

Canada-Newfoundland and Labrador Benefits Plan - 2021 to 2026

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1 Introduction and Overview

Equinor Canada Limited's ("ECL") predecessor company, Statoil Canada Limited, established an exploration and pre-development Benefits Plan in March 2016, which expired March 31, 2021.

Contained herein is the Benefits Plan for exploration and pre-development activities conducted by ECL in the offshore Newfoundland and Labrador region for the period ending March 31, 2026.

This Benefits Plan is submitted to the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) by ECL in relation to activities undertaken by ECL as Operator of its exploration licences (ELs) and Significant Discovery Licences (SDLs) as well as to other exploration and pre-development activities that may be conducted by ECL as Operator on new lands resulting from a Call for Bids or the acquisition of lands from other operators.

Depending upon exploration success, pre-development activities, including feasibility studies, front-end engineering studies, and other specialized studies, that occur prior to the approval of a Benefits Plan for a field development may be required pursuant to this Benefits Plan.

Activities, if any, undertaken on ECL lands by other operators on behalf of ECL shall be conducted pursuant to such other operator's approved Benefits Plan. Contracts for goods and services acquired by ECL pursuant to this plan will contain a right of assignment clause in order to facilitate shared services with other operators.

ECL supports providing opportunities to Canada and in particular Newfoundland and Labrador. Consistent with the Atlantic Accord and associated Acts, full and fair opportunity to participate on a competitive basis will be provided for Canadian-Newfoundland and Labrador personnel and companies to participate in the supply of goods and services. In addition, ECL will give first consideration to personnel, support, and other services that can be provided from within Newfoundland and Labrador and to goods manufactured in Newfoundland and Labrador, where such goods and services are competitive in terms of fair market price, quality, and delivery. ECL is committed to the industrial and employment benefits objectives of the Act and will adhere to the principles in support of those objectives in the manner described in this Benefits Plan.

This Benefits Plan has been prepared in accordance with the Canada-Newfoundland Atlantic Accord Implementation Act (Act) and C-NLOPB Benefits Plan Guidelines (Draft), dated January 2016.

This Benefits Plan is based on the definition and calculation of benefits in accordance with Canadian General Standards Board standard CAN2-147.3-82.

2 Definitions

C-NLOPB:	Canada-Newfoundland and Labrador Offshore Petroleum Board
NL:	Newfoundland and Labrador
Plan:	Canada-Newfoundland and Labrador Benefits Plan for Exploration and Pre-Development Activities Offshore Newfoundland and Labrador between Equinor Canada Inc. and the C-NLOPB dated January 2021
ECL:	Equinor Canada Ltd.

3 Equinor Organization

ECL Equinor Canada is legally represented as a subsidiary company of Equinor International BV with the official company name of Equinor Canada Ltd. The company was established in Canada by Norsk Hydro in 1997 and has operated in Canada as follows:

- 1997 to September 30, 2007: Norsk Hydro Canada Oil & Gas Inc. (NHCOG)
- October 1, 2007 to January 2, 2008: StatoilHydro Canada Exploration & Production Inc.
- January 3, 2008 to November 2, 2009: StatoilHydro Canada Ltd.
- November 2, 2009 to May 14, 2018: Statoil Canada Ltd.
- May 15, 2018 to Present: Equinor Canada Ltd.

ECL has interests in the Hibernia (5%), Hibernia Southern Extension (9%), Terra Nova (15%), and the Hebron (9%) projects. ECL is an operator of and joint interest holder in exploration and significant discovery licences offshore Newfoundland and Labrador (NL); a non-operator joint interest holder in exploration, significant discovery and production licences offshore NL; and an operator and joint interest holder in exploration licences offshore Nova Scotia and facilitates trading of crude oil and liquids.

3.1 Structure

ECL has had offices in Calgary and in St. John's since 1996 and 1997 respectively, however in December 2020, ECL has closed its Calgary office. The office consolidation has resulted in the relocation of Canada's exploration and business support services teams from Calgary to the country office in St. John's. The Canada office in St. John's manages ECL's Offshore Newfoundland operations and is led by the Country Manager, who resides in the Province.

