

Document title: CONTRACTOR MANAGEMENT PLAN

Document number: 1062-TGN-MNG-PLN-PJM-22-00002

Project: THE DEVELOPMENT OF THE ROMANIAN GAS TRANSMISSION SYSTEM ALONG BULGARIA-ROMANIA-HUNGARY-AUSTRIA ROUTE, PODISOR – GMS HORIA AND 3 NEW COMPRESSOR STATIONS (JUPA, BIBESTI AND PODISOR) (PHASE 1)
(REFERENCE NUMBER IN EU LIST: 6.24.2)

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Abbreviations

Abbreviation	Description
BRUA	Bulgaria-Romania-Hungary-Austria
CESMP	Construction Environmental and Social Management Plan
CLA	Collective labour agreement
CMP	Contractors Management Plan
CPU	Contact Point Unit
EBRD	European Bank of Reconstruction and Development
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
F-CESMP	Project Framework Construction Environmental and Social Management Plan
GCS	Gas Compressor Station
HSE-MS	Health, Safety and Environmental Management System
KPI	Key Performance Indicator
HSS	Health, Safety and Security

1 Introduction

1.1 Document Purpose and Scope

This document is the BRUA Project Contractors Management Plan (CMP), document number 1062-TGN-MNG-PLN-PJM-22-00002

This CMP is intended to outline the relationship between TRANSGAZ S.A. (represented by PMU-BRUA) and the Contractors, and to describe how the overall contract will be managed (i.e. describe the Contractor management processes that will be implemented by the Project).

In further detail, the purpose of the CMP is to:

- summarise the Contractors' and Subcontractors' engagement and management processes, procedures and systems used;
- define roles and responsibilities for the Beneficiary and the Contractors and its Subcontractors, as well as the relationship and cooperation between all parties, with regards to all Project activities;
- outline the applicable Project Standards relevant to the Contractors and its Subcontractors;
- set out the processes to ensure the implementation, by the Contractors and its Subcontractors, of all requirements, project commitments, conditions, methods (work statement for the construction phases), and procedures applicable to them, intended to assure the execution of the Project;
- define training requirements;
- establish a Grievance Mechanism about other Construction Environmental and Social Management Plans (CESMPs);
- define monitoring and reporting procedures, including Key Performance Indicators (KPIs), to monitor the performance of the Contractors and its Subcontractors; and
- define intervention procedures, i. e. the way Transgaz will liaise with the Contractors to sort out any issues, namely related with non-compliance and/or environmental and social performance.
- contractors' environmental, social, cultural heritage management of contractors.

Any subsequent changes to the Contractor Engagement processes may result in changes to this CMP.

Further details of the project itself are provided in Section 2 whilst information on the Project roles and responsibilities are described in Section 3.

1.2 Links to Transgaz's HSE-MS

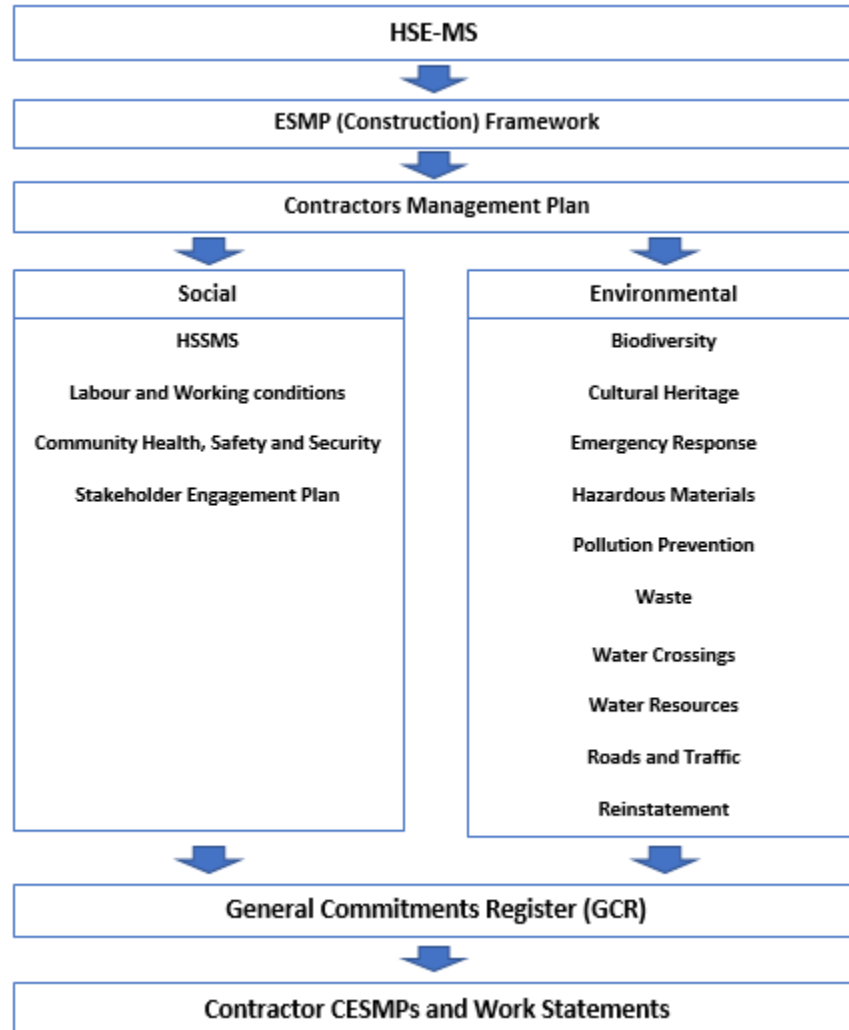
The Project is subject to various environmental and social requirements that are managed by the Company through the implementation of its Health, Safety and Environmental Management System (HSE-MS)¹.

This document forms an integral part of Transgaz's Health, Safety and Environment Management System (HSE-MS) and should be read in conjunction with these other HSES-MS elements. Key elements and a list of key HSE-MS documentation is provided in Appendix 1. This HSE-MS includes a specific Project Framework Construction Environmental and Social Management Plan (F-CESMP), as well as associated topic and/or activity-specific CESMPs. These outline both the priority management actions and mitigation measures, as well as monitoring actions, to be carried out by Transgaz and/or its Contractors. The overall approach to integration of the above documents is described in Section 4.1 of the F-CESMP.

¹ Integrated Management Manual Quality-Environment-Occupational Health and Safety, code MSMI-CMSSO Ed. 03/Rev.

