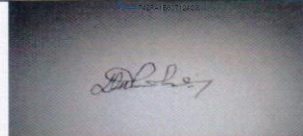




## THE SHELL PETROLEUM AND DEVELOPMENT COMPANY LTD

MINUTES OF NEGOTIATION MEETING HELD WITH MEDICHEM PROJECTS LIMITED		
Date: 25/06/2020	Time: 1:15pm – 2.42pm	Venue – ONLINE MEETING
1.0 Attendees	Ekok Okpokam Dahiru Mohammed Benedict Aguka Mukaila Ojikutu Efe Oghomienor Grace Ejims Yinka Olawuyi Chris Onwudiwe	NAPIMS – Manager, HSSE NAPIMS - Deputy Manager, HSSE-JV NAPIMS - HSSE JV SPDC – Safety & Environment SPDC – Safety & Environment SPDC – Safety & Environment SPDC – Contracting & Procurement Medichem Projects Limited – Managing Director
2.0 Title	NG01022484 – PROVISION OF ENVIRONMENTAL STUDIES AND SERVICES	
Item	Discussion	
3.1	<b>Introduction:</b> HSE Briefing was given by SPDC representative and introduction was conducted by all participants (NAPIMS, SPDC and the Contractor).	
3.2	<b>Objective:</b> To renegotiate with Medichem Projects Limited on the previously agreed commercial rates for the Provision of Environmental Studies and Services in respect of Tender No. NG01022484 and agree on rates acceptable to Contractor and SPDC.  The mandate from NAPIMS was to negotiate up to 40% reduction in rates in view of the effect of COVID-19 pandemic and the aspiration of UTC of 10 dollars to a barrel.	
3.3	<b>Discussions:</b> SPDC representative welcomed the CONTRACTOR and explained the meeting objectives. Contractor was informed that the renegotiation outcome should be a win-win situation for SPDC and Medichem without a compromise on the quality of work. A holistic ACV reduction would be preferred to selected reduction per service lines.	
3.3.1	CONTRACTOR was informed that following a review on the initial agreed rates, based on current realities and benchmarking, the contractor's ability to provide the services at a lower competitive rate without compromising quality and HSE was not in doubt. Hence the need for the downward revision of the rates.	
3.3.2	CONTRACTOR explained that a 40% reduction in rates was too high, that although oil price is going down, other statutory rates are on the rise- inflation rates, the exchange rates, cost of hiring equipment, vehicle and Consultants. That the initial rates are a barebone cost. Contractor then proposed a 2% discount on rates.	
3.3.3	CONTRACTOR's offer was found unacceptable by the SPDC JV Team. After further deliberations, CONTRACTOR requested for 48 hours within which to share the rates at which they can reasonably provide these services. SPDC acceded to the request on the premise that the response will demonstrate that revised rates will be competitive and aligned with market benchmarks.	
3.3.4	The meeting ended at about 14:42PM.	

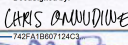

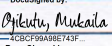


3.4	<p><b>Post Negotiation Meeting.</b></p> <p>CONTRACTOR reverted with an email response offering discount on some items which was still unacceptable to the JV Team. Further offline deliberation yielded an offer of 5% discount on rates for All Elements in the Contract excluding:</p> <ol style="list-style-type: none"> <li>1) Cost Sampling Equipment</li> <li>2) Cost of Personnel</li> <li>3) Cost of logistics</li> </ol> <p>This cumulatively, is a 3.86% discount rate, which was still not acceptable to the SPDC JV Team. CONTRACTOR was invited for another meeting with the SPDC JV Team on that basis.</p>
*All Resolutions reached are subject to NAPIMS and SPDC Management Approval*	
SIGNED:	
NAME	COMPANY SIGNATURE DATE
Chris Onwudiwe	Medichem Projects Ltd. <small>DocuSigned by: CHRIS ONWUDIWE</small>
Dahiru Mohammed	NAPIMS  27/10/2020
Mukaila Ojikutu	SPDC <small>DocuSigned by: Ojikutu, Mukaila</small>
Yinka Olawuyi	SPDC <small>DocuSigned by: Yinka Olawuyi</small>



