

---

**ENGINEERING, PROCUREMENT AND CONSTRUCTION  
CONTRACT**

dated [date]

---

NORCEM AS

and

*Norcem Plant Modifications Contractor*

---

regarding

*Norcem Cement Plant modifications for full-scale carbon capture*

---

**APPENDIX D Administration Requirements**

## Table of Contents

1.	GENERAL .....	5
1.1	Definitions .....	5
1.2	Project language.....	5
2.	PROJECT MANAGEMENT SYSTEM AND WORK BREAKDOWN STRUCTURE (WBS) .....	6
3.	CHANGE AND ISSUE MANAGEMENT .....	7
3.1	General.....	7
3.2	Change Log.....	7
4.	INTERFACE MANAGEMENT .....	8
5.	SCHEDULE MANAGEMENT .....	9
5.1	General.....	9
5.2	Progress reporting and measurement .....	10
5.3	Schedule baseline.....	10
5.4	Project milestones .....	10
6.	COST MANAGEMENT.....	11
6.1	Cost and budget control .....	11
6.2	Baseline and budget revisions.....	11
6.3	Registration and control of work performed on a reimbursable basis .....	12
6.4	Quantity control, reconciliation and final settlement of procurements.....	12
6.4.1	Quantity control and reconciliation of quantities .....	12
6.5	Invoicing .....	13
6.5.1	General .....	13
6.5.2	Invoicing process.....	13
6.5.3	Requirements for content and substantiation.....	13
6.5.4	Deadline for payment .....	13
6.5.5	Rejection and Detention .....	13
6.5.6	Final Invoice.....	14
6.5.7	Invoice addressee and electronic submission of invoices.....	14
7.	QUALITY MANAGEMENT .....	15
7.1	General.....	15
7.2	Quality Management System.....	15
7.3	Quality Plan .....	15
7.4	Inspection and test plan (ITP).....	15
7.5	Audit program and quality audits .....	16

---

7.6	Non-conformity handling .....	16
8.	PROJECT ORGANISATION AND RESOURCE MANAGEMENT .....	17
8.1	Project organisation .....	17
8.2	Personnel.....	17
9.	PROJECT COMMUNICATION AND REPORTING .....	18
9.1	General.....	18
9.2	Special notification obligations.....	18
9.3	Reporting .....	18
9.3.1	Immediate reporting of accidents .....	18
9.3.2	Weekly/Biweekly progress reporting .....	18
9.3.3	Monthly status reporting.....	19
9.3.4	Annual lessons learned reports .....	19
9.3.5	Annual benefits realisation and knowledge sharing reports .....	20
9.3.6	Final report .....	20
9.4	Meetings .....	20
9.4.1	General .....	20
9.4.2	Kick-off meetings.....	20
9.4.3	Monthly project management meetings .....	21
9.4.4	Weekly/Biweekly Site Coordination Meetings .....	21
9.4.5	Interface meetings .....	21
9.4.6	HSE follow-up meetings .....	21
9.4.7	Additional meetings.....	22
9.4.8	Meeting Minutes.....	22
9.5	Media contact / Publications.....	22
9.6	Location of project team.....	22
9.7	Project Email .....	22
10.	RISK MANAGEMENT.....	23
10.1	General.....	23
10.2	Risk Management System .....	23
10.3	Risk Mitigating Measures .....	23
10.4	Risk Register.....	23
11.	HEALTH, SAFETY AND ENVIRONMENT (HSE).....	24
11.1	General.....	24
11.2	Systematic HSE work.....	24
11.3	SHA Plan .....	24
11.4	HSE monitoring, audits and follow-up.....	24

11.5	HSE reporting .....	25
11.6	HAZOP analyses.....	25
11.7	Government Audit Access .....	25
11.8	Safety training.....	25
11.9	Notification routines at Norcem Brevik.....	25
11.10	Work permits .....	26
12.	CONTRACTS AND PROCUREMENTS MANAGEMENT.....	27
12.1	General.....	27
12.2	Contractor’s overall contract strategy .....	27
12.3	Specific contract strategies .....	27
12.4	Critical Procurements .....	28
13.	DOCUMENT MANAGEMENT .....	29
13.1	General.....	29
13.2	Document Management System .....	29
13.3	Master Document Register (MDR).....	29
13.4	Document Numbering.....	30
13.5	Document Review.....	30
13.6	Company’s and the Government’s access to project documents and material .....	30
13.7	Government comments .....	30
13.8	3D CAD model of the CCS Facility .....	30
14.	BENEFITS REALISATION AND KNOWLEDGE SHARING .....	31
15.	ETHICS AND CORPORATE RESPONSIBILITY .....	33
15.1	Contractor .....	33
15.2	Contractor’s suppliers.....	33
16.	REFERENCES.....	34
17.	ATTACHMENTS.....	35
Attachment D01	Company’s HSE Requirements at Company’s Site .....	35
Attachment D02	Contractor’s Project Organization Chart.....	35
Attachment D03	List of Key Personnel.....	35
Attachment D04	Contractor’s WBS .....	35
Attachment D05	Forms for Variation Order Requests, Variation Orders and .....	35
	Disputed Variation Orders .....	35
Attachment D06	Form for Non-Conformity Requests .....	35
Attachment D07	Final settlement form .....	35

## 1. GENERAL

### 1.1 Definitions

The definitions included in the Conditions of Contract are also applicable to this Appendix.

Additional to the main Conditions of Contract definitions, the definitions in Table 1 apply:

**Table 1: Definitions**

<b>Item</b>	<b>Definition</b>
Contract Master Schedule (CMS)	The Contract Master Schedule covers the three top levels of the Contract Detailed Schedule (rolled up from level 4 and 5)
Contract Baseline Schedule (CBS)	The Contract Detailed Schedule (CDS) baselined according to the requirements in this Appendix D, section 5.3
Contract Detailed Schedule (CDS)	A detailed schedule for project execution, including all activities and tasks, with start-up date, duration and completion date, as well as dependencies and critical line
Work Breakdown Structure (WBS)	A hierarchical decomposition of the total scope of work to be carried out by the project team to accomplish the project objectives and create the required deliverables. The WBS shall be established and maintained according to the requirements in this Appendix D, section 0
HAZOP	HAZard and OPerability analysis

### 1.2 Project language

All documentation, including correspondence and invoices related to the Contract, shall be in Norwegian or English unless otherwise agreed.

Documents in languages other than Norwegian or English must be followed by authorised translation into one of the permitted languages, preferably Norwegian.

## **2. PROJECT MANAGEMENT SYSTEM AND WORK BREAKDOWN STRUCTURE (WBS)**

Contractor is responsible for the planning, organization, follow-up and execution of the Work in accordance with this contract and the requirements in this Appendix D.

Contractor shall provide the required personnel and perform all management and administration tasks required for the Work, throughout all phases of the Work and on all Sites, including Subcontractors' sites.

Contractor shall provide all the information technology equipment and systems (hardware and software) required for the performance of the Work.

Contractor shall establish, implement and maintain a project management system that at all times covers the Work in accordance with the Contract. Contractor must put similar demands on its suppliers.