The Contractors will be required to align their own HSE-MS with the Project's one, and to develop their own detailed CESMP, including detailed topic and/or activity-specific CESMPs, based on the F-CESMP and reminder Management Plans provided by Transgaz. This will be done through "Work statement documents", which will be agreed with all Contractor, for each site, where will define the special conditions.

Figure 1.1 Linkages between Transgaz HSE-MS



The Contractors' CESMP and detailed topic and/or activity-specific CESMPs shall demonstrate how they will meet the project's requirements and commitments applicable to them, outlined in the Transgaz' documents. Figure 1.1 illustrates the interrelationship between the Project CESMPs and HSE-MS.

Key HSE-MS documents are integral to this F-CESMP (alongside the CESMP specific source and control documentation) and the CESMPs should, where necessary, be read in conjunction with these other HSE-MS elements. Such key elements are shown in Table 1.1.

Table 1.1 Document References

Document Reference	Title (English)	Title (Romanian)
MSMI-CMSSO-Ed.03/Rev.0	Transgaz HSE Policy	Manualul de management integrat calitate, mediu, sanatate si Securitate ocupationala
-Collective labour agreement- CLA- 112/23.06.2015 -TRANSGAZ Corporate Social Responsibility Policy/2014-Manual	Transgaz Policy on Corporate Social Responsibility	Contract colectiv de munca- 112/23.06.2015 Politica de responsabilitate sociala integrata a Transgaz-link-www.transgaz.ro-social responsibility-manual CSR
SR-EN ISO 9001/2007 SR-EN ISO 14001/2007 SR-OHSAS 18001/2008	Guidelines for the integrated management system in the field of occupational safety and environmental protection	Standarde nationale si europene
SR-OHSAS 18001/2008 MSMI-CMSSO-Ed.03/Rev.0 http://10.50.1.53.8888-SMICM	Company Standard "Health, Safety and Environment Management System"	
CSR Manual/D 2/2012 CLA 112	Company Standard 'Project Environmental and Social Standards" (45-StO.1.0.13.83)	Manual Responsabilitate sociala integrata
All legal requirements are mentioned in the tender documents. Underline few of them: Law 319/2006, Law 307/2006, GUO 195/2005, Law 107/1996, Law 104/2006, GD1425/2006, GD300/2006, GD 571/2016, GD/445/2009	Requirements on occupational safety, process and fire safety and environmental protection, for contractors' activities at the client's site	Toate cerintele legale sunt mentionate in documentele de licitatie
GD 300/2006, GD 445/2009, MO 19/2010, MO132/2006, MO 210/2007	Standard on "Identification and evaluation of environmental aspects, hazards and risks to health of personnel"	
GD 1051/2006, MO 210/2007, MO 135/2010	Regulations on the risk management process	
On TRANSGAZ site-Public consultation BRUA-contact and procedures	The procedure for consideration of requests of stakeholders of Transgaz	
MSMI-CMSSO-Ed.03/Rev.0	Company Standard "Procedures for planning and conducting internal audits of integrated management system of Transgaz	
MSMI-CMSSO-Ed.03/Rev.0	The procedure for interaction management	
MSMI-CMSSO-Ed.03/Rev.0	The procedure for production control of waste management in Transgaz Regulation on production monitoring compliance with the requirements of	

Document Reference	Title (English)	Title (Romanian)
	industrial safety in the operation of hazardous production facilities	
REGULATION OF ORGANIZATION AND FUNCTIONING for UMP BRUA	Regulation on production control in the field of environmental protection (self-monitoring) of BRUA	Regulament de organizare si functionare a UMP-BRUA
MSMI-CMSSO-Ed.03/Rev.0	Methods of organizing and conducting internal environmental audits at Transgaz	

1.3 Policies and standards

All Contractors and its Subcontractors are subject to the conditions and obligation set out in the national legislative framework, EU regulations, the EBRD Performance Requirements, and TRANSGAZ norms and procedures.

The EBRD requirements that have been deemed relevant to the BRUA project are as follows:

- [PR 1: Assessment and Management of Environmental and Social Impacts and Issues](#)
- [PR 2: Labour and Working Conditions](#)
- [PR 3: Resource Efficiency and Pollution Prevention and Control](#)
- [PR 4: Health and Safety](#)
- [PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement](#)
- [PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources](#)
- [PR 8: Cultural Heritage](#)
- [PR 10: Information Disclosure and Stakeholder Engagement](#)

1.4 Application to Project contractors

The requirements set out in this CMP apply to all activities during the construction phase of the BRUA Project, including those which will ultimately be undertaken by staff from BRUA, as well as by the Contractors and its Subcontractors.

Successful projects that involve contractors all exhibit similar characteristics. They all have clear and unambiguous contracts established that include a Statement of Work. The efforts of all contractors integrated into a cohesive project plan with all contractors understanding where their efforts fit into the overall picture. The formal and informal interfaces between the beneficiary and the contractors are documented. Before starting specific work, the contractors are granted authorization to proceed. This authorization is received, in writing, via a Work Authorization form. A formal team building process is established and implemented. These practices all contribute to reducing the risk of misunderstandings or isolationism. Each contractor will have a legally binding, written contract that defines the following items. The legal names of the parties involved in the contract will be specified.

The scope of the contracted work (contained in an attached Statement of Work), will be described on terms of:

- responsibilities and authority limits of each party to the contract;
- a clear definition of the deliverables and minimum content to be provided by the contractor;
- a clear definition of the services to be provided by the Contractor;
- any and all constraints imposed on the Contractor by Transgaz., such as schedule constraints; budget constraints, specific tools to be used; and
- a clear statement of requirements for quality of deliverables and services including the requirement to allow independent quality inspections of materials and processes.

Appropriate terms and conditions, which will be imposed on both Transgaz and the contractor, will be identified. The acceptance process will be clearly identified.

Each CESMP outlines tasks to be undertaken by both Transgaz and its Contractors. The Contractors themselves will be required to develop their own detailed management plans/action plans, which will reflect the commitments in this CMP and which demonstrate how they will meet these commitments. The Beneficiary will nominate the obligation of Contractor to draw the Plan and indicate models for CESMPs on "Work statement document" which will be closed with all Contractor for each site, where will define the special conditions and procedures

1.5 Document Management

The BRUA PMU has a division Management of Change which will manage all phases of Project dynamics. Also, the Beneficiary and the Contractors will establish Contact Point Units (hereinafter CPU) to assume actions, monitor activities, events and to take operational measures to correct the errors at site level. All the proposed solutions will be reported to BRUA PMU, management of change unit. This structure is responsible for decisions, under Project manager- management services approval, for drawing procedures able to be applied on all sites or on specific sites, and for updating the CESMPs documents.

