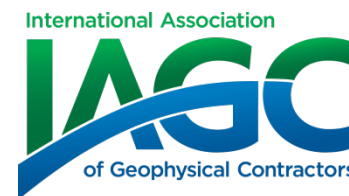


Statement of Principles

Ethical Conduct in Negotiations



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This document includes the Statement of Principles and a description of the issues.

Key Words:

- Antitrust
- Client
- Contract
- Contractor
- Geophysical Contractor
- Marine Mammal
- Material Information
- Party(ies)
- Survey Area
- Tender

Terms that are in bold type are defined in the Glossary of Terms which forms part of this family of Statements of Principles.

Statement of Principles

Although **Geophysical Contractors** and **Clients** are necessarily on opposite sides of the table during **Contract** negotiations, both must be able to trust the other in order for both the contracting process and operating relationship to work smoothly.

1. Both the **Contractor** and the **Client** must be committed to honesty and truth in the negotiation process:
 - **Clients** should disclose all known **Material Information** about the **Survey Area**, including, e.g., information about climatic and weather conditions, subsea and industrial hazards, government regulation, community or organizational opposition, and **Marine Mammal** protection issues.
 - **Contractors** should be truthful in describing the availability, capabilities, skills, and relevant experience of particular boats, equipment, crews or personnel.
 - **Clients** and their negotiators should not knowingly make, or cause or allow to be made, false or misleading statements of fact, as negotiating ploys or otherwise.
2. A **Contractor's** negotiator may attempt to confirm a **Client** negotiator's statement of facts about a competitor's willingness to accept a particular **Contract** clause in the following manner:
 - Obtain specific confirmation (orally or in writing) from the **Client** regarding the representation.

IAGC Contacts:
1225 North Loop West
Ste. 220
Houston, TX, 77008 USA
P. +1 713 957 8080
iagc@iagc.org
www.iagc.org

Commercial Context

Failure of either **Party** to disclose **Material Information** about the **Survey Area**, applicable government regulation, likely community or organizational opposition, crew experience and qualifications, or equipment capabilities, undermines the trust required in order to establish and maintain a professional working relationship, and may cause unnecessary delays in completing the **Contract** and beginning the project.

Ideally, disclosures of **Material Information** should occur in the request for **Tenders** or in a separate document issued concurrently, provided to all companies interested in **Tendering**, and promptly updated when additional **Material Information** is received by the **Client**. The obligation of disclosure should be backed by a warranty that such disclosure has been made.

This nonbinding Statement of Principles is offered by IAGC for discussion and educational purposes only.
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