The project management system shall as a minimum contain procedures for:

- Change and issue management (ref. section 3)
- Interface management (ref. section 4)
- Schedule management (ref. section 5)
- Cost management (ref. section 6)
- Quality management (ref. section 7)
- Project organisation and resource management (ref. section 8)
- Project communication and reporting (ref. section 9)
- Risk management (ref. section 10)
- Health, Safety and Environment (ref. section 11)
- Contracts and procurement management (ref. section 12)
- Document management (ref. section 13)
- Benefits realisation and knowledge sharing (ref. section 0)
- Ethics and corporate responsibility (ref. section 0)

On request, Company shall be given full access to Contractor's project management system.

Contractor shall have a project management plan that satisfies the requirements set out in the Contract and [5].

The project management system shall be prepared in accordance with the milestones defined in Appendix C.

The project management system shall be structured in accordance with the Contractor's Work Breakdown Structure (WBS) to ensure consistent control, coordination and reporting of activities and costs.

The WBS shall provide a framework for the overall planning and control of the Work. The WBS shall be broken down to a low enough level for the Work to be estimated in detail, planned and executed throughout project execution. The WBS shall be used for cost control, invoicing, reporting, forecasting, planning and similar activities.

Contractor's WBS is enclosed as Attachment D04 to this Appendix D, and shall be included in the Master Document Register (MDR). Contractor shall, on Company's request, adjust the level of detail in the WBS.

### **3. CHANGE AND ISSUE MANAGEMENT**

#### **3.1 General**

Contractor shall establish, implement and maintain a change and issue management system and manage changes and issues according to the requirements set out in the Contract, the Project Execution Plan [5] and the project Change Management Procedure [1].

The forms to be used by Contractor for variation order requests, variation orders and disputed variation orders are enclosed in Attachment D05.

#### **3.2 Change Log**

A change log shall be established by Contractor at project start-date and kept up to date throughout the project execution period. The updated change log shall be enclosed to the monthly report to Company (ref. section 9.3.3).

Changes covered by the Change Log should be understood as:

- a) changes covered by the project change management system [1], including disputed changes
- b) design development
- c) accepted technical clarifications
- d) changes / updates / development of Contractor's supplier's deliveries
- e) changes that impact the operability or maintainability of the Contract Object
- f) changes directed by Company; where, as a minimum, the overall consequence results in one of the following:
  - a. Change of NOK 10 mill. or more in estimated CAPEX
  - b. Change of NOK 1 mill. or more in estimated OPEX
  - c. Deferred completion date
  - d. Impact on interfaces or other parts of the CCS Project

#### 4. INTERFACE MANAGEMENT

Contractor is responsible for managing all interfaces related to the Work and shall take a proactive approach in seeking necessary information from Company and relevant interfacing parties (other project contractors and project external parties).

Company is responsible for the overall coordination of project interfaces across Company's contractors.

Contractor shall actively co-operate with Company and other contractors to share interface information, to achieve the required maturation of interfaces and compatibility of all systems, installations and operations of the Contract Object.

Contractor shall actively follow up own and its Subcontractors' engineering to ensure that the required interface information is delivered to the relevant interfacing parties in accordance with the interface schedule and milestone dates defined in Appendix C and its attachments.

Company's requirements to interface management as described in this Appendix D, the Project Execution Plan [5] and Interface Management System and Procedures [2] shall be followed for all interfaces across other project contractors and towards project external parties).

Changes to the content in the Project Interface Register [2] and the schedule and milestone dates specified in Appendix C are governed by Company in accordance with contractual change management procedures.

Contractor shall:

- Ensure clear and consistent definitions of interfaces and battery limits
- Ensure that all interfaces to Contract Object are properly aligned between the interfacing parties
- Promptly notify Company in the event of disagreement or lack of clarity in interfaces and battery limits
- Provide complete, verified and timely input to the Project Interface Register [2], to ensure complete definitions of each interface point
- Complete and maintain the Project Interface Register data sheets [2]
- Notify Company in case any interface related improvement proposals

Contractor shall establish, maintain and follow an interface procedure for Contractor's internal interfaces.



## 5. SCHEDULE MANAGEMENT

### 5.1 General

Contractor shall establish, implement and maintain a planning system as part of the project management system in accordance with the requirements in this Appendix D and the Project Execution Plan [5].

Contractor shall prepare a detailed schedule for the Work according to the requirements in this Appendix D and the Project Execution Plan [5], in accordance with the schedule milestones and dates in Appendix C.

A five-level schedule for project execution, including all activities and tasks, with start-up date, duration and completion date, as well as dependencies and critical line, shall be established.

The schedule levels are:

- 1) Main project phases (and milestones)
- 2) Disciplines (for Detailed Engineering) and plant areas (for the other main phases)
- 3) Summary activities
- 4) Activities
- 5) Tasks or documents

Common plant area definitions will be established by Company and applied to all work packages and contractors.

The schedule shall be based on Contractor's WBS, which shall be aligned with Company's WBS, and shall be sortable by discipline, area and / or system activities throughout project execution. The schedule shall include all project milestones and deliverables.

Contractor shall make the schedule available to Company in digital native format.

The schedule information shall at all times be consistent throughout all levels of the schedule.

One common project schedule is established in Safran Project by Company, by integration of all contractors' schedules, in close cooperation with contractors.

Contractor's schedule shall be fully integrable with Company's project schedule and reflect all Subcontractor(s)' schedules with the required level of detail in accordance with the requirements in this Appendix D.

A Contract Master Schedule (CMS) for reporting and communication shall be established, by direct rollout from the complete project schedule.

Contractor must establish and maintain all levels of their schedule and meet the following minimum requirements:

- a) Consistent with Appendix C
- b) Demonstrate logically linked network in line with Contractor's planned implementation sequence of work
- c) Identify interface activities against Company and the other parties in the project
- d) Resource and weighted level 4 activities (e.g. hours / work units)
- e) Earned hours and progress can be rolled up in the CMS for reporting purposes

- f) Progress reporting of planned, actual and earned progress on Level 4 activities with visible front line
- g) Maintain sufficient robustness in the schedule to take into account unforeseen events and risks based on past experience from similar work
- h) Activity coding according to the WBS
- i) Staffing plans and histograms (plan, actual and forecast) for all disciplines (must be able to be displayed based on both hours and personal equivalents)
- j) Weighted S curves for planned, actual and forecast of progress for all summary levels (measured against CBS)
- k) Critical line shall be illustrated in the schedule or possibly through description.

## **5.2 Progress reporting and measurement**

Contractor shall have access to the project schedule for information (complete schedule) and for schedule updates and progress reporting (own work packages, activities and tasks).

Contractor shall report progress in the project schedule on a monthly basis so that the remaining work, including change orders and adjustments to the scope of work, will appear. Progress shall be reported for Contractor's work packages, activities, tasks and documents.

Contractor shall measure progress in accordance with the method for calculation of progress (earning rules) established by Company during project initiation. Progress shall be assessed at the lowest plan level and rolled up to level 3, and follow the following principles:

- a) Earned progress shall be based only on direct work
- b) Progress must be measurable and verifiable

## **5.3 Schedule baseline**

The Contract Baseline Schedule (CBS) shall be updated every six months in accordance with the requirements in Appendix C and the Project Execution Plan [5].