To support future offshore operations and growth plans, staffing will be supplemented by direct-hire employees and consultants on an as-required basis for execution of exploration and pre-development activities. For technical and corporate expertise, activity will be supported through Equinor ASA on an as-needed basis. At the time of writing, the Canadian office address is as follows:

2 Steers Cove, Level 3
Cormack Building

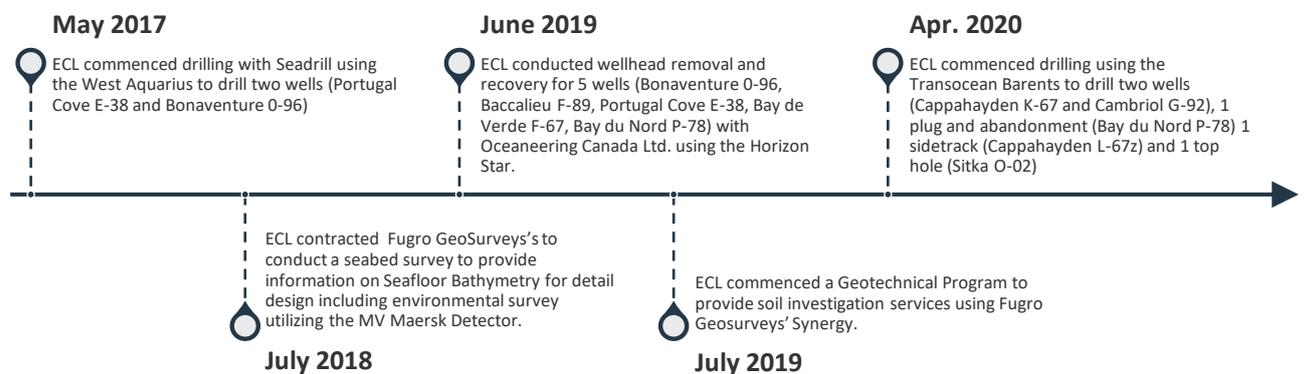
St. John's, Newfoundland and Labrador
A1C 6J5
Phone: 709-726-9091
Fax: 709-726-9053

For the most accurate office location information use the office finder at:

<https://www.equinor.com/en/where-we-are/canada.html>

4 Equinor Canada in NL's Offshore

ECL has more than 20 years' experience in the region, through its exploration programs and ownership position in three producing fields. Aside from supporting partner operated licenses (POLs), ECL undertook the following offshore programs covered - under the 2016 – 2021 Benefits Plan:



Through all activities, ECL has maintained a good understanding of the significant skill and industrial base that exists in the Province. ECL has, and will continue, to demonstrate a strong commitment to local content and Canada-Newfoundland and Labrador Benefits.

ECL continues to believe that Newfoundland and Labrador has the right to be the principal beneficiary of the oil and gas resources off its shores and plan to uphold commitments regarding employment, procurement and supplier development, research and development, education and training, technology transfer, and diversity. ECL will continue to monitor and report against these commitments in line with Appendix A, Section 8 of the draft guidelines.

5 Benefit Principles

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) is the joint federal-provincial agency responsible for regulation of the Newfoundland and Labrador (NL) offshore oil and gas industry. An important focus of the C-NLOPB is with respect to industrial and employment benefits associated with offshore activity in accordance with the Canada-Newfoundland Atlantic Accord Implementation Act (Act) and C-NLOPB draft guidelines dated January 2016. Objectives of those guidelines include the following:

- Communicating requirements for goods and services to the local supply community
- Providing full and fair opportunity to Canadian workers and suppliers
- Conducting of a fair and transparent tendering process

- Extending first consideration to Newfoundland and Labrador workers and suppliers
- Regular monitoring and reporting of local benefit

5.1 Principles

ECL will continue to adhere to the following principles in the manner described in the Benefits Plan:

1. Maintain a local office in Newfoundland and Labrador with appropriate resources and decision-making ability.
2. Provide full and fair opportunity to suppliers and service providers in Newfoundland and Labrador and elsewhere in Canada to participate on a competitive basis in the supply of goods and services. ECL may also choose to limit bids to suppliers from the Province, if competitive capacity exists in the Province.
3. Provide employment opportunities for qualified persons in Newfoundland and Labrador and elsewhere in Canada.
4. Give first consideration to workers, suppliers, and service providers in Newfoundland and Labrador.
5. Support research and development and education and training in Newfoundland and Labrador, technology transfer, and supplier-development initiatives to enhance local capabilities to support offshore development.
6. Enhance diversity in the workforce.
7. Communicate requirements for goods and services to the local supply community in a timely manner.
8. Select suppliers of goods and services based on total best overall value based on consideration of commercial, economic, schedule, quality and technical matters, assurance of supply, local content, and the preservation of the health and safety of personnel and protection of the environment.
9. Conduct a procurement process that is fair, objective, accountable, consistent, and transparent.