The Beneficiary will provide the Contractors Management Plan with attributes for all parts, requirements for Contractors and also a Work Statement for construction phases, including models for standard documents. Contractors enter into a business partnership with TRANSGAZ S.A., after bidding procedures, and will provide in legal time the integrated solution for execution phases, including the economic, environmental and social approach. Contractors will present the information for all subcontractors and the procedures for verification and validation services.

The major elements that comprise the Project are presented in Figure 2.

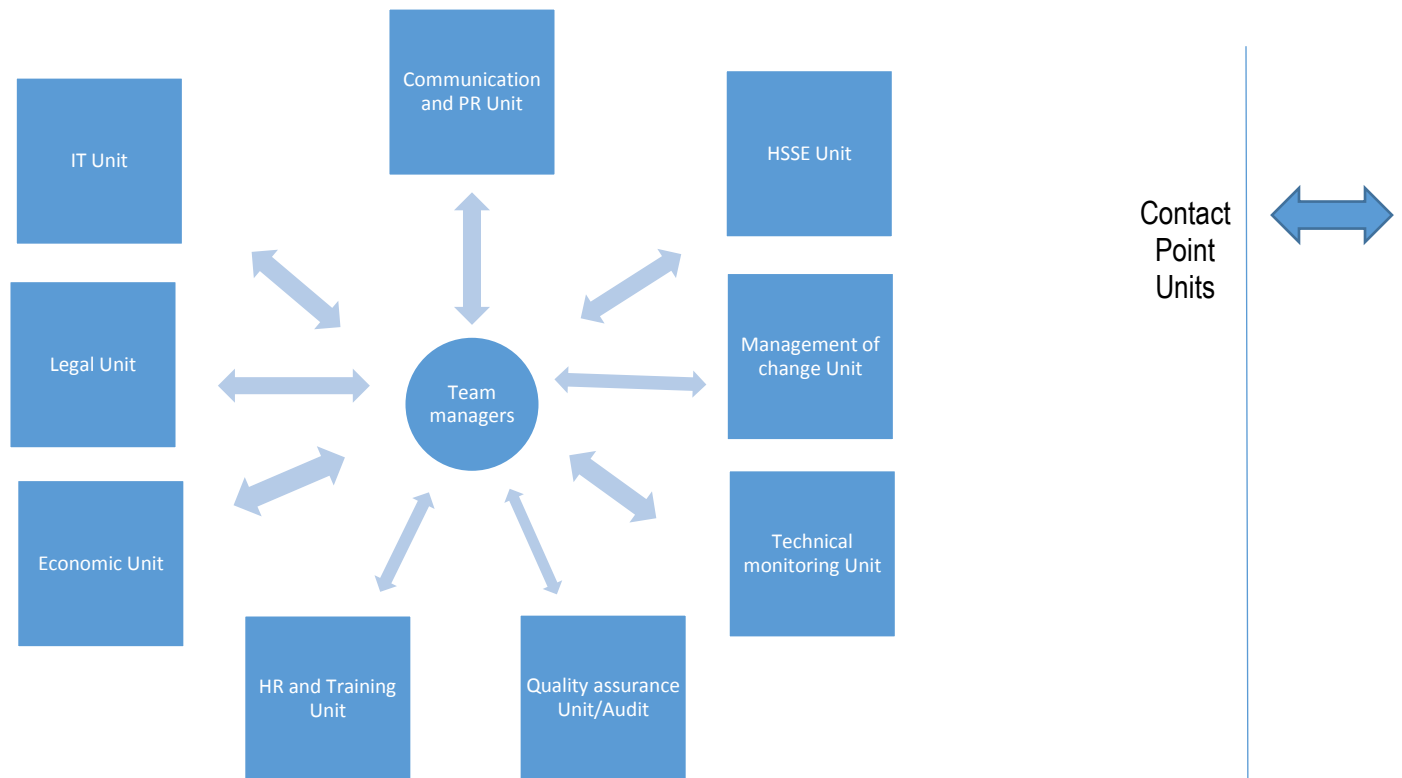


Figure 2 – UMP- BRUA structure connected with contact points (all UMP-BRUA units/departments working under the responsibility to coordinate the Contact point Units in the field of competences)

The CPU represents the interfaces on site between Transgaz and Contractors. All collected data, reports, and other information will be submitted to UMP-BRUA.

The Contact point units working on site, being structures formed between Beneficiary's and Contractor's representatives (health, safety, security and environmental coordinators, archeologists, geodesists, technical experts).

Each Contractor will have a single point of contact with PMU –BRUA for contractual matters, which will work on site office with Beneficiary's representatives. Contact points, for each site, will monitor the activities and compliance of the Project against the General Commitments Register. Weekly they will report about achievements and problems and the current situation

Each Contractor/Subcontractor will identify the responsibilities and authorities of the Project staff. This information will be published in a project contact sheet and approved by PMU-BRUA.

2 Contractors Engagement and Management

2.1 General

The CMP Plan will highlight all responsibilities, requirements and work statements that are expected of the contractors and how they will be delivered to the beneficiary. The Parties will establish contacts points to monitor actions and to correct any non-conformances. All the proposed solutions will be reported to UMP-BRUA, management of change structure. This structure is responsible for decisions, under Project manager- management services approval, for drawing procedures able to be applied on all sites or on specific sites, and for updating the CESMP documents.

The approach to managing the Project will be based on the following guiding principles:

- PMU- BRUA will establish on the bidding documents the conditions and obligation for Contractors;
- a Statement of Work will be drawn by the team, jointly with each Contractor taking responsibility for the services outlined in its areas of responsibility;
- effective channels of communications will be clearly defined and established within the Statement of Work document;
- each Contractor/Subcontractor will have its responsibilities and authority limits clearly defined in the Statement of Work;
- each Contractor will have its deliverables and execution time identified in the Statement of Work;
- each Contractor will have the services it is responsible for providing clearly identified and described in the Statement of Work;
- all constraints imposed on the Contractor will be clearly identify in the Statement of Work, including schedule and budget constraints;
- all environmental, social, health and safety and cultural heritage constraints imposed on the Contractor will be clearly identify in the Statement of Work;
-
- each Contractor will have requirements for quality clearly identified within the Statement of Work, including the requirement to allow independent quality inspections of materials and work processes;
- all products and services provided by the subcontractor (partners of Contractor) will be subject to the acceptance of PMU-BRUA;