The cut-off date for baseline review is the last Sunday of the reporting month in the first and third quarters of each year in the project period. Company can request baseline at other times when needed.

Contractor shall prepare and submit a baseline report for schedule and cost, for the Contract Object, for review and comment by Company, in accordance with the requirements in section 6.2.

## **5.4 Project milestones**

All project milestones shall be included in the project schedule in accordance with Appendix C.

Contractor shall comply with the deadlines specified for these milestones. These milestones shall be fixed throughout the project execution phase and Company shall be notified by Contractor if there is reason to believe that there will be a delay in any of these milestones. The notification shall state the reason for the delay, the extent of the delay, the measures that are or will be implemented to mitigate the delay, the anticipated effect of the mitigations, and when the Work is expected to be completed (with the initiated mitigating measures).

## **6. COST MANAGEMENT**

### **6.1 Cost and budget control**

Contractor shall establish, implement and maintain a cost control system for monitoring, updating and reporting costs for all activities included in the Work. This shall be included as part of Contractor's project management system.

The cost control system must be in accordance with Contractor's WBS and must meet the following minimum requirements:

- a) status of planned, actual and earned costs
- b) overview of obligations to subcontractors
- c) overview of change orders and other contract adjustments, including forecast of final contract price
- d) planning and progress measurement
- e) baseline revisions
- f) invoicing and
- g) forecasts

Contractor shall prepare and update cost plans on a monthly basis and at baseline revisions.

Cost plans and records shall be broken down into work packages and summary levels, and shall reflect Contractor's accrued costs and updated forecast cost per month for the entire project execution period, based on the current baseline.

Cost records shall include Contractor's accrued costs related to the time allocated budget, including total costs, both accumulated and for the current reporting period.

The cost forecast shall reflect the best estimate of the expected total cost for each WBS element and in total, and shall include forecasts of estimated total costs distributed between years, approved changes, proposed changes and estimated trends based on completed work, productivity and deviations.

All costs and invoices shall be recorded in the project cost control system against the cost centres defined in the project budget, according to the project chart of accounts.

### **6.2 Baseline and budget revisions**

Company will establish a Contract Baseline Schedule (CBS) based on input from Contractor and alignment across project contractors in accordance with the milestone schedule in Appendix C.

Contractor shall prepare and submit a baseline report for schedule and cost, for the Contract Object, for review and comment by Company.

The baseline cut-off date is the last Sunday of any reporting month in the first and third quarters of each year during project execution. Company can request baseline revisions at other times if needed.

Contractor's baseline and baseline reports shall include:

- a) Planned cost and progress for current scope is set equal to actual cost and progress at baseline cut-off date at all levels of the plan and budgets;
- b) All changes and adjustments in the contract price contract shall be included in the current cost and plan forecast;
- c) Analysis of the potential consequences of cost, progress and quality related to the changes;

- d) Estimation and re-planning of remaining work from the cut-off date taking into account expected increase and productivity;
- e) Remaining work in the Detailed Schedule shall be recalculated to determine changes in the start and end dates of the activities. S curves and histograms are updated based on this;
- f) Scheduled and actual dates and progress prior to baseline cut-off date must remain unchanged;
- g) Identify any necessary activity-level measures to meet the objectives set out in Appendix C;
- h) Information on the assumptions used in re-planning remaining work;
- i) Risk analysis (plan and cost), including list of main risks and upside for remaining work; and
- j) original baseline CBS (schedule and cost) and current baseline CBS (schedule and cost);
- k) A presentation package (PowerPoint) that summarizes the above elements

### **6.3 Registration and control of work performed on a reimbursable basis**

Contractor shall establish and maintain a system for recording, checking and documentation of all hours performed on a reimbursable basis.

This system shall:

- a) show the actual number of reimbursable hours worked; and
- b) be associated with Contractor's system for hours registration and control.

The system must be kept up to date at all times and shall document the following:

- a) Total number of hours registered per supplier / WBS;
- b) Total hours recorded per person per week and month;
- c) Total number of hours sorted by discipline / area / activity per week and month;
- d) Daily reports with staffing by discipline / area / activity; and
- e) Compensation category per person.

Contractor must ensure that the system includes both own and suppliers' hours performed on a reimbursable basis, or ensure that suppliers establish and maintain similar systems for their hours.

### **6.4 Quantity control, reconciliation and final settlement of procurements**

#### **6.4.1 Quantity control and reconciliation of quantities**

For entities billed to Company at the expense or unit prices, Contractor shall establish, maintain and use a system (surveying system) to verify and document the actual number of units. The system shall, as a minimum, be used to document:

- (a) the final number of units of permanently installed material, equipment, installations and soil;
- (b) the final number of units of temporarily installed material, equipment, installations and soil;  
and
- (c) the final number of units of removed material, equipment, installations and soil

At the end of the project execution period, Contractor shall reconcile the number of documented permanent, temporary or removed units and the number of similar units billed to Company by invoice or unit prices. Contractor shall ensure that the basis for the final settlements under this agreement and the final invoice to Company is in accordance with the final number of units documented through the surveying system.

On request, Company (and the Government) shall be given full access to the quantity control documentation and the surveying system.

## **6.5 Invoicing**

### **6.5.1 General**

Invoicing is made in accordance with the provisions of Appendix B.

For reimbursable costs, an invoice shall be issued at the end of each calendar month, which shall include expenses incurred during the month in question and any milestone payments due. For any milestone payments related to fixed price items, successful milestone delivery must be confirmed by Company in writing according to the provisions of Appendix B.

The first invoice occurs at the end of the first full calendar month after the Start Date. Cut-off shall be at 24:00 on the last day of the calendar month.

Costs are included and covered in accordance with the terms of Contract and the provisions of Appendix B.

### **6.5.2 Invoicing process**

Contractor must submit a draft invoice ("pro forma" invoice) with full documentation within 5 working days after cut-off.

Within 5 working days of receipt of the pro-forma invoice, Company shall submit their comments to the draft. If Company has not commented by the end of this period, Contractor may issue an invoice in accordance with the draft invoice.

If Company submits comments to the draft invoice, these must be incorporated before the invoice is issued.

Company's failure to comment on a pro-forma invoice within the deadline does not limit Company's right to later object to the invoice or its payment accordingly.

### **6.5.3 Requirements for content and substantiation**

Each invoice must fully substantiate the invoiced amount in terms of both detail and documentation. The level of detail and documentation requirements must be clarified with Company before sending the first invoice.

All amounts must be invoiced in NOK and excl. VAT. Exchange rate rules for foreign currency costs are set out in Appendix B.

Company has the right to request access to all underlying documents upon which an invoice is based.

### **6.5.4 Deadline for payment**

Upon receipt of an invoice that satisfies the requirements of this Appendix D, Company shall pay within 45 days the amount the Contractor is entitled to in accordance with the approved invoice.