6 Scope of Activities

6.1 General

In the period 2021-2025, ECL intends to drill wells and to conduct associated offshore wellsite surveys and seismic 3D acquisitions (see Figure 1, below). ECL recently completed an extensive (~200 day) exploration program in 2020 in the Flemish Pass which resulted in 2 discoveries, the drilling of a sidetrack (Cappahayden) and the commencement of a 3rd exploration well with the drilling of the Sitka top hole on EL 1156. Based on the results of the 2020 campaign, 2 applications for the declaration of significant discoveries are being prepared for Cappahayden and Cambriol. In parallel, ECL is preparing for the next drilling campaign in 2022 to complete the drilling of Sitka, and 1 - 2 additional wells. With further exploration success, appraisal wells could be drilled on yet-to-be granted SDL's. Prospects on other licences (including potential future licenses) may also be drilled under this Benefits Plan, and additional services and activities, including seismic programs, may also be required.

Pre-development scope through the validity period of this plan could include engineering and contracting activity, authorized field operations programs (surveys), and studies (pre-FEED and FEED) to support a potential development. Development activity including installation of seabed infrastructure, development wells, and facility scope would be conducted pursuant to a Benefits Plan that would be filed in support of an eventual proposed development.

6.2 Forecast Expenditures

Approximately fifty packages of goods and services are required for an exploration well. Total approximate budget is in the order of CAD \$50 to \$200 million per well. ECL will provide a Benefits Plan supplement with all new authorization requests, including details on the offshore activity as well as expected expenditures, procurement activities, and employment.

There are some contracts that a Drilling Contractor will be responsible for in order to maintain the operation of the rig. These could include contracts such as catering, ship chandler services, repairs to the rig, etc. ECL actively seeks to collaborate with contractors that have experience working in offshore Newfoundland who understand and value the spirit of the Atlantic Accord. However, regardless of local experience ECL ensures all contractors are bound to the provisions which require that full, fair, and first opportunity must be provided to Newfoundland and Labrador capable residents and competitive companies for the provision of goods and services. Cascading of these provisions, and the obligation to report and monitor against them, are outlined in a Canada-Newfoundland and Labrador Benefits Appendix (as amended from time to time) which is included in our official agreements.

6.3 Forecast Employment

6.3.1 General

Current staffing in ECL's St. John's office focuses on two main business areas: the management of non-operated oil production and the activities associated with exploration operations and pre-development activities scheduled for 2021 to 2026. To support forecasted offshore operations, existing staffing will be supplemented by the addition of individuals with specialized skills to meet business requirements. Should business needs change substantially during the term of this plan, a revised plan will be submitted. In all cases, changes in staffing will be dynamic and responsive to the planned scope and duration of activities.

Estimated employment requirements of ECL and its service providers over the duration of the Benefits Plan, which will vary based on the level of exploration operations and pre-development activity, are summarized in the table below.

Category	Number of Persons	
	Per Shift	Total
Drilling rig	100 - 120	200 - 240
Drilling and support services	30 - 40	60 - 80
Vessels, helicopters, logistics	30 - 45	60 - 90
Equinor management and administration	n/a	50 - 70

6.3.2 Hiring Process

ECL employs a dynamic staffing methodology to ensure it has the skilled workforce it needs to advance its business. This ensures a timely response to changing business priorities and workforce demands. Committed to the 'First Consideration' principle of the Atlantic Accord, ECL manages its requirements through a combination of internal deployment as well as internal and external posting of positions using the following steps:

1. Identify requirement and associated skills
2. Develop job description
3. Determine whether requirements dictate the need for contractual, temporary or full-time permanent personnel
4. Identify potential internal candidates consistent with First Consideration principles
5. When internal redeployment is not viable, identify external candidates by means of public local recruiting efforts
6. When external candidates are required, ECL will provide full and fair opportunity and will extend first consideration to qualified residents in the Province.
7. Proceed with recruitment and hiring

ECL will expect its suppliers and service providers to follow similar processes to maximize opportunities for local workers with respect to ECL activities. This includes collecting a crewing roster for all applicable rig(s) and vessel(s) and optimizing NL crew members by ensuring first consideration to qualified NL residents.