<b>MINUTES OF NEGOTIATION MEETING HELD WITH MEDICHEM PROJECTS LIMITED</b>		
Date: <b>15/9/2020</b>	Time: <b>11:00am – 1.00pm</b>	Venue – <b>ONLINE MEETING</b> (second session)
1.0 Attendees	Raimi A. Adeyemi <b>NAPIMS - Manager, HSSE</b> Dahiru Mohammed <b>NAPIMS - Deputy Manager, HSSE JV</b> Benedict Aguka <b>NAPIMS - HSSE JV</b> Mukaila Ojikutu <b>SPDC – Safety &amp; Environment</b> Efe Oghomienor <b>SPDC – Safety &amp; Environment</b> Grace Ejims <b>SPDC – Safety &amp; Environment</b> Debo Ogunjimi <b>SPDC – Contracting &amp; Procurement</b> Kunle Orifowomo <b>SPDC – Contracting &amp; Procurement</b> Yinka Olawuyi <b>SPDC – Contracting &amp; Procurement</b> Chris Onwudiwe <b>Medichem Projects Limited – Managing Director</b>	
2.0 Title	<b>NG01022484 – PROVISION OF ENVIRONMENTAL STUDIES AND SERVICES</b>	
Item	Discussion	
3.1	<b>Introduction:</b> HSE Briefing was given by SPDC representative and introduction was conducted by all participants (NAPIMS, SPDC and the Contractor).	
3.2	<b>Objective:</b> To follow-up on earlier negotiations discussion held with the CONTRACTOR and the SPDC-JV Team as discount offered by the CONTRACTOR so far was found unacceptable.	
3.3	<b>Discussions:</b> The objective of the meeting was re-emphasized. CONTRACTOR's initial discount offer was acknowledged (cumulative discount of 3.86%). However, CONTRACTOR was informed that the offered discount was not acceptable taking into cognizance the mandate of JV Management of 40% discount. The SPDC JV Team was confident that both parties could reach a win-win position and agree on lower competitive rates acceptable to both parties whilst not compromising on quality and HSE. The SPDC JV Team therefore requested a cumulative 15% discount on rates.	
3.3.1	CONTRACTOR informed the meeting of their inability to offer a 15% discount, re-emphasizing that although oil price went down, the rise in inflation and high exchange rates will impact cost of execution of the CONTRACT as the contract elements although naira denominated is dollar dependent vis-à-vis the reagents and hiring/buying of equipment. The rates of vehicle and consultants is also on the rise and the initial rates are barebone costs. CONTRACTOR then offered a 5% discount on rates for all the Contract Elements.	
3.3.2	After much deliberations, a 6% discount on rates for all the Contract Service Elements was agreed to by all parties.	
3.3.3	The meeting ended at about 1:00PM.	
3.3.4	CONTRACTOR is to revert formally on their company letter head paper (signed by the Managing Director) the 6% discount as agreed to by all parties and confirming their ability to provide the services without compromise to quality and performance expectation.	



3.3.5	<b>NOTICE FOR CONTRACTOR</b> CONTRACTOR to note that this Minutes of Meeting shall not constitute a contract or an intention to award a contract and no such liability shall arise therefrom.			
<b>*All Resolutions reached are subject to NAPIMS and SPDC Management Approval*</b>				
<b>SIGNED</b>				
	NAME	COMPANY	SIGNATURE	DATE
	Chris Onwudiwe	Medichem Projects Ltd.	<small>DocuSigned by:</small> 	
	Raimi A. Adeyemi	NAPIMS	<small>DocuSigned by:</small> 	11/11/2020
	Mukaila Ojikutu	SPDC	<small>DocuSigned by:</small> 	
	Yinka Olawuyi	SPDC	<small>DocuSigned by:</small> 