### **6.5.5 Rejection and Detention**

If an invoice does not meet the specification level or lacks such underlying documentation as required by this Appendix D, Company may either (i) reject the invoice and withhold its payment, or (ii) withhold the portion of the invoiced amount corresponding to the relevant disputed work or documentation deficiency. The same applies to invoices that deviate from the Contract in another way.

In case of late payment of an invoice which Company is obliged to pay, Contractor may claim a delay interest according to the Delay Interest Act.

#### 6.5.6 Final Invoice

The final invoice shall be issued no later than 2 months after Mechanical Complete and successful completion of the Acceptance Test.

Costs that are not included in the final invoice cannot later be claimed by Contractor unless otherwise expressly stated in the Contract. Contractor may only propose a later change in the cost report and final invoice if the basis for calculating a legitimate claim was not available in sufficient time for preparation of the final invoice. Such a reservation can only be made for a specific claim as announced by Contractor and acknowledged by Company in advance of the final draft invoice submittal.

The final invoice must contain a signed Final Settlement Form (Attachment D07).

#### 6.5.7 Invoice addressee and electronic submission of invoices

All invoices shall be sent to the following address:

Company's Address

All invoices shall be marked with Contract no. provided by Company.

All invoices shall be sent electronically in EHT format to the following electronic invoice address:  
[Inhc-norcem@maildrop.wm.net](mailto:Inhc-norcem@maildrop.wm.net)

## **7. QUALITY MANAGEMENT**

### **7.1 General**

Contractor's Work shall be performed according to Contractor's Project Execution Model (PEM), where this is not in conflict with the prevailing requirements in the Contract.

Contractor and its main Subcontractors shall be certified according to ISO 9001:2015 and ISO 14001:2015.

Company Representative and personnel authorised by him shall at any time have the right to undertake unrestricted quality audits and verification of Contractor's and its Subcontractor's quality management systems.

Contractor shall ensure that relevant experience and lessons learned from this and previous projects are taken into account throughout project execution, and shall provide input to Company to the annual lessons learned report (ref. section 9.3.4).

### **7.2 Quality Management System**

Contractor shall establish, maintain and follow up a quality management system that satisfies the requirements set out in this Appendix D. The quality management system shall cover all Contractor's Work, including Work to be performed by Subcontractors.

Contractor shall have a quality management system in accordance with ISO 9001: 2015, which shall be implemented in Contractor's organization according to ISO 9001: 2015, section 4.4.

On request, Company shall be given access to and full access to Contractor's quality management system.

### **7.3 Quality Plan**

Contractor shall establish a separate quality plan for the Work in accordance with ISO 9001: 2015 and ISO 10005: 2018 «Quality Management - Quality Plan Guidelines». The quality plan shall constitute a governing document for the performance of the Work.

The quality plan shall be further developed and updated in accordance with developments in the Work, including changes in the schedule, the capture plant, the Work, Contractor's organization and procedures,

On request, Company and the Government shall be given access to and full access to Contractor's quality plan.

Contractor's quality plan shall be in accordance with the Quality Management Plan [3].

### **7.4 Inspection and test plan (ITP)**

Contractor shall prepare an Inspection and Testing Plan (ITP) as a proactive tool for ensuring the quality of the Work. The ITP shall specify detailed follow-up activities of the Work, and shall be established prior to commencement of procurement, fabrication and construction activities.

The ITP shall include all inspection and testing activities planned by Contractor for the Work, and shall be in accordance with ISO 10005: 2018 "Quality Management - Quality Plan Guidelines" section 6.16 "Monitoring and Measurement".

The ITP must have incorporated the requirements, standards, and specifications for the Work. The ITP shall be in electronic format and shall be updated continuously.

Contractor shall continuously sign out accepted and documented inspection and test activities in ITP.

On request, Company and the Government shall be granted access to and full access to Contractor's ITP, and be entitled to be present during inspection and test activities.

#### **7.5 Audit program and quality audits**

Contractor must at all times ensure the quality of their work and regularly carry out quality audits and verifications both in their own organization and with suppliers. Quality audits shall be performed in accordance with ISO 19011: 2018 "Guidance for Auditing of Management Systems".

Contractor shall establish, implement and maintain a project audit and examination program in accordance with the requirements in ISO 9001:2015 and ISO 19011. Company shall have the right to participate as an observer in the execution of all Contractor's audit and examination activities related to the Work.

Contractor's program(s) for audits and examinations shall be submitted to Company for review and comment.

Company must be notified within 14 days prior to Contractor's quality audits and verifications and shall be given the opportunity to participate as an observer.

On request, Company and the Government shall be given access to and full access to all reports and other material related to quality audits and verifications, and measures for follow-up.

#### **7.6 Non-conformity handling**

Contractor shall follow the project procedures for handling of deviations from project quality requirements, as described in the Quality Management Plan [3].

The form to be used by Contractor for non-conformity requests is enclosed in Attachment D06.



## **8. PROJECT ORGANISATION AND RESOURCE MANAGEMENT**

### **8.1 Project organisation**

Contractor shall have a project organisation with the necessary expertise, mandate and resources to ensure that the Work is performed in accordance with the Contract.

Contractor shall ensure that its own project organisation and the organisation of its suppliers satisfy the requirements set out in this Appendix D.

Contractor is responsible for timely mobilisation of facilities, personnel and resources required for the successful performance and completion of the Work.

Organisational charts showing Contractor's project organisations at the time of signing the Contract are presented in Attachment D02. In the event of changes to Contractor's project organisation, the organisational chart(s) must be updated and shared with Company.

In accordance with the Contract, Company has the right to audit Contractor's organisation.

### **8.2 Personnel**

All employees of Contractor and its suppliers who carry out work must have written employment contracts that meet the requirements of the applicable regulations, including the Work Environment Act. The employment contracts shall at least specify the position, compensation and working hours.

Contractor and its suppliers shall respect the signed employment contracts and applicable collective agreements.

Any workers from countries outside the European Economic Area (EEA) who carry out work must have valid identification papers and a valid work permit. All reporting requirements to public authorities must be met.

All project management resources shall be mobilised at project start-date. All other project resources shall be mobilised within three weeks of their agreed (contractual) start-date.

Functional descriptions with clear written descriptions of their project responsibilities shall be written for all project management functions.

An overview of Contractor's key project personnel is provided in Attachment D03.

## **9. PROJECT COMMUNICATION AND REPORTING**

### **9.1 General**

Contractor is responsible for project communication management (including project reporting) according to the requirements set out in this Appendix D, the Project Execution Plan [5] and the Project Communication Plan [9].

Contractor shall perform the Work in a proactive way and cooperate closely with Company personnel.

### **9.2 Special notification obligations**

Contractor shall without undue delay give Company notice in case of:

- Conditions of significance for other parts of the Contract Object and / or the CCS Chain;
- Change of representatives;
- Audits, verifications and follow-up of suppliers;
- Design changes ;
- Changes in supplier contracts that may be assumed to be of significance to Interfaces or other parts of the Contract Object;
- Delays ;
- Exceeding or otherwise not conforming to agreed budgets;
- Adverse effects on Company's Production Plant;
- Force Majeure;
- Contract adjustment requirements;
- Failure in the subsequent section of the CCS Chain which may provide the basis for liability;
- Termination or cancellation of insurance;
- Changes in organisation;
- Conditions in violation of the Contract requirements to ethics and corporate social responsibility.