6.3.3 Diversity Plan

At ECL, our success depends on thousands of individuals working together and the people enable the company to meet challenges and deliver on promises. Skills and personal commitment, as well as effective leadership, are needed to achieve ECL's goals. The unique relationship between ECL and our personnel is based on clear expectations, mutual respect and trust. ECL works to provide an environment where all employees feel included and valued, and where they can bring their whole selves to work. ECL understands that companies with diverse and inclusive teams often outperform their peers financially, increase innovation, improve performance and drive long-term value creation. This mindset starts at the top of the organization and ECL has taken action to promote a diverse and inclusive culture within. ECL's long-term diversity goals include strengthening the diversity of our leadership, as well as building on our inclusive working environment.

Throughout our exploration activities, ECL will ensure a diverse and inclusive workplace. This will be done by managing diversity and inclusion, proper administration of our recruitment and selection process, creating a respectful workplace, ensuring business access, and through our community outreach.

Management of Diversity and Inclusion

The Country Manager will promote accountability and responsibility for gender equity, diversity and inclusion. The Country Manager will be supported by senior personnel in Procurement (including Industrial Benefits), People and Leadership and, and Communications. The ECL team will continue to strive for continuous improvement and cascade corporate initiatives throughout the supply chain and through the development of further initiatives, including:

- Ensure early consultation with contractors and sub-contractors to ensure their understanding and compliances with the diversity and inclusion obligations set forth in this plan;
- Contractually commit main contractors to nominate a person with decision-making authority to be responsible and accountable for the implementation of D&I initiatives and the monitoring and reporting against them; and,
- Provide diversity, inclusion, cultural sensitivity, mental health first aid and any other related training during operations should a gap be identified by the person.

Recruitment and Selection

ECL is committed to the principle of fair representation of the designated target groups, as defined by the federal Employment Equity Act (women, Indigenous Peoples, members of visible minorities, and persons with disabilities), at all levels of the organization. We will continue to seek opportunities to facilitate the full participation of under-represented designated groups at all levels of the organization. The main priority to achieving this is by eliminating biases in processes and policies such as recruitment and deployment. In 2018, Equinor ASA launched mitigating unconscious bias training for all leadership teams and employees throughout the organization. Other initiatives to help facilitate an equitable recruitment and selection process include:

- Including active and encouraging equity opportunity statements in project job opportunity postings;

- Complete targeted recruitment campaigns when necessary by communicating job opportunities through interest and advocacy groups;
- Aim for an equal 50/50 gender split for all co-op, internship, summer employment and new graduate positions and extend all opportunities to other qualified diversity group members; and,
- Ensure main contractors work with the Office to Advance Women Apprentice, Indigenous groups, and other advocacy groups to facilitate the employment and retention of designated groups

Respectful Workplace, Work/Family Balance, and Inclusion

At ECL, we aspire to provide an inclusive workplace where all individuals can share their perspectives, be themselves, develop and thrive in a safe working environment. This includes working actively to ensure that everyone has equal opportunities at ECL and that our facilities and equipment are inclusive and accommodating. We also do not tolerate any verbal or physical conduct that harasses others, disrupts others' work performance or creates a hostile work environment. This policy is outlined in the Equinor Book: "Respecting people: We are committed to providing a safe and secure environment for everyone working at our facilities and job sites. ECL's safety and security vision is zero harm. We provide an environment recognised for its equality and diversity, and we treat everyone with fairness, respect and dignity. We do not tolerate any discrimination or harassment of colleagues or others affected by our operations."

Along with the guiding principles of the Equinor Book, we will ensure a respectful and inclusive workplace throughout our exploration activities by:

- Ensuring contractors and their sub-contractors have appropriate policies for harassment and respectful workplace; and,
- Perform accessibility and accommodation audits on new drilling platforms and supply vessels;

Business Access

At ECL, we recognize the great contributions that our suppliers make to the success of our company. ECL will aim to be open and proactive about how we procure, goods and service requirements. Therefore, ECL will establish specific actions to increase business access for companies owned and operated by members of designated groups such as:

- Including proposed diversity initiatives as part of the review process for contract and purchasing opportunities;
- Maintain partnerships NOIA, NLOWE and other business-facing organizations to identify ways to support the encouragement and growth of diverse businesses; and,
- Continue to participate in supplier development sessions aimed at supporting companies owned and operated by members of designated groups such as the "Meet the Operators" session held at the NOIA conference or the "Meet the Buyer Event" Procurement Training for Indigenous Groups.

