

**COMMERCIAL CODE OF PRACTICE:  
ANNUAL SURVEY OF TRANSACTIONS CONDUCTED DURING 2011**

GUIDELINES FOR COMPLETION OF THE RETURN

**General**

1. The Excel spreadsheet template used for survey returns last year is being retained. This includes four additional columns that should be completed for infrastructure negotiations only.
2. The Excel spreadsheet format was previously agreed as being a distinct improvement over earlier templates, and no substantial concerns have been raised about the general format. It also allows easier compilation of responses for analysis by DECC.

**Scope**

3. In terms of what transactions should be covered in your return, typically you should include those such as
  - sale and purchase/disposal/exchange;
  - transportation & processing agreements;
  - operating agreements; farm-in/out;
  - field unitisation, services agreements, substitution agreements etc.
4. Smaller, more straightforward and day-to-day transactions such as confidentiality agreements, simple pipeline crossing agreements, short side letters etc need not be included although there may be cases where there have been 'learning opportunities' that it would be valuable to include.

**Completing the return**

5. Please enter your **Company name** on the line at the top, then use a separate row of the worksheet for each transaction . If the text in a particular cell is likely to cover more than one line, please use wrap text. Under the **Comments** columns, any relevant information you can provide will be very helpful to DECC. Please choose one of the options from the drop-down list as a reply in the Y/N question boxes. An empty box is clearly a lost opportunity to provide any indication about that aspect of a transaction and gives the overall figures less weight.
6. **Execution date** - this should be marked 'Pending' if not yet completed, or 'Abandoned' (with the date) if not pursued after significant negotiations had taken place. In the latter case, if there was any element of surprise/concern from one or two parties that the deal was not progressed, please give further information in one of the comment boxes on the spreadsheet.
7. **Title of Agreement/Transaction** - the full title of the Agreement is very helpful as it allows easier matching of the comments submitted by different parties. Where there is a suite of agreements, please include the name of the field(s) and/or the infrastructure in question.
8. **Participants** - providing the full and precise names of participants to the deal – particularly where the party may be a subsidiary of a major organisation - can also be very helpful in matching comments.

9. **‘Suite’ or ‘Single’** - selecting ‘Suite’ or ‘Single’ from the drop-down list in the transaction column is also important. One of the main aspects of the survey is being able to identify a specific transaction so that views from all parties to that particular deal can be compared (in an unattributable way). In the past it has always been difficult to do this since often a single transaction – say a Transportation Agreement - is part of an overall suite of deals. In such a case one company may only be party to one transaction, providing comments on a relatively minor part of a major deal. Unless this is well understood then the comments from the other parties may refer to the broader deal and not necessarily be pertinent to that smaller deal but apply to the whole suite, giving a misleading comparison.

10. **Agreed timetable** – if the timetable was changed, please provide any information as to whether that change was necessary and mutually acceptable.

11. **Post-activity audit** - ‘audit’ may be a misleading choice of word. Essentially in this section the survey seeks to capture any evidence of a ‘look back’ at the deal to assess what went well/not so well and what lessons may be learned and built upon for the future. This need not be any major formal exercise, possibly a simple e-mail exchange with a colleague. So any indication – such as whether or not you/the other parties felt an audit was necessary (in the latter case maybe a very simple deal that clearly did not merit an audit); whether the audit was internal or involved the other parties, and what form the audit took (maybe a dedicated meeting, or a short discussion in the margins of a social event).

12. **Senior management commitment** - this will inevitably represent a broad judgement by you, based on the action (and inaction) of both your own company’s management and that of the other party/ies. The ‘Comments’ for this heading in the template paraphrase the CCoP senior management objectives, and these may be helpful in making the judgement.

13. **CCoP compliance** - a ‘Y’ for compliance with the Code implies that all the main tenets of the CCoP were adhered to – timetables being agreed and kept to; commitment; was self evident etc. You may feel that the spirit of the Code was met if one or even two of the other columns were marked ‘N’. However, as the number of ‘N’ marks elsewhere increases, it should be harder to justify a ‘Y’ mark for overall Code compliance. It is again useful to have any insight into why the deal went particularly well or why it left a less than satisfactory feeling.

14. Finally, we do appreciate your help in completing the survey, because we recognise the demands this can place on your time. We aim to prepare a summary report of the findings from the Survey during mid 2011, and would welcome feedback on how these findings can be better disseminated.