### **9.3 Reporting**

#### **9.3.1 Immediate reporting of accidents**

Accidents and other HSE incidents shall be reported to Company according to Attachment D01.

#### **9.3.2 Weekly/Biweekly progress reporting**

Contractor shall deliver a weekly/biweekly progress report to Company throughout project execution. For the detailed engineering phase, a biweekly progress report may be sufficient, while as for later phases, weekly progress reporting are required.

The weekly/biweekly progress report shall as a minimum include the following elements:

- Actual vs. planned progress for project activities and milestones
- For activities behind schedule; cause, consequences and mitigating measures shall be described
- Any areas of concern
- Any safety issues

### 9.3.3 Monthly status reporting

Contractor shall submit status reports to Company each month. The monthly reports shall provide status as per 24:00 the last Sunday of the last calendar month (cut-off).

Contractor's monthly reports shall as a minimum include the following elements:

- a) Executive summary, including a description of critical activities and concerns with mitigating actions
- b) HSE reporting in accordance with section 0 of this Appendix D
- c) Overview of work performed since last month's report, divided into activities in accordance with Contractor's WBS
- d) The Contract Master Schedule (CMS) and the S curve are presented with actual progress compared to the current Baseline Schedule (CBS) and forecast for remaining work. The Detailed Schedule (CDS) shall be attached
- e) Description of any delays to the CMS, including cause, consequences and mitigating measures
- f) An overview of work planned for the next reporting period;
- g) An overview of Contractor's accrued costs and updated forecast compared to the current baseline cost;
- h) Weighted S curves for planned, actual and forecast costs;
- i) Invoicing plan with an overview of Contractor's expected costs and distribution for the following 6 months;
- j) Updated forecast of expected total costs (distribution between calendar years)
- k) Any changes in the Contractor's project organisation or that of key suppliers
- l) Overview of quality management activities performed in reporting period, including audits, verification activities and quality reviews, with registered non-conformities and corrective measures;
- m) Detailed description of any changes to and development of interfaces since last month's report, including conditions that may lead to delays or increased costs for other parts of the CCS Project or CCS Chain;
- n) Overview of the main risks (all high risks as a minimum) associated with carrying out the Work in accordance with the Agreement, including status and mitigating measures, as well as an overview of any changes to the risk register since the last monthly report
- o) Updated change log
- p) Overview of planned and completed activities related to benefits realisation and knowledge sharing

Contractor's monthly reports must be sent to Company at the latest by noon 4 Days after the last Sunday of the last calendar month and shall be presented to Company in the subsequent monthly meeting.

The structure and format of the report shall be agreed with Company upfront. If necessary, Company can request adjustments to the structure and contents of the monthly reports.

### 9.3.4 Annual lessons learned reports

Company shall deliver annual lessons learned reports to the Government by 1. March each year summarising the status as of 31. December the previous year. Contractor shall provide input to these reports by 1<sup>st</sup> February each year throughout the project execution period.

The lessons learned reports shall contain learning points related to technical solutions and experiences from project execution, project management, environmental impact, HSE and business models. Potential improvements shall also be considered.

#### 9.3.5 Annual benefits realisation and knowledge sharing reports

Company shall deliver annual benefits realisation and knowledge sharing reports to the Government by 1. March each year summarising the status as of 31. December the previous year. Contractor shall provide input to these reports by 1<sup>st</sup> February each year throughout the project execution period.

The benefits realisation and knowledge sharing reports shall describe activities, communication and results related to the Government's effect oriented goals and benefits described in section 14.

#### 9.3.6 Final report

Upon Completion, Contractor shall deliver a final report, summarising their project performance and the reasons for variances. The final report shall also include an overview of performed benefits realisation activities and a summary of lessons learned.

### **9.4 Meetings**

#### 9.4.1 General

The following regular meetings are held throughout project execution:

- Monthly Project Management Meetings
- Daily/Weekly/Biweekly Site Coordination Meetings
- Interface meetings
- HSE follow-up meetings

These are described in more detail in the following subsections. Contractor shall attend these meetings with personnel with relevant responsibilities and expertise.

Kick-off meetings shall be held by Contractor and Company according to section 9.4.2.

Additional meetings will be held as needed throughout project execution according to section 9.4.7.

Meeting invitations and meeting agenda shall be communicated well in advance.

All meetings shall be documented in minutes, with clear action points, responsibilities, deadlines and next meeting date (ref. section 9.4.8).

#### 9.4.2 Kick-off meetings

Contractor's project management shall attend a project kick-off meeting arranged by Company.

Following the project kick-off meeting, Contractor shall hold a kick-off meeting with their project team, to communicate the objectives of the project, gain commitment from the project team and explain the project roles and responsibilities. The kick-off meeting shall include a walk-through of Contract requirements and Contractor's Project Quality Plan.

#### 9.4.3 Monthly project management meetings

Monthly Project Management Meetings shall be held throughout project execution. Company's Project Manager will chair the meeting, and Company and Contractors' project management shall attend the meetings. These meetings are physical meetings on site (Norcem / Oslo as decided by Company).

In these meetings, Contractor and Company shall review and discuss the latest monthly report (as described in section 9.3.3) and the overall status. Company may request that specific topics be prepared and reviewed in the meetings beyond the contents of the last monthly report.

These meetings will typically include the following agenda items:

- Contractual changes or changes to the scope of work and/or schedule
- Commercial matters
- Permitting
- Statutory issues
- Matters from Contractor and Company which require resolution or intervention
- Review Health and Safety incidents and issues
- Discuss areas of concern and mitigating actions
- Share important information of common interest

#### 9.4.4 Weekly/Biweekly Site Coordination Meetings

Daily, Weekly or biweekly Site Coordination Meetings will be held throughout project execution, depending on the activity on site and the amount of coordination necessary. Company's Project Manager or Site Coordinator will chair these meetings.

These meetings typically include the following agenda items:

- Review the project schedule, and discuss scheduling issues and corrective measures
- Coordinate among disciplines and contractors
- Review Health and Safety incidents and issues
- Address contractual responsibilities
- Report on major deliveries
- Discuss areas of concern and mitigating actions
- Share important information of common interest
- Coordinate project work with plant operations

#### 9.4.5 Interface meetings

Regular interface meetings will be held to discuss and clarify project technical / process interfaces.

In addition, the Government or Northern Lights will hold interface meetings on the interfaces between Contract Object and transportation and storage.

Contractor shall attend these meetings with personnel with relevant responsibilities and expertise.

#### 9.4.6 HSE follow-up meetings

Regular HSE follow-up meetings will be held throughout project execution. Contractor shall attend these meetings with personnel with relevant responsibilities and expertise.

#### 9.4.7 Additional meetings

Both Company and Contractor, can as necessary and within a reasonable timeframe, which without prior agreement cannot be shorter than 3 working days, convene other meetings between the Parties. The Party convening the meeting determines the meeting place and meeting time and distributes the agenda and necessary documentation sufficient time in advance of the meeting.