Community Outreach

At ECL, we aim to create lasting value for local communities through our business activities. Our contribution will extend beyond direct and indirect local employment, local procurement of goods

and services, local infrastructure development and capacity building. This extension includes our commitment to community partnerships, social investments, investments in R&D and E&T, sponsorships and community outreach. Therefore, ECL 's strategy is to identify the partners and programs that are best aligned with our activities and focus support on initiatives that expand the talent pool. As an example, 2021 will mark the seventh year of ECL being a sponsor of Techsploration NL! We will continue to assess sponsorships and community outreach initiatives of this nature.

These requirements are cascaded to our contractors and within the supply chain through our contractor obligations set forth in the Canada-Newfoundland and Labrador Benefits Appendix (as amended from time to time) included in our official contracts.

ECL will continue to monitor our diversity and inclusions initiatives and achievements and aim for continuous improvement in this area.

6.3.4 Succession Planning

ECL is committed to ensuring that an orderly succession plan is in place relative to its own workers and those of its suppliers and service providers for those positions for which a succession plan can be reasonably applied within the scope of ECL's activities. ECL will not pursue, nor require its service providers to pursue, succession plans which could adversely impact the safety of operations.

ECL recognizes the value of the knowledge, skill and expertise transferred by its expatriate and mobile workforce, and it remains committed to offering employees development opportunities through mentoring and training to continue to build expertise and capacity for the local industry. ECL's succession planning will continue to focus on opportunities for residents of Newfoundland and Labrador. This is a holistic, long term view with the objective of sustained employment for Newfoundlanders and Labradorians in the future.

6.4 Industrial and Employment Principles

6.4.1 Industrial

ECL will provide full and fair opportunity to suppliers and service providers in Newfoundland and Labrador and elsewhere in Canada to participate on a competitive basis in the supply of goods and services. In addition, where goods and services are competitive in terms of fair market price, quality, and delivery, ECL will give first consideration to personnel, support, and other services that can be provided from within Newfoundland and Labrador and to goods manufactured in Newfoundland and Labrador.

ECL believes the capabilities and resources exist to carry out much of the work required for offshore development in Newfoundland and Labrador and other facilities in Canada.

6.4.2 Employment

Many of the required skills for offshore operations are already resident or have been developed in Newfoundland and Labrador. While it is expected that some foreign workers will be employed during projects when specialized knowledge and experience is required and is not available through local workers and other Canadians, efforts will be made to utilize such non-Canadian workers to mentor and train local residents so that specialized knowledge may be gained locally.

7 Research and Development

ECL has been participating in the NL based research community for over 20 years and recognizes that there is advanced capacity in:

- a large and diverse academic university with specialized and applicable research programs
- technical colleges focused on ocean technology
- world-class public sector labs including ice, wave and ocean basins (National Research Council Canada), flume tanks for model-testing (Marine Institute of Memorial University), Harsh Environment Research Facility (HERF) at Memorial University which has a combined ice tank and wind tunnel , and the Hibernia Enhanced Oil Recovery Lab
- ice engineering, geotechnical engineering, remote sensing and earth observation
- high resolution sonars for seabed and subsea mapping
- simulation capabilities including ship's bridge, lifeboat, helicopter, and remotely operated vehicles (ROVs)
- oceanographic and meteorological monitoring and forecasting
- environmental consulting companies focused in delivering baseline and effects studies
- airborne and marine radar systems development for ice and oil spill surveillance
- ROV and AUV development – sensors and vehicles
- ocean instrumentation and communications infrastructure
- Joint Industry Program (JIP) project management group (PRNL – Petroleum Research NL and Oceans Supercluster).

ECL has made considerable investments of time, expertise and money in the NL-based R&D community. To date these investments, include:

- establishing a local team focused on Research and Technology to address project specific challenges through research and development as well as participating in broader industry-wide initiatives;
- establishing a Research Chair in Reservoir Engineering with a financial contribution of \$1 million over 5 years. This program has resulted in the direct engagement of 37 students/researchers. As of the end of 2019, nine (9) of these students have graduated, two at the doctorate level and seven (7) with master's degrees;
- establishment of the Step-up program with support from Research & Development Corporation (RDC). Equinor Canada invested \$5 million in private sector-led R&D in NL to address key technological gaps in harsh environment oil and gas development, specifically on remote sensing and subsea production systems.
- Establishing a crowdsourcing competition developed by Equinor Canada and C-CORE using a web-based platform Kaggle to investigate the use of machine learning to discern between ships and icebergs in satellite images. The algorithms obtained through the

competition were then operationalized for use by C-CORE satellite analysis processes to characterize icebergs offshore Newfoundland and the Barents Sea.

