of changes to nominated beneficiaries.

All employees should be aware that any update to Next of Kin in the PeopleFocus database will not automatically effect a similar update to an employee's Nomination of Beneficiary for the purposes of any insurance and an updated Beneficiary Form will be required.

(f) Permanent Health Insurance / Long Term Disability

In the event of a member of staff being rendered unfit for work through illness or injury the Company will make payments in accordance with Part II, Paragraph 2.11. Once this period has been exhausted further payment will be in accordance with, and subject to, the rules of the Permanent Health Insurance / Long Term Disability Scheme. This is subject always to the insurers approving the application for entitlement under the scheme and making payment to the Company in respect of the application.

If the permanent health insurers approve and make payment to the Company in respect of the application, the Company will pay 75% of basic salary at the time of the incapacity less any Incapacity Benefit at the prevailing rate during the period of the incapacity. This will continue until normal retirement date or such earlier date on which the insurers cease to make payment to the Company. The Company reserves the right, however, to terminate employment, even if this results in the loss of benefits (either actual or prospective) under the Permanent Health Insurance (PHI) Scheme. For the avoidance of doubt, the Company is under no obligations to make payments to an employee who is rendered unfit for work save when payment is being made to the Company by the insurer in respect of the employee (other than where the employee is entitled to Company sick pay in accordance with Part II, Paragraph 2.11).

If a member of staff benefiting under the PHI scheme is also a member of the PGS UK Pension Scheme the insurance will pay pension contributions for as long as PHI benefits continue.

(g) Additional Insurance Cover

The Company will, subject always to the rules of the scheme or schemes, provide employees with additional insurances while on business travel only:

Personal accident:

Death

Loss of one limb or one eye

Loss of two or more limbs, or both eyes, or one of each

Permanent total disablement, other than by loss of limb or eye, from usual occupation

} 4 x annual salary

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Overseas medical expenses	Unlimited
Personal baggage	To £5,000 (single article limit £1,500)
Money and credit cards	To £3,000
Personal liability	To £2,000,000

Please remember that if baggage or belongings are lost by an airline, staff must claim directly from the airline in the first instance.

In any event, please contact the HR Department within two days of such loss. The HR Department will send out a claim form and details about the information required. It should be remembered, in the meantime, that the insurance company will require a copy of the travel itinerary, any relevant police report (in English where possible), and replacement receipts. Failure to produce receipts or quotes for replacements may result in a reduced amount being paid to any claimant.

Payment of any claims for lost or damaged baggage is always subject to the terms and decision of the insurers.

(h) **Fraudulent Claims**

The Company works with all its insurers to investigate any suspected fraudulent insurance claims. The Company will seek the prosecution of any member of staff filing fraudulent claims or engaging in any other workers' fraudulent claim.

(i) **Right to Benefits**

Employees are referred to the provisions of Part II, Paragraph 2.7 in relation to the right to benefits.

4.5 Credit Cards

The Company, only in exceptional circumstances and with the Department Manager's approval, may pay the annual fee of one credit card for members of staff who are required to regularly travel and entertain clients in pursuance of Company business. It is the responsibility of the member of staff to apply for and maintain in credit any credit cards.

If the card is not used solely for business expenses, the annual fee may need to be included on end of year P11Ds.

4.6 Childcare

The Company offers assistance to staff in the payment of nursery fees for young children.

Childcare Vouchers – Childcare vouchers can be claimed for any value up to a maximum of £243 per month (for basic rate tax payers; the limit is reduced for higher- and top-rate taxpayers). This sum is subject to amendment by HMRC. The value of the

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voucher is then taken off gross salary so that savings can be made on tax and National Insurance. The vouchers can be used for any registered or approved childcare organisation for children from birth to 16 years of age.

Further details are available from the Payroll Department.

4.7 Mileage Rates

In line with HM Revenue & Customs' rates to cover costs if you use your private car/vehicle, on business use, (not commuting) you may claim the following:

	First 10,000 business miles	Each business mile over 10,000
Car and Vans	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

You are not taxed on these rates.

The company reserves the right to amend these amounts as and when they consider appropriate.