#### 9.4.8 Meeting Minutes

All meetings shall be documented in minutes, with clear action points, responsibilities, deadlines and next meeting date.

Minutes shall be written by the Party that has called for the meeting in an agreed format and distributed to all participants within 2 working days after the meeting. If neither Party requires changes to the minutes within 5 working days of receipt, the minutes are considered accepted and final. If the Parties have comments to the minutes, the Party which wrote the minutes shall incorporate the comments before the minutes are distributed for further comments. In the event of disagreement, the minutes shall be discussed for completion in the next meeting.

### **9.5 Media contact / Publications**

All media contact on the project shall go through Company's Communication Manager. All project publications must be approved by Company prior to publication.

### **9.6 Location of project team**

To improve project communication across contractors and hence maximize productivity, the Parties shall in good faith negotiate and assess the possibility to agree on a co-location of key project personnel.

### **9.7 Project Email**

A project email address will be established by Company. The purpose of the project email is sharing and documentation of project information.

The project email will be administered by the Document Controller and the complete project management team will have access to it.

The project email address shall be copied on all formal project emails, e.g. confirmation of milestone deliverables, monthly reports, change requests, minutes of meeting, emails containing important decisions, etc.

## **10. RISK MANAGEMENT**

### **10.1 General**

Contractor shall establish, implement and maintain a project risk management system and manage project risks according to the requirements set out in this Appendix D.

### **10.2 Risk Management System**

Contractor shall have a risk management system in accordance with ISO 31000: 2018 "Risk Management-Guidelines".

The system shall document how Contractor systematically identifies and evaluates the risks associated with the Work, as well as how mitigating measures are identified and implemented.

On request, Company shall be given access to and full access to Contractor's risk management system.

### **10.3 Risk Mitigating Measures**

Risk mitigating measures shall be identified and executed until the residual risk is reduced to an acceptable level.

A risk mitigating measure is a project activity and shall have assigned resources and an estimated cost and duration, and its progress shall be tracked, reported and managed along with other project activities.

The objective of a risk mitigating measure is to reduce the uncertainty, the impact and/or likelihood of a specific risk factor. High risks shall be prioritised (addressed and solved first).

### **10.4 Risk Register**

Contractor shall establish a project risk register. The risk register must list all significant risks, including:

- (a) for the project execution period; in particular, risks that may affect schedule, cost, quality, HSE, scope of work and reputation; and
- (b) for the operating period; in particular risks that may affect quantity, quality, stability / security of supply, HSE, lifetime and reputation, as well as operating costs.

The risk register shall include an assessment of probability, consequences and ranking for each risk. The risk register shall also contain mitigating measures for medium and high risks stating responsibility, status and deadlines for the implementation of measures.

The risk register shall be updated continuously, at least once a month during project execution.

On request, Company shall be given access to and full access to Contractor's risk register.

## **11. HEALTH, SAFETY AND ENVIRONMENT (HSE)**

### **11.1 General**

HSE management of the Work shall be performed, by active involvement at all levels in Contractor's organisation including Subcontractors, in accordance with the specifications in Appendix D.

All Work shall be executed in accordance with Company's zero harm goal and the requirements in Attachment D01.

Contractor shall require and verify that all their subcontractors carry out their work in accordance with the HSE requirements in this contract. Major Subcontractors shall also be an integrated part of Contractor's HSE program and HSE management system.

Company shall be invited to relevant HSE activities planned by Contractor and its subcontractors.

Contractor shall attend all project HSE activities, as requested by Company.

Contractor shall ensure that opportunities exist for trade union activity among Contractor's employees, Subcontractor's employees and hired-in labour, in accordance with Norwegian practice.

### **11.2 Systematic HSE work**

Contractor shall ensure that systematic measures are taken to ensure that the Work is planned, organized, performed and maintained in accordance with requirements laid down in or pursuant to the Norwegian authorities' health, environment and safety legislation, as well as the requirements in this Appendix D.

Contractor shall ensure effective HSE management that can be safeguarded by adopting the ISO 14001 "Management systems for the environment" and ISO 45001 "Management systems for the work environment".

### **11.3 SHA Plan**

Contractor shall establish a plan for safety, health and working environment (SHA plan) for the Work.

The SHA plan shall address health and work environment, safety, the external environment and preparedness. The SHA plan shall be designed in accordance with best available practice. As a minimum, the requirements in "Byggherreforskriften" must be met. The SHA plan shall be preventive and kept up to date throughout the Work.

The SHA plan shall be based on risk assessments made by Contractor during the planning of the Work. By risk assessment is meant a mapping of conditions in the project which may endanger the life or health of workers working on the site or site as well as hazards that may threaten third parties and the environment, and an assessment of whether conditions can be mitigated through proper planning or engineering, or whether measures are required during the execution of work.

On request, Company and the Government shall be granted access to and full access to Contractor's SHA plan.

### **11.4 HSE monitoring, audits and follow-up**

Contractor must have a risk-based documented program for HSE monitoring, audits and verifications.



Contractor shall have a system for recording and following up deviations from procedures, specifications, standards and contract requirements relating to the Work. Measures shall be taken to prevent recurrence and the effect of the measures shall be evaluated.

Contractor must have established a computerized system for the registration and follow-up of undesirable events with corrective measures. The impact of the measures will be evaluated.

On request, Company and the Government shall be given access to and full access to Contractor's system for HSE monitoring, audits and verifications.

### **11.5 HSE reporting**

The HSE report shall be incorporated in Contractor's overall monthly reports described in section 5.1.

The report shall include the status of identified HSE risks and significant HSE aspects. A brief description of preventive measures and control and verification activities that have been carried out shall be provided.

The following HSE data shall be reported as a minimum for Contractor, each of the suppliers and collectively:

- a) the number of injuries sustained by first aid and absence (both minor and serious);
- b) the number of serious material damage events;
- c) the number of inputs and hazardous conditions with great potential for loss;
- d) the total number of hours worked;
- e) registered overtime;
- f) sick leave (reported as a percentage of normal working hours); and g) cases of work-related illness.

### **11.6 HAZOP analyses**

HAZOP analyses shall be carried out according to IEC 61882, the requirements in the Contract and the requirements in Appendix A, section 3.6.3.

### **11.7 Government Audit Access**

The Government shall have the right to carry out its own HSE audits and verifications of Company and Company suppliers at any level.

Contractor must be given a minimum of 14 days' notice in advance of the start-up of the audit. Contractor and its suppliers at any level shall provide the necessary assistance

### **11.8 Safety training**

Contractor and its sub-contractors must comply with the safety training requirements at Norcem in Brevik as defined in Attachment D01. All employees, contractors and suppliers must take and pass an online safety course in advance of visits to Norcem, in order to be granted access to the Norcem plant area.

### **11.9 Notification routines at Norcem Brevik**

All scheduled visits must be reported to the plant reception well in advance and registered on arrival. No one who is not employed by Norcem in Brevik shall be moving around the plant area without prior notice to the plant reception.