- each subcontract will contain appropriate terms and conditions;
- adequate facilities will be provided to meet the needs of the Contractors, and the Contractors will support subcontractors in processing invoices and payments, subject to the invoices being delivered to TRANSGAZ in an acceptable format. To this end, TRANSGAZ (PMU BRUA) will establish format requirements for invoices in list of Standard Documents;
- the Contractors will be directly responsible for their part of the contract in relation with TRANSGAZ S.A., even for the subcontracted parts;
- the Contractors will be obliged to contract only with solvable and reliable subcontractors, and only with the written approval issued by PMU - BRUA; and
- the subcontractors will have no legal relation with TRANSGAZ S.A. and TRANSGAZ S.A. will have no obligation towards the subcontractors.
- Transgaz is responsible, for project management, for control and monitoring activities regarding constructors' actions and has overall responsibility for environmental, social, health and safety, and cultural heritage aspects of the project

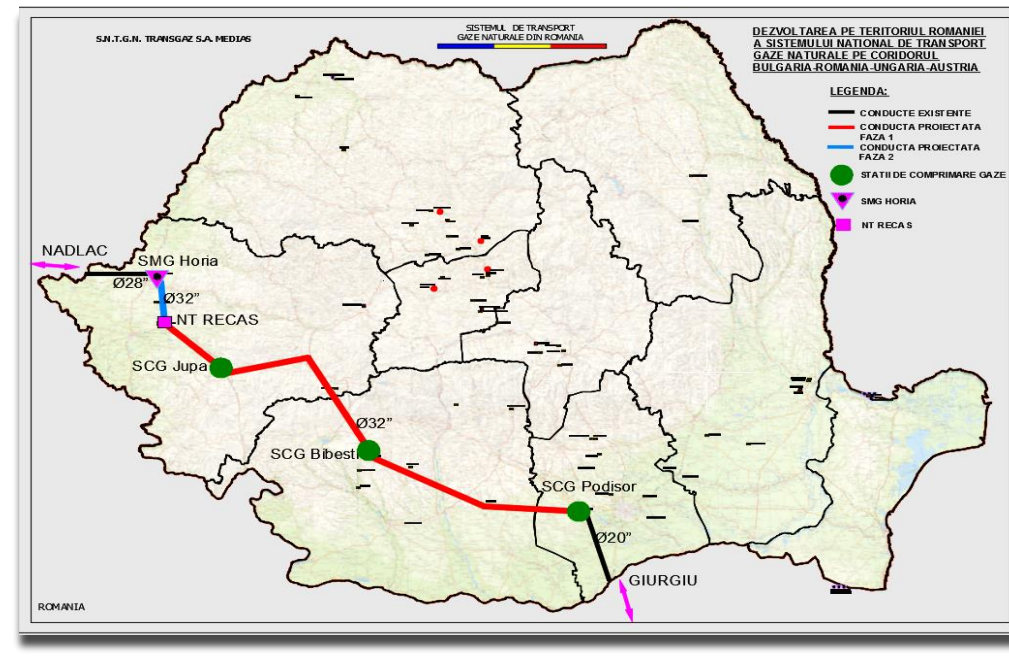
3 The BRUA Project

3.1 Project Overview

SNTGN Transgaz SA Medias ("Transgaz", "the Company" or "the Beneficiary"), the licensed operator of the Romanian National Gas Transmission System, is developing a 529km natural gas pipeline between Podișor in southern Romania and Horia in the west of the country (the "Project"). The pipeline, which for much of the route, will be buried and will upgrade or run alongside existing pipelines, represents the Romanian section of the Bulgaria-Romania-Hungary-Austria Natural Gas Transmission Corridor. In addition to the pipeline itself, the Project will also require construction of three new Gas Compressor Stations (GCS) at Podișor, Bibesti and Jupa, as well as a range of supporting infrastructure including block valve stations, construction camps, pipe storage areas, watercourses and infrastructure crossings and access roads.

The project, namely the route and location of the GCSs, is represented in the map in Figure 3.1.

Figure 3.1 BRUA Route



Whilst most the route is on land currently used for farming, it does pass through a number of especially sensitive areas, including seven Natura 2000 Sites, and the nationally important Dinosaurs Geo-Park. It also passes close to a number of sites of archaeological value, including the ancient city of Tibiscum near Jupa. In some of these areas, as well as near major roads and railways, and for the eight major rivers along the route, the construction methodology for its crossing will involve the use of horizontal directional drilling. In other areas, such as in the mountains, special “hammering techniques” will be applied.

4 Key Policies, Legislation and Standards

4.1 Overview

This section provides a summary of the policies, legal & regulatory requirements and other applicable standards relevant to this CMP and the underlying CEMPs. These relate back to the Project Standards Document. Where standards referred to below are inconsistent or contradictory, the Project approach is to apply the most stringent standard unless otherwise explained in the Project Standards Document. The Beneficiary will finalize this documentation, before construction phase, under Environmental and Social Management Plans (ESMPs) provisions, bidding documents, legal frame, EBRD recommendations and best practices identify on similar projects.

4.2 Company Policy

Transgaz has adopted a Health Safety and Environmental policy and a Corporate Social Responsibility policy, which are presented in Table 3.1. These policies apply to Transgaz and all activities carried out by the Company as part of this Project. UMP-BRUA is the division of TRANSGAZ, responsible for the Project management, which apply all Transgaz policies.

For CMP, we specifically identify the following:

- MSMI-CMSSO-Ed.03/Rev.0-Integrated manual for health, safety and environment
- Collective labour agreement- CLA-112/23.06.2015
- TRANSGAZ Corporate Social Responsibility Policy/2014-Manual
- Regulation of Organization and Functioning for UMP BRUA

4.3 National Legislation

The Project (and all contractors) will comply with all relevant national regulatory requirements (including specific permits – see below) as they apply to their activities. Most notably, contractors must be aware of the amendments to national regulation that the 185/2016 Law enacts.

The basic legislative framework for the work of the contractors and for signing the contracts is represented by:

- Law 31/1990 -regarding commercial companies;
- Law 287/2009-regarding Civil Code; and
- Governmental Ordonnance 98 and 99/2016- regarding public acquisitions.

Considering the specific contracts to be concluded, we identify the following:

- **Laws:** Law 319/2006, Law 307/2006, GUO 195/2005, Law 107/1996, Law 104/2006;
- **Governmental Decisions:** GD1425/2006, GD300/2006, GD 571/2016, GD/445/2009GD 300/2006, GD 445/2009; and
- **Orders of Ministry:** MO 19/2010, MO132/2006, MO 210/2007.