- Offshore Newfoundland and Labrador Research Expedition, this expedition was sponsored by Equinor Canada and RDC, and conducted by Arctic Net on board the Canadian research icebreaker CCGS Amundsen during the winter of 2015. A team of 40 Newfoundland and Labrador, Canadian and international scientists and researchers studied the meteorological, sea ice, iceberg and environmental conditions offshore NL.
- Glacial Ice Impact Loads on Floaters Joint Industry Partnership (JIP) with C-CORE and DNV-GL. The main purpose of this initiative is to better model the ice structure interaction process to reduce uncertainty with respect to design of offshore floating structures against iceberg loads.
- Active participation in Petroleum Research Newfoundland and Labrador (PRNL), which includes activities within Canada's Ocean Supercluster.

ECL is committed to continue to conducting and supporting initiatives in Newfoundland and Labrador related to research and development (R&D) and fostering education and training that will facilitate the growth of the petroleum industry in Newfoundland and Labrador as well as ECL's current and future activities.

Having a technological edge, resulting from R&D investments, is crucial for ECL to meet its international growth ambitions and is a key component to its growth strategy in Newfoundland and Labrador. Innovation and ideas need to flourish. It is ECL's intention to continue to play a key role in contributing to and strengthening Newfoundland and Labrador's R&D capacity. Ongoing R&D activities are currently being conducted by the National Research Council of Canada, C-CORE, Petroleum Research Newfoundland and Labrador (PRNL), Canada's Ocean SuperCluster and others, in projects relevant to exploration and development in the Newfoundland and Labrador offshore. Details on these investments will be provided in Equinor's Annual Benefits Reports.

8 Education and Training

As well as its employees and consultants, ECL requires that its suppliers and service providers achieve and maintain appropriate technical and professional training in areas such as offshore survival, general health, environmental and safety, well control and other drilling operations, emergency response, firefighting, waste management, and such other training that may be required by regulatory agencies. ECL and its suppliers will provide timely notification of opportunities and the required training and will monitor any training gaps that may occur amongst qualified NL resident candidates. ECL will aim to develop programs to address minor gaps as they are identified.

ECL will provide assistance to government agencies and to private and public training institutions in identifying and developing suitable pre-employment training programs.

ECL recognizes that technical and skills training are critical to its long-term success and that of the industry and provide incentives for innovation throughout its organization. Local initiatives include participation in co-operative education programs at Memorial University, such as the following:

- On-going engagement of engineering students in St. John's (2002 to present)
- On-going engagement of business students in St. John's (2010 to present)
- On-going engagement of geoscience students in St. John's (2012 to present)
- Equinor ASA offers students the opportunity to participate in its international graduate program. This provides students of varying disciplines with great international oil and gas experience. Through this program we have been able to attract Memorial graduates to return home and take up permanent employment in NL making a long-term commitment to the local community.

As opportunities come available ECL will work with Memorial and other local educational institutions as required to advertise internship and graduate vacancies. ECL will continue to provide direct funding for such initiatives over the time period addressed by this Benefits Plan.

9 Technology Transfer

Technology transfer is an important component of a Canada-Newfoundland and Labrador Benefits Plan. ECL supports and encourages initiatives in this area to the extent possible subject only to confidentiality obligations.

Equinor ASA is a leading offshore oil and gas operator with a base in the Norwegian sector of the North Sea from which it has developed expertise in small field development, subsea technology, and harsh environment operations. This expertise is ideally suited for operations in the Newfoundland offshore. Additionally, at its global research centres in Trondheim, Bergen and Porsgrunn (Norway), Equinor ASA carries R&D activities in several areas of technology development related to the oil and gas industry.

To facilitate the transfer of technology and know-how to Canada and in particular Newfoundland and Labrador, ECL will utilize its experts to assist operators and the local R&D community in developing and guiding local R&D and education and training initiatives.

To the extent possible under existing confidentiality obligations, ECL will share its experience, expertise, ideas and recommendations with respect to technology developments that have the potential to benefit local suppliers and enhance their competitiveness.

Many offshore oil and gas suppliers and service providers have alliances and joint ventures with foreign firms to afford access to leading and new technology and techniques. ECL will encourage its vendors to seek such opportunities and to make such arrangements to bring new technologies for the benefit of the local offshore oil and gas industry.

ECL will continue to provide direct funding for such initiatives over the time period addressed by this Benefits Plan.