Inside the plant fences, the necessary protective equipment, according to current HSE regulations, must be used.

Visitors by car must register vehicles in the plant reception and obtain their own parking permit.

Norcem has its own industrial safety organisation (“Industrivern”).

In the event of events requiring urgent assistance, either from Norcem's “Industrivern” or external parties, this is notified via **Norcem Emergency Phone 35 57 (22 22)**.

In case of an alarm, everyone shall meet up at one of the following meeting points;

- By the entrance to the plant reception
- At the gate entrance “Grusporten” to the western plant area

#### **11.10 Work permits**

No work shall be performed that directly affects / is affected by Company's production. A requirement for a general work permit is therefore not needed.

For all work that may affect or jeopardize Company’s production, a work permit and/or SJA is required.

Risky work operations, which must be coordinated with Company’s activities on site, shall not be initiated before a “Sikker Jobb Analyse” (SJA) is completed. In such cases Contractor shall make sure that a SJA is carried out according to the requirements in Attachment D01. For work that may affect Company’s operations, equipment or personnel, Company shall participate in the SJA.

Prior to excavation work, an internal permit must be obtained from Company.

## **12. CONTRACTS AND PROCUREMENTS MANAGEMENT**

### **12.1 General**

Contractor is responsible for all project procurements related to the Contract Object in accordance with applicable laws and regulations and the requirements in the Contract, including Appendices C, D and E.

All project procurements shall be carried out in accordance with Company's contract and procurement strategy and shall follow HeidelbergCement Group Supplier Code of Conduct [4].

Contractor's procurement activities shall be performed according to Contractor's established procurement procedures and Project Execution Model (PEM), where these are not in conflict with the prevailing requirement in the Contract, including Appendices C, D and E.

Contractor shall ensure that procurement activities fulfil the requirements of the Contract in respect of HSSE, ethics, anti-corruption and corporate social responsibility and all the requirements set forth herein and conform to professional procurement practices and all applicable laws and regulations.

In all Subcontracts, Contractor shall strive to include terms and conditions that limit project costs and risks while facilitating a good project execution.

Contractor shall keep Company informed of any disputes or other circumstances related to Subcontracts that may affect the establishment or operation of the Contract Object.

Contractor shall ensure that all project confidentiality requirements are implemented into all sub-contracts and purchase orders and that all parties adhere to these requirements.

Contractor shall award Subcontracts to qualified, competent and professional contractors or suppliers who have the experience and resources necessary to perform in accordance with the obligations of the Contract.

To ensure the required quality in project procurements, quality surveillance, expediting, examination, off-site Mechanical Completion and FAT shall be performed in accordance with the requirements of the Contract, the Procurement Package Follow-up Plan (PPFP) and the Purchase Orders.

### **12.2 Contractor's overall contract strategy**

Contractor shall have a contract strategy. Procurement shall be carried out in accordance with this. Contractor's overall contract strategy and any changes to this shall be shared with Company .

Company has the right to comment on changes in Contractor's contract strategy. Contractor must evaluate and make a decision on any comments from Company. If Contractor does not accept Company's comments, Contractor shall inform Company of this prior to entering into the supplier contract (s).

Company's comments, or the absence of comments, shall not exempt or reduce Contractor's obligations, risk or liability under the Contract.

### **12.3 Specific contract strategies**

Contractor must develop specific contract strategies for each critical procurement package.

Each specific contract strategy should at least describe:

- a) Purpose and needs;
- b) Market assessment;
- c) HSE assessments based on relevant parts of the HSE regulations;
- d) Ethical assessments stating the principles and methods used;
- e) Quality assessments specifying which specific criteria are used;
- f) Expected cost (CAPEX and OPEX);
- g) Interface assessments and reliance on other procurements;
- h) Implementation plan (time and resources);
- i) Contract format;
- j) Compensation format;
- k) Currency exposure;
- l) Qualification requirements and evaluation criteria;
- m) Risk assessments for individual contracts and for the totality;
- n) Change management regime; and
- o) Incentives and day fines.

An overall description of the implementation strategy of Contractor's critical procurement packages shall be shared with Company.

#### **12.4 Critical Procurements**

Contractor shall conduct a criticality assessment of the procurements in connection with specific contract strategies described in section 12.3.

Contractor shall identify critical procurements based on:

- a) Lead time;
- b) Contract value;
- c) Complexity; and
- d) Other risks

On request, Company shall be given access to Contractor's criticality assessments.

### **13. DOCUMENT MANAGEMENT**

#### **13.1 General**

Contractor shall establish, implement and maintain a document management / control system and dedicated document management personnel and manage documentation according to the requirements set out in this Appendix D.

Contractor shall throughout all phases of the Work, utilize an electronic document control system for identification and control of all project documentation. The system shall be accessible to Company for monitoring.

Contractor shall ensure that all their document deliveries as part of the Work is delivered to Company in accordance with the requirements in Appendix C and D.

All documentation exchanged with Company must be uploaded in the Document Management System (ref. section 13.1).

"Written" means letter and email to [project e-mail address, ref. section 0.

When uploading documentation and communications other than email, the other Party's representative or the person he authorizes shall be notified of the upload by email [within 24 hours].

Contractor shall facilitate the transfer of electronic data to Company's technical information systems as requested by Company.

The requirements to document management is described in more detail in Document Control System and Procedures [7].

#### **13.2 Document Management System**

Company will establish a Document Management System and grant Contractor access to this as soon as possible after the Contract is signed.

#### **13.3 Master Document Register (MDR)**

Contractor shall establish, update and give Company access to a Master Document Register (MDR) for the project, according to the requirements in this Appendix D.

The MDR shall be searchable, and include all project documents to be delivered by Contractor as part of the Work, and all design and governing documents to be prepared in connection with the Work.

The Master Document Register (MDR) shall include planned, forecast and actual issue dates for all relevant project documents.

Company has the right to review any document listed in the MDR and define which documents to be issued for review and information respectively (to be marked with "review" or "info" in the MDR).

Contractor shall make sure that the MDR and document chains are kept up to date throughout project execution.

The MDR shall be transmitted to Company in accordance with the milestone dates in Appendix C. Contractor shall keep Company informed of all updates and changes to the MDR, and shall ensure that Company has access to the current version of the MDR at all times.

#### **13.4 Document Numbering**

The requirements to document numbering are provided in [7].

#### **13.5 Document Review**

Company has the right to comment on all documents in MDR, other design material and other matters in accordance with the Contract.

Contractor must evaluate and make a decision on any comments from Company. If Contractor does not accept Company's comments, Company must be informed of this without undue delay.

Company's comments, or absence of comments, shall under no circumstances relieve or reduce Contractor's obligations, responsibilities or risk under the Contract.

Comments and input from Company should not be regarded as instructions and do not provide for Contractor claims for adjustment to the Contract in accordance with the terms of Contract.

#### **13.6 Company's and the Government's access to project documents and material**

On request, Company and the Government shall be given full access to all documents specified in the MDR, including associated supporting documents and material in accordance with the terms of the Contract. Such access shall be provided without undue delay.