4.4 National Permits

For the Project, the Beneficiary will have to obtain the the following permits:

- Exhaustive Decision;
- Environmental permit;
- Construction Permits;
- Archeological Discharge; and
- Urban Certificates.

The Beneficiary is responsible for Storage permit for the dislocated rocks on Lot 2 mountains area and to provide Work permit for all contractors. The national legislation stipulates that the Contractors, before starting the construction work (and bill time on the Cost Account), must first receive a Work Permit from the Beneficiary. This permit will authorize the start of work, will identify the deliverable(s) of the Cost Account, will identify budget and schedule constraints, will identify the responsible manager, and will identify the reviewers and acceptors of the products or services. When the authorized work is complete, the Work Permit Form will be closed, and the authorization withdrawn.

4.5 International Standards

The international standards to be applied to the Project are the following:

- Relevant Lender standards (primarily the EBRD Performance Requirements);
- Relevant international industry practice guidelines;
- Relevant international conventions ratified by Romania; and
- Other standards associated with the Environmental Social Impact Assessment (ESIA) process as outlined in the F-CESMP.

5 Roles and Responsibilities

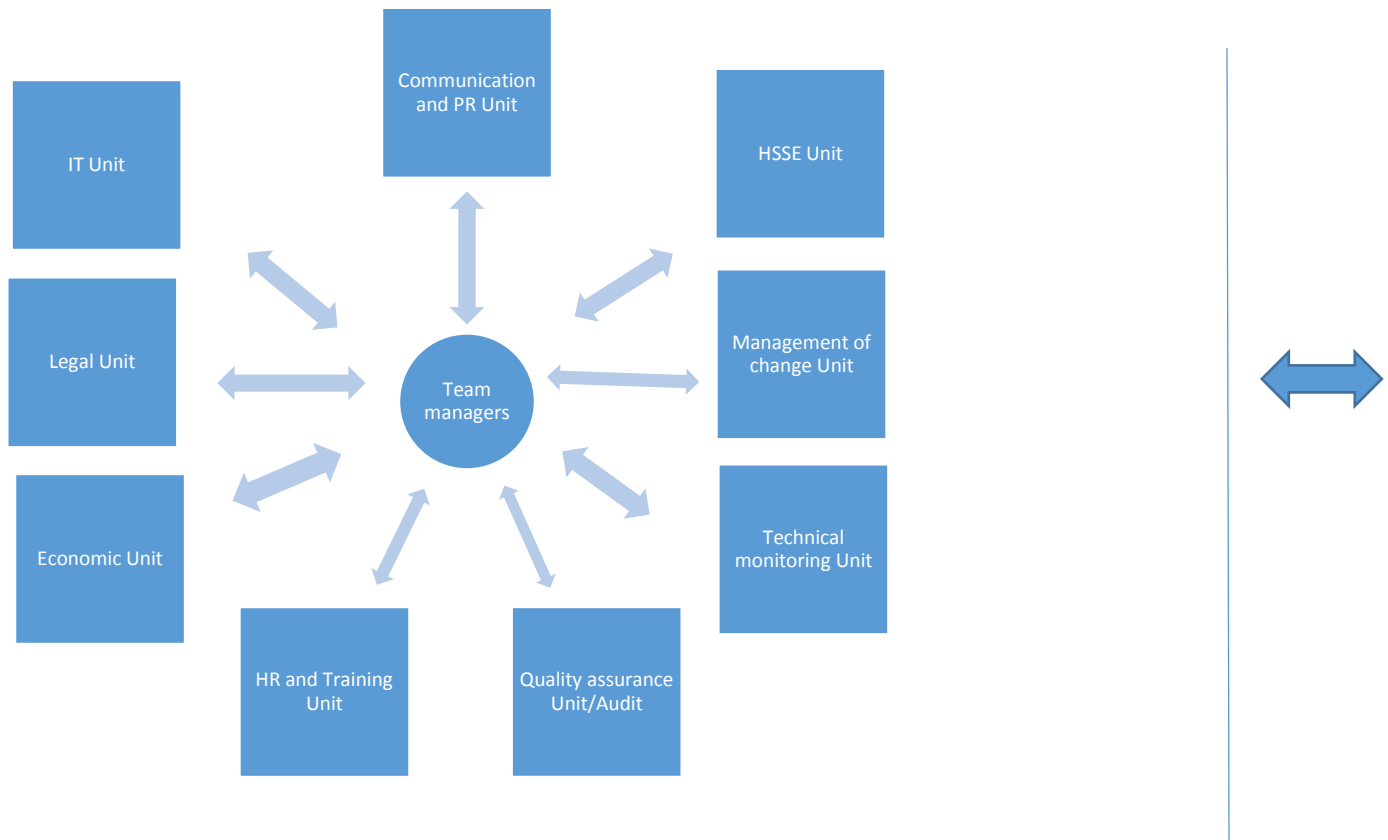
5.1 Introduction

Contractors will enter into a business partnership with TRANSGAZ S.A., after bidding procedures, and will provide in legal time the integrated solution for execution phases, including the economic, environmental and social approach. Contractors will present the information for all subcontractors and the procedures for verification and validation services.

Delivery of the project commitments referenced in this CMP is the responsibility of both Transgaz and its Contractors. The specific responsibilities for implementation of the specific actions identified in the individual CESMPs are clearly distinguished between Transgaz and relevant Contractors in the Appendices to the CEMPs.

At a high-level, Table 5.1 shows the mapping of BRUA functional elements between UMP BRUA and Contractors(Subcontractors).

Figure 5.1 Contact Points



At a high-level, Table 5.1 shows the mapping of BRUA general functional elements between UMP BRUA and Contractors (Subcontractors)

Table 5.1 Mapping of functional Elements-between TRANSGAZ S.A. and Contractors/Subcontractors

Functional Elements	TRANSGAZ S.A.	Contractors	Subcontractors
Project Management	X		
HSSE management	X	X	
Management of change	X	X	
Technical monitoring	X	X	
Quality assurance	X	X	
Human resources ((HR) and training	X	X	X
Economic	X	X	X
Legal	X	X	
Information technology	X	X	
Communication and Public relations	X	X	
Audit	X	X	

The operational cooperation procedures on the construction site will be set in the Statement of Works that will be Appendix to the Commercial Contract to be signed between the Beneficiary and the Contractor. The

CPU for each construction site, as defined in the Contractor Management Plan, is the structure responsible for the implementation and monitoring of the provisions in the Statement of Works. The key environmental and social and CH management roles are defined in each specific plan.