10 Community Support

For more than 20 years, ECL has been part of the community, providing funding to organizations that have made a significant contribution to the betterment of the community, including youth development, arts and culture, and initiatives to promote opportunities for women, environmental stewardship, and education and training. Our annual community contributions are provided in ECL's Benefits Report.

ECL will continue to provide direct funding for such initiatives over the duration of this Benefits Plan. The basis for such contributions includes

- to contribute to the quality of life in Newfoundland and Labrador
- to support business and community leaders address local challenges and deficiencies
- to increase ECL's public profile and to strengthen its reputation
- to recognize and support volunteer activities by ECL employees

As in the past, ECL will continue to support local community groups in science, technology, engineering and maths (STEM); arts and culture; recreation; as well as community services, education, and training.

11 Procurement

11.1 Principles and Processes

The Accord requires that offshore oil and gas project's policies and procedures embody the commitment to carry out the program in the spirit of the Accord Acts. For ECL this means:

- Newfoundland and Labrador and Canadian firms have full and fair opportunity to participate in the supply of goods and services.
- Goods manufactured in and services provided from Newfoundland and Labrador are given first consideration where they are competitive in terms of fair market price, quality, and delivery.
- Key functions will be performed in Newfoundland and Labrador - Procurement decision-making authority, consistent with normal corporate business practices, will reside in the St. John's, Newfoundland and Labrador office. This rationale is based on the premise that the presence of appropriate levels of procurement management decision making and the performance of key functions from a local office will assist in focusing on local and regional benefits issues, increase understanding of local capabilities and increase sensitivity to local concerns. A detailed list of key personnel by work location and residency will be provided on a per program bases via the Benefits Supplement.
- Identification in bids of Newfoundland and Labrador participation - ECL will require bidders to fully disclose information relevant to Newfoundland and Labrador benefits content, including:
 - The nature of the arrangements among the participants in the bid, including the respective shares of equity in the consortium.
 - The share and nature of the work to be carried out by each of the participants in the bid.
 - The nature of arrangements for the transfer of technology.

- Goods and services on “Best Value Basis” - For the company's offshore programs, goods and services will be acquired on a “Best Value Basis”. Local industry will be encouraged to strive to provide goods and services that will compete effectively in a global marketplace. SCL's evaluation criteria for determining best value are consistent with those for assessing the relative competitiveness of goods and services outlined in the Accord Acts. The total best overall value is based on consideration of commerciality, delivery, schedule, quality, and technical matters, assurance of supply, preservation of the health and safety of personnel, and protection of the environment. Benefits information collected throughout this process will be used to provide first consideration to the bidder providing the most local benefit in instances where best overall value is similar across multiple bidders. In such a situation, the bidder providing the highest local benefit will be awarded an agreement.
- ECL will not use Global Frame Agreements to forego its obligations under the Accord Acts and, as such, two processes can be used. In the first, an Expression of Interest will be issued, and it is determined that competition exists. A competitive process would then be undertaken which evaluates the goods and services on a “Best Value Basis” with the award going to the company which provides “Best Value”. In the event that this company holds a Global Frame Agreement, it is only after success in this local process that the Global Frame Agreement can be used. In the second scenario, an Expression of Interest is issued, and it is determined that no NL/Canadian capacity exists or that the only NL/Canadian capacity is a single company who holds a Global Frame Agreement. In that case, the Global Frame Agreement may be used.
- Where possible, ECL will size scopes of work such that that do not limit local competition. Such consideration will be based on understanding of the abilities of the local market to supply goods and services required.
- ECL will provide early identification of opportunities for the supply of goods and services required for the program, work with governments and industry organizations to jointly identify potential Newfoundland and Labrador suppliers of such required goods and services and provide debriefings consistent with CAPP's Industry Recommended Practice document entitled Atlantic Canada Offshore Petroleum Industry – Supply Chain Management to unsuccessful suppliers, as appropriate, when requested.
- ECL will ensure qualified Newfoundland and Labrador fabrication and construction yards are provided a full and fair opportunity to bid on work to encourage the use of Newfoundland and Labrador and Canadian infrastructure.
- To ensure that the concept of full and fair opportunity is extended to all potential suppliers, ECL requires its contractors and subcontractors also comply with the commitments and provide full and fair opportunity to Canadians including Newfoundland and Labrador manufacturers, consultants, contractors, and service companies to participate on a competitive basis in the supply of goods and services.