Contractor shall also provide reasonable information to a reasonable extent and answer questions that Company may have to documents or supporting material.

#### **13.7 Government comments**

The Government has the right to comment on all project documents and other design material. All comments from the Government shall be taken into consideration. If a comment from the Government is not accepted, the Government must be informed of this.

#### **13.8 3D CAD model of the CCS Facility**

The project has a 3D CAD model of the plant design, which shall be updated and maintained by Company throughout project execution.

Contractor shall update their own 3D CAD model, incorporating all its Subcontractors' 3D CAD models into a single model to be submitted by Contractor to Company on a weekly basis. Contractor shall perform quality assurance of its own 3D CAD model prior to submitting it to Company for inclusion in Company's complete plant model.

Requirements to and handling of the 3D BIM model is described in more detail in BIM Instructions [8].

## 14. BENEFITS REALISATION AND KNOWLEDGE SHARING

Contractor shall throughout the Contract Period contribute to benefits realisation and knowledge-sharing in accordance with the requirements set out in the Contract.

The overall goal of the Norwegian CCS demonstration (NCD) project is that the demonstration of CO<sub>2</sub> capture and storage will contribute to the necessary development of CCS, so that the long-term climate goals in Norway and the EU can be achieved at the lowest possible cost. As part of this overall goal, the NCD project shall achieve the following effect oriented goals:

- 1) provide knowledge that demonstrates that it is possible and safe to carry out full-scale CO<sub>2</sub> capture and storage;
- 2) provide productivity gains for upcoming projects through learning and scaling effects;
- 3) provide learning related to regulations and incentives for CCS; and
- 4) establish market players, further develop suppliers and provide business development.

Contractor shall contribute to the realisation of these goals, including implementation of the CCS project at the lowest possible cost for the entire CCS chain.

Contractor shall identify and execute activities and measures which contribute to the realisation of these goals and contribute to realisation of the benefits listed in Table 2 below and the benefits realisation activities outlined in Company's benefits realisation plan [6].

**Table 2: : Description of benefits**

No.	Benefits	Description
Benefits related to effect-oriented goal 1.		
The project shall provide knowledge that demonstrates that it is possible and safe to carry out full-scale CO <sub>2</sub> management		
1.1	Increased attractiveness	Increased attractiveness of CO <sub>2</sub> management as a climate solution among authorities, population, industry players by demonstrating that CO <sub>2</sub> management is possible and safe to implement
Benefits related to effect-oriented goal 2.		
The project shall provide productivity gains for upcoming projects through learning and scaling effects		
2.1	New solutions	New and improved solutions based on experience from the full-scale project and on the market stimulation the project provides
2.2	Optimised solutions	Optimisation of solutions and technology based on experience from the full-scale project
2.3	Economies of scale	Economies of scale when utilising the infrastructure for CO <sub>2</sub> handling
2.4	Reduced risk	Reduced risk
2.5	Develop suppliers	Develop suppliers
Benefits related to effect-oriented goal 3.		

No.	Benefits	Description
The project shall provide learning related to regulations and incentives for CO <sub>2</sub> management activities		
3.1	Experience from private / public collaboration	Learning from private / public collaboration models to incentivise CO <sub>2</sub> management
3.2	Experience with regulations	Learning related to regulations of CO <sub>2</sub> handling activities
Benefits related to effect-oriented goal 4. The project shall establish market players, further develop suppliers and provide business development		
4.1	New opportunities related to CO <sub>2</sub> management	Business development related to new opportunities for CO <sub>2</sub> management provided by the project, including through further utilisation of the CO <sub>2</sub> infrastructure established by the project
4.2	Business development for project suppliers	Business development related to establishment and development of suppliers

Contractor shall throughout the Contract Period provide input to Company's annual benefits realisation and knowledge sharing reports according to [5] by 1<sup>st</sup> of October each year.



## **15. ETHICS AND CORPORATE RESPONSIBILITY**

### **15.1 Contractor**

Contractor must comply with Norwegian laws and regulations, and respect basic requirements for human rights, workers' rights and the environment.

The work and all deliveries in this regard shall be carried out under conditions compatible with key UN conventions, ILO conventions and national labour laws at the production site, including:

- a) Prohibition of child labour (ILO's core conventions 138 and 182);
- b) Prohibition of forced labour (ILO's core conventions 29 and 105);
- c) Prohibition of discrimination (ILO's core conventions 100 and 111); and
- d) Prohibition of disrespect for trade union organization and collective bargaining (ILO's core conventions 87 and 98)

In accordance with the UN Guiding Principles on Business and Human Rights (UN GP), companies have an independent responsibility to respect internationally recognized human rights and ILO core conventions (Principle 12).

All project procurements shall follow HeidelbergCement Supplier Code of Conduct [4].

Contractor is obliged to ensure that production abroad of deliveries in connection with the Work takes place in accordance with the national legislation of the production country. National legislation where production takes place must be complied with. Particularly relevant factors are highlighted:

- a) wage and working time regulations;
- b) health, environment and safety;
- c) regular employment conditions, including employment contracts; and (d) statutory insurance and social security schemes.

If Contractor becomes aware of conditions in violation of the requirements of this section 15.1, this shall be reported to Company without undue delay.

Company may ask Contractor to confirm that and how the requirements of this section 15.1 are complied with, and shall also have the right to audit and verify Contractor.

### **15.2 Contractor's suppliers**

Contractor is obliged to continue and contribute to compliance with the requirements in section 15.1 with suppliers and their subcontractors. Contractor must also ensure audit access to, and if necessary carry out audits of, its suppliers.

Contractor must, before selecting Contractor's suppliers, evaluate the suppliers' expertise and experience with ethical issues. Contractor shall avoid choosing suppliers with uncertain ability to fulfil the Agreement's ethical and corporate social responsibility requirements.

## 16. REFERENCES

- [1] NC03-NOCE-A-KA-0002 Change Management Procedure
- [2] NC03-NOCE-Q-AD-0001 Interface Management System and Procedures
- [3] NC03-NOCE-Q-AD-0002 Project Quality Plan
- [4] HeidelbergCement Group Supplier Code of Conduct
- [5] NC03-NOCE-A-TA-0003 Project Execution Plan
- [6] NC03-NOCE-A-TA-0002 Benefits Realisation Plan
- [7] NC03-NOCE-Q-AD-0004 Document Control System and Procedures
- [8] NC03-NOCON-C-KM-0001 BIM Instructions
- [9] NC03-NOCE-A-TA-0004 Project Communication Plan

**17. ATTACHMENTS**

<b>Attachment D01</b>	<b>Company's HSE Requirements at Company's Site</b>
<b>Attachment D02</b>	<b>Contractor's Project Organization Chart</b>
<b>Attachment D03</b>	<b>List of Key Personnel</b>
<b>Attachment D04</b>	<b>Contractor's WBS</b>
<b>Attachment D05</b>	<b>Forms for Variation Order Requests, Variation Orders and Disputed Variation Orders</b>
<b>Attachment D06</b>	<b>Form for Non-Conformity Requests</b>
<b>Attachment D07</b>	<b>Final settlement form</b>