5.2 Company Roles and Responsibilities

In this particular business partnership, Transgaz S.A. assumes overall management of the project.

TRANSGAZ S.A. provides the General Project Manager and its team, which oversees the project and represents TRANSGAZ S.A. in negotiations and product reviews. Other TRANSGAZ S.A. employees participate in the project as members of the team defining required functionality, designing and developing each phase for pipeline execution, and providing surveillance economic and technical support. TRANSGAZ personnel management sessions for all participants on execution phases of the BRUA project, reviews and approves project products. TRANSGAZ S.A. provides the workspaces and all the legal authorizations.

The Beneficiary's roles and responsibilities during the construction phase of the project are set out in the:

- Company Standard HSE-MS;
- UMP-BRUA guidelines for the integrated management system in the field of occupational safety and environmental protection; and
- other documents listed in Table 1.1.

The work of all Contractors will be coordinated by PMU- BRUA to assure that the efforts of all parties are integrated into a cohesive whole through the processes of concurrent engineering and top-down project control. A Project Master Schedule will be developed that establishes schedule constraints and identifies contractual and significant internal milestones. Intermediate schedules will be established that clearly show key project interfaces and the interdependencies of the work efforts. Concurrent engineering meetings will be conducted on a regular basis to provide visibility into work being performed and provide an opportunity for discussion among the PMU-BRUA and Contractors.

Transgaz, as the Beneficiary, manages the Project and is responsible for providing the workspaces and all the legal authorizations required for the construction. The Company provides the Project General Manager and its team, which oversees the project and represents Transgaz. in negotiations and product reviews. Other Transgaz employees participate in the project as members of the team defining required functionality, designing and developing each phase for pipeline execution, and providing surveillance economic and technical support.

On site, Transgaz will ensure the presence of a project supervisor, a site coordinator and also experts for environmental, archeology, biodiversity, geodesy and technical issues.

In order to manage all activities of Project, the Beneficiary draws the F-CESMP and associated topic- and/or activity- specific CESMPs, a Stakeholders Management Plan and ESIA Documentation. On the moment of decision regarding the Constructor partner, TRANSGAZ will conclude a contract.

Each contract will contain provisions regarding health, safety, security and environment in order to comply with tender documentation and F-CESMP and other CESMP's contents.

Project Managers. The PMU -BRUA managers team have overall responsibility for coordinating all

activities relating Project. To this end, TRANSGAZ S.A. provides senior and intermediate management staff.

Information Technology. TRANSGAZ S.A. and the Lot 4 Contractor are responsible for IT surveillance solution of BRUA project. This responsibility includes:

- a) analysis of the current technical environment;
- b) analysis of business requirements relevant to the application architecture;
- c) architecture definition;
- d) hardware platform selection and procurement;
- e) system software selection and procurement;
- f) application software requirements analysis;
- g) application software design;
- h) application software development;
- i) application software testing;
- j) system level integration and testing;
- k) provision of a software development facility; and
- l) software version control.

Human resources/Training. The unit is responsible to coordinate labor legislation, the evidence of staff and time working. By the other hand, it is also responsible for training needs analysis, development of training strategies and plans, development or procurement of training courseware for its employees and coordination of the training courses. The actual provision of training will be a shared responsibility with Contractors.

HSSE-Each contract will contain provisions regarding health, safety, security and environment in order to comply with tender documentation.

HSSE unit is responsible for HSSE conformance and assurance and the assurance of the Contractor HSSE supervision duties. This unit should consist of sufficient, experienced staff with similar project background. The HSSE unit will interface with the Contractors HSSE staff.

Quality Assurance. TRANSGAZ provides the project discipline functions through the Quality Assurance Service. These functions include:

- providing quality assurance and quality control services;
- providing configuration management services;
- providing risk management services;
- coordinating the establishment of project standards and procedures; and
- providing audit procedures and periodically audit control.

Management of change unit – represent the unit, which are oversees the daily Project status. The units, monitor the progress of Project's phases, collect data about the stage of Project and purpose solutions to management staff.

Legal unit- represent the permanent legal support for UMP staff for its issues and in relation with other

Parties.

Economic unit- monitoring daily, all spent of UMP and invoices from Contractors, under legal financial provisions.

Technical monitoring unit-is responsible to coordinate technical activities regarding pipeline and compressive station build. They assure the technical reception of Constructors' partial works.

Communication and Public Relation unit-is responsible to monitor the impact of Project, to assure the connections with Stakeholders, to collect information from media and complaints from different parties, and, by the other view to purpose solutions to improve the images of Project.

TRANSGAZ will also provide for all Contractors standard documents for different activities on sites, in order to improve the communication between Parties and manage all process in an easy manner.

All units' attributes its detailed on BRUA - Regulation of organization and functioning

5.3 Contractors' Roles and Responsibilities

Contractors predominant responsibility will be to ensure that all their work and staff activity is compliant with the legal provision for environment, social, safety, health and the permits provided by Beneficiary. Their responsibilities include the management of specific activities and for the surveillance of all activities on the site.

TRANSGAZ S.A. will contract Construction Contractors for each lot of the projected pipeline and Gas Compressor Stations, and for IT surveillance solution. Each contract will contain individual specifications, according to the environmental and safety conditions, which demand special procedures of digging/drilling or constructions under/over the waters, throw forest, on rocks areal and others specific.

The Contractors will prepare work plans in compliance with the Project's requirements.

The Construction Contractors submit to Transgaz, for approval, their F-CESMP and detailed topic and/or activity-specific CESMPs, which will be developed in accordance with the models provided by Beneficiary, i.e., the F-CESMP and reminded Management Plans.

These documents shall demonstrate how the Contractors will meet the project's requirements and commitments applicable to them, outlined in the Transgaz' documents. Table 5.3 lists the topic and/or activity-specific CESMPs to be produced by the Contractors as a minimum.