12 Procurement and Benefits Management

12.1 Coordination

ECL'S major contracting and procurement activities will be executed by personnel in its St. John's offices, in consultation with other Equinor offices. This effort will be directed and coordinated by Head of Procurement, Canada who will ensure the following:

Security Classification: Open

- Formal communication between the C-NLOPB and ECL and its suppliers
- Adherence to the objectives, principles and undertakings of this Benefit Plan
- Proper monitoring of both ECL and supplier benefits requirements
- Submission of benefits data in accordance with Benefits Plan commitments
- Submission of a Benefits Plan Supplement for each offshore operation requiring authorization from the C-NLOPB

12.2 Vendor Participation

To achieve the objectives of this Benefits Plan ECL has relied on the support of its suppliers and service providers. To achieve this ECL has and will continue to include policy statements and reporting forms in its request for quote packages and contracts to ensure its vendors are aware of ECL's commitments and to facilitate effective data collection and reporting. In this manner, ECL will ensure that its suppliers and service providers comply with principles and objectives of this Benefit Plan.

ECL includes a general statement in all EOIs issued as per the below:

Contractor must comply with the provisions of Section 45 of the Canada-Newfoundland Atlantic Accord Implementation Act; to provide "full and fair opportunity to participate on a competitive basis" to Newfoundland, Labrador and Canadian contractors. The Accord Acts further require that within this context of full and fair opportunity, First Consideration be given to goods manufactured in, and services provided from within, the Province of Newfoundland and Labrador where those goods and services are competitive. Section 45(3)(b) of the Accord Acts also states that individual's resident in the Province shall be given First Consideration for training and employment. Contractor will be expected to review all positions and provide employment to residents of Newfoundland and Labrador when they are qualified, and the technical quality or safety of operations is not compromised.

ECL also includes the CANADA-NEWFOUNDLAND AND LABRADOR BENEFITS APPENDIX (as amended from time to time) in relevant executed contracts.

12.3 Supplier Development

ECL will work with governments and industry organizations to improve Newfoundland and Labrador supply capability by providing information about the program requirements and specifications in a timely manner, including briefings with NOIA, using NOIA Daily Bulletins and BIDS networks to communicate contracting opportunities to the public. ECL will also encourage the establishment of new suppliers in Newfoundland and Labrador and the formation of appropriate alliances involving Newfoundland and Labrador firms, where such alliances enhance the ability to compete for the work.

12.4 Compliance

ECL has systems in place to receive, document, and monitor the main elements of benefits information and will ensure its contractors do so as well.

12.5 Notices and Reports to C-NLOPB

For the following requirements with an estimated total value of \$100,000 or more, or for other items specifically identified by C-NLOPB, ECL will provide written notification of EOI and lists of bidders:

- Drilling rigs and seismic survey vessels
- Service / supply / support vessels

- ECL will provide written contract award notification, as specifically requested by C-NLOPB.
- ECL will provide written responses to such notices at the earliest opportunity generally in accordance with the Benefits Plan C-NLOPB Benefits Plan Guidelines (Draft): reporting requirements.
- ECL will continue to submit an annual benefits report every year that will include the following:
 - a synopsis of activity during the year, including project progress, milestones, and benefits achievements;
 - a description of any specific initiatives, such as supplier development, technology transfer, training programs, succession of Newfoundland and Labrador residents and other Canadian residents into senior positions etc.;
 - For drilling programs, a summary of project expenditures; and a summary of persons employed for the project, classified by residency status
- Where requested, ECL will provide requested information should complaints be directed to the C-NLOPB regarding employment or procurement practices. ECL will endeavour to provide all necessary information, provided such information is not commercially or personally sensitive.

Appendix No.1

Example Requirements for a Drilling Program

Item	Description
1	Casing Handling
2	Cement and Related Services
3	Core Analysis Services
4	Coring Services
5	Directional Drilling / LWD / MWD
6	Drill Bits
7	Drill String / Landing String Services
8	Drilling Fluids and Services
9	Drilling Rig
10	Fishing
11	Float Equipment
12	Fuel
13	Helicopter Services
14	Liner Hanger Services
15	Medical Services
16	Metocean / Ice Reconnaissance Services
17	Mudlogging Services
18	Personal Protective Equipment
19	Rig Positioning Services
20	ROV Services
21	Shorebase
22	Solids Control Services
23	Supply Vessels
24	Survival Suits
25	Testing Services
26	Tubular Management
27	Tubulars
28	Warehousing / Freight Forwarding / Brokerage Services
29	Waste Management Services
30	Weather Forecasting
31	Well Control Services
32	Wellheads
33	Wireline Services