Table 5.3 CESMPs to be produced by the appointed Contractor

Management Plan	Document Reference
Waste Management Plan (Include Hazardous Management Plan)	1062-TGN-MNG-PLN-PJM-22-00005

Management Plan	Document Reference
Road and Traffic Management Plan*	1062-TGN-MNG-PLN-PJM-22-00012
HSSMS	1062-TGN-MNG-PLN-PJM-22-09
Pollution Prevention Management Plan	1062-TGN-MNG-PLN-PJM-22-00003
Labour and Working Conditions Management Plan	1062-TGN-MNG-PLN-PJM-22-00010
Reinstatement Management Plan	1062-TGN-MNG-PLN-PJM-22-00014
Water Resources Management Plan	1062-TGN-MNG-PLN-PJM-22-00007
Water Crossing Management Plan	1062-TGN-MNG-PLN-PJM-22-00008
Cultural Heritage Management Plan	1062-TGN-MNG-PLN-PJM-00013
Biodiversity Management Plan	1062-TGN-MNG-PLN-PJM-00006
Emergency Response Management Plan	1062-TGN-MNG-PLN-PJM-00015
Community Health and Safety Management Plan	1062-TGN-MNG-PLN-PJM-00011

Road and Traffic Management Plan is part of the Logistics General Plan and will be drafted until the end of the first quarter of 2018, according to ESAP.

As the project progresses from defining the requirements through construction and implementation, whenever difficulties emerge during the execution, the Contractors will provide solutions to be submit for approval, to the project supervisor and a site coordinator.

Additionally, to the producing the above-mentioned work plans, contractors must also develop site specific method statements for work in protected areas and sensitive habitats. This will be further addressed in the Biodiversity Management Plan.

Underline the followings

The Contractors will be responsible for the Health and Safety Plan and Measures, regarding their own employees and sites conditions, as well workers' accommodation, under a risk analyze procedure, in accordance with legal provisions, advised by Beneficiary.

Contractors shall nominate the following employees:

- representative for site coordination;
- representatives for HSSE responsibilities;
- representatives for technical execution, budget, Project phases;

- first aid competent person;
- representative for waste management;
- team for guarding the site; and
- team responsible for intervention on accidental pollution events.

Other details about Contractors obligations related standard documents, which have to be drawn, will be nominate on bidding documentation.

Management of Change. Contractors will implement the necessary actions under TRANSGAZ coordination in all respects to accept, commit and use the new approach execution phases. Any economic impacts will be identified and reported to TRANSGAZ team to be analyzed in accordance with bidding documents and the Contract conditions.

Organizational Design/Human Resources. Contractors are also responsible for developing organizational and human resource elements of the solution recommended by the Project.

Technical monitoring/Quality assurance/Communication-Contractors are responsible for technical execution, quality of engineering solutions, communications and training of its employees in order to respect all contractual conditions and recommendations of TRANSGAZ S.A. The purpose of this level of communication is to keep stakeholders and interested parties informed about progress and any other daily problem.

All Contractors are also required to comply with all relevant national regulatory requirements. Whilst contractors are required to verify the latest regulatory requirements themselves an indicative list of Romanian national legislation is provided in Appendix 3 to this CMP. This includes the key 2004 regulation SNGD - National Waste Management Strategy (updated in 2013), and associated National Waste Management Plan.

Contractors must also ensure that relevant requirements of the various construction-related permits for the Project issued by national (and local) regulators are addressed. Any requirements arising from the revision/amendment of those permits will also be applied. Key permits are summarized in the F-CESMP Framework Document.

6 Methods for Successful Contractor Management

6.1 Management Practices

Successful projects that involve contractors all exhibit similar characteristics. They all have clear and unambiguous contracts established that include a **Statement of Work**.

The efforts of all Contractors are integrated into a cohesive project plan with all Contractors understanding where their efforts fit into the overall picture.

The formal and informal interfaces between the beneficiary and the contractors will be documented.

Before starting specific work, the contractors will receive an “authorization to proceed”. This authorization will be provided in writing, via a Work Authorization form. Authorization will be dependent on the completion of all necessary pre-construction surveys, the approval by Transgaz of Contractor CESMPs, all associated method statements relevant to the respective section and any further works Transgaz deem necessary prior to construction. Auditing requirements will be detailed and addressed in the plans listed in Table 4.1 of the Framework Management Plan.

A formal team building process is established and implemented.

These practices all contribute to reducing the risk of misunderstandings or isolationism.

Establishing Clear, Unambiguous Contracts

Each contractor will have a legally binding, written contract that defines the following items. The legal names of the parties involved in the contract will be specified.

The scope of the contracted work (contained in an attached Statement of Work), will be described in terms of:

- the responsibilities and authority limits of each party to the contract;
- a clear definition of the deliverables and minimum content to be provided by the contractor;
- a clear definition of the services to be provided by the contractor;
- any and all constraints imposed on the contractor by TRANSGAZ S.A., such as schedule constraints, budget constraints, specific tools to be used, and
- a clear statement of requirements for quality of deliverables and services including the requirement to allow independent quality inspections of materials and processes.

Appropriate terms and conditions which will be imposed on both TRANSGAZ S.A. and the contractor will be identified.

The acceptance process will be clearly identified.

6.2 Work Effort Integration

The work of all Contractors will be supervised by PMU- BRUA to assure that the efforts of all parties are integrated into a cohesive whole through the processes of concurrent engineering and top-down project

control. A Project Master Schedule will be developed that establishes schedule constraints and identifies contractual and significant internal milestones. Intermediate schedules will be established that clearly show key project interfaces and the interdependencies of the work efforts. Concurrent engineering meetings will be conducted on a regular basis to provide visibility into work being performed and provide an opportunity for discussion among the PMU-BRUA and Contractors.

6.3 Interfaces between PMU- BRUA and Contractors

Each-Contractor will have a single point of contact with PMU –BRUA for contractual matters, which will work on site office with Beneficiary’s representatives. Contact points, at each site, will monitoring the activities and compliance of the Project activities against the General Commitments Register. Weekly they will report about achievements and problems, and the current situation.

6.4 Interfaces Among the Subcontractors

Each Contractor/Subcontractor will identify the responsibilities and authorities of the Project staff. This information will be published in a project contact sheet. Informal, mutually beneficial contact is encouraged. However, to avoid schedule slippage, the interdependencies of Contractors efforts will be identified on the intermediate schedules described earlier. These intermediate schedules will make the formal interfaces visible.

6.5 Work Authorization

Before starting to bill time and materials against a Cost Account, the Contractors must first receive a Work Permit.

Form will authorize the start of work, will identify the deliverable(s) of the Cost Account, will identify budget and schedule constraints, will identify the responsible manager, and will identify the reviewers and acceptors of the products or services. When the authorized work is complete, the Work Permit Form will be closed, and the authorization withdrawn.

6.6 Formal Team Building

At various points during the Project, formal team building exercises will be held. The participation of all team assigned Contractors resources will be mandatory. These sessions will be planned and schedule to minimize the impact on subcontracted work.

6.7 Progress Reporting

The Contractors have to be keep aware of the overall progress of the project. This includes the progress of each subcontractor. The subcontractors will report progress at the Cost Account level on a weekly basis. Based on the information contained in the weekly Cost Account Level Progress Reports, the Contractors will prepare a weekly progress report at the TRANSGAZ level.

6.8 Weekly Progress Reporting

Each week, the Contractors will prepare and deliver to the UMP-BRUA a weekly progress report for each Cost Account for which an open Work Authorization Form exists. The contractor’s centralizing report has to clearly highlight the information for each cost category, by account types. The report is to be delivery by noon on Fridays. The report will identify:

- authorized work that was scheduled to be performed during the week (activities within the Cost

Account),

- progress made against that authorized work presented as:
- a textual description of progress,
- a list of internal milestones attained,
- personnel, and an assessment of the time (in hours) remaining to complete the activities in the Cost Account (Estimate to Complete),
- a list of unplanned, but authorized work that was conduct, identifying the number of hours spent,
- authorized work that is scheduled to be performed during the next week, including any internal milestones expected to be reached, and
- a brief description of any problems encountered in performing the activities of the Cost Account or warnings of schedule slippage.

The weekly Cost Account Level Progress Reports will be review by Contractors and the UMP BRUA updated to reflect the progress. The Report, before submitted to the Cost Account Management, have to be confirm by the legal representatives/Quality assurance staff, of Beneficiary on the construction site.

Variance reports will be provided to Cost Account Managers should the variance exceed the acceptable thresholds defined in the Standard Procedures and Documents.

6.9 Environmental and Social and Health and Safety Reporting

Each week, the Contractors will prepare and deliver to the UMP-BRUA weekly progress reports on environmental, social and health and safety performance. The report is to be delivery by noon on Fridays. The report will identify:

- performance against KPIs
- incidents within the period and investigation findings
- planned activities
- a textual description of progress,
- a list of internal milestones attained,
- a brief description of any problems encountered

The weekly Reports will be review by Contractors and the UMP BRUA.

6.10 Monthly Level Progress Reporting

Once a month, UMP-BRUA Management of Change unit will prepare a Progress Report for submission. A copy will be provided to the Contractors. This report will present the progress of Project elements, expressed as a percentage complete, and an indication of whether the work is ahead of or behind schedule.

Clear points of visibility into the work that the Contractors are doing is crucial to reducing the risk of inappropriate work being done resulting in unplanned, costly rework. These points of visibility are established at regular periodic intervals and at key project milestones.

6.11 Progress Reviews

On an as-needed basis, UMP-BRUA may request an informal review of Contractor's progress. This would involve discussions with the Contractor's Functional Manager (Team Leader) or the

Contractor's/Subcontractor's point of contact for contractual matters. These reviews will be held at the request of the General Project Manager. They will only be requested if cost or schedule variance exceeds the threshold identified in the Project Standards and Procedures documentation.

6.12 Contractor Issues Meetings

Every two weeks, the General Project Manager or his deputies will meet with delegates of the Contractor organizations to discuss issues of concern to either party. The Contractors delegate shall be a senior or intermediate employee of the Contractor, who is not directly involved in the delivery of the Project products or services. The purpose of these meetings is to facilitate the project and to remove any roadblocks to success.

6.13 Milestone Reviews

At key contractual milestones, a formal review will be conducted to provide visibility into the direction of the project to all parties. Topics covered depend on the milestone, but could include such items as:

- where we are in the overall project schedule;
- an overview presentation of the key points contained in the project deliverables that comprise that milestone;
- a briefing on the quality of work achieved to date;
- a briefing on the budget and schedule status with major variances clearly highlighted and plans for corrective action presented; and
- a briefing on the current configuration status (baseline status, status of approved baseline change requests, etc.).

7 Acceptance Process

7.1 Acceptance by UMP BRUA

All products and services provided by the Contractors including the reports and information relating environmental and social and health and safety issues will be subject to approval by UMP BRUA.

7.2 Quality Assurance Review

UMP-BRUA Quality Assurance staff will review all Contractors deliverables for adherence to content requirements and standards. Evaluation criteria used by the Quality Assurance staff, will be republish in the Project Quality Assurance Plan document. The evaluation report prepared by the Quality Assurance staff will identify any significant deficiencies that would preclude the acceptance of the deliverable. Each identified deficiency must be address to the satisfaction of the Quality Assurance staff. The Quality Assurance staff will indicate their satisfaction in writing to the General Project Manager or deputies.

7.3 Deliverable Acceptance Form

The Contractor is to prepare a Deliverable Acceptance Form and submit it with the deliverable. When the deliverable is deemed to be acceptable by UMP-BRUA (including Quality Assurance staff), the Deliverable Acceptance Form will be signed by the General Project Manager.

7.4 Invoices and Payments

Invoices from Contractors to TRANSGAZ must be presents in a format suitable for consolidation and submission to UMP-BRUA.

7.5 Format of Invoices

Contractors invoices must meet the format and content requirements for invoices as set out in the Terms and Conditions of the signed contract.

7.6 Payment Authorization

Contractors will submit monthly invoices reflecting the works performed for the Project. If no deliverables were included in the efforts for that invoice period, the payment will proceed.

If a deliverable is included in the invoice period, payment of that invoice will be subject to acceptance of the deliverable product. When the Deliverable Acceptance Form has been signed by the General Project Manager, payment of Contractor invoices will be authorized.

8 Cooperation and Communication

8.1 General

Beneficiary and Contractors are expected to respect all legislation, procedures and standards, to create a good reputation for the Project. That why it is necessary to cooperate and apply best management practices to address issue within an efficient timeframe Project. Using project contact point responsibilities and Manager authority will help to readily address non-conformances and update mitigation where necessary.

9 Conclusions

Contractors Management Plan identify the following keys:

- The Beneficiary-TRANSGAZ is represent on Project by UMP-BRUA;
- The role and attributes of UMP-BRUA are define on BRUA- Regulation of organization and functioning;
- The Beneficiary will mention on tender documentation all obligations for Contractors, under legal EU and national provisions, EBRD and Transgaz standards and procedures;
- The Beneficiary will provide to Contractors, models for ESMPs documents;
- On each site, a mutual contact point will be organized and functional;
- UMP-BRUA is responsible to monitor daily activities of Contractors;
- UMP-BRUA is responsible to decide operative and general measures for correct deferent events;