TELLUS
LONG-TERM SAFETY AND SUSTAINABILITY

Management Plan

Project Quality Management Plan (QMP)

SANDY RIDGE DEVELOPMENT PROJECT – CELL 2,3,4

Tellus Holdings Ltd | June 2022

Approval, Control and Distribution

This Project Quality Management Plan (QMP) is a controlled document and shall be reviewed, approved and distributed under controlled conditions. The Project Manager is the holder of the Quality Management Plan and is responsible for updating the document during the project lifecycle. The signatures below certify that this QMP has been reviewed and accepted and demonstrates that the signatories are aware of all the requirements contained herein and are committed to ensuring their provision.

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Acronym	Definition
BAC	Budget at completion
Baseline	Refers to a project control measure either scope, cost or schedule
CADS	Cell Airdome Supply
CFO	Chief Financial Officer
COO	Chief Operations Officer
CRAW	Construction Risk Assessment Workshop
CV	Contract Variation
CVA	Contract Variation Approval
DLP	Defects Liability Period
DMA	Decision Making Authorities – refers to Local, State and Federal Authorities etc.
EAC	Estimate at completion
EOI	Expression of Interest
EPC	Engineering, Procurement & Construction
FID	Final Investment Decision
HSE	Health, Safety and Environment
HSECQ	Health, Safety, Environment, Compliance and Quality
ITP	Inspection Test Plan
IWDF	Intractable Waste Disposal Facility
JSA	Job Safety Analysis
LAHA	Land Access, Heritage and Approvals

OSH	Occupational Safety and Health
OSR	Owners Site Representative
Owner	Tellus Holdings Limited
PCR	Project Change Request
PVA	Project Variation Approval
PT	Project Team
RFI	Request for Information
SOP	Standard Operating Procedure
SOR	Schedule of Rates
SOS	Scope of Services
SOW	Scope of Works
SRDP	Sandy Ridge Development Project
SRF	Sandy Ridge Facility
SWMS	Safe Work Method Statement
TBC	To be confirmed
TES	Tender Evaluation Schedule
tpa	Tonnes Per Annum

1 Introduction

1.1 Purpose of the Document

This document defines the project quality assurance process during execution of the Sandy Ridge Development Project (SRDP). The Quality Management Plan (QMP) documents the measures to be applied during the project to provide confidence and assurance regarding overall integrity of the project.

This QMP is a subsidiary management plan of the overall Project Execution Plan. It sets out the approach and method for the management of quality that is both consistent with relevant industry standards and the company's internal policies.

The objective of the Quality Management Plan is to ensure that the SRDP is delivered in accordance with stakeholder requirements and contractual specifications to reduce cost of quality (namely cost of re-works, non-conformity and deficiencies, unnecessary future maintenance and repairs) and to complete the project within the approved baselines.

The QMP details the key elements to be applied during the project execution to achieve quality control, and the monitoring and audits to be performed as quality assurance to ensure that these processes and procedures are being applied.

While the QMP assures that the appropriate quality control processes are being applied throughout the project, it does not in itself provide assurance regarding the technical integrity of the Project. The contractor is responsible for the quality of the engineering and technical aspects of the project.

1.2 Background

The contracting strategy for the delivery of the project comprises a Design and Construction (D&C) contract approach for the major packages, supported by several smaller packages for supporting infrastructure works (such air dome supply)

1.3 Audience

This document is intended for the following key stakeholders:

- Project team members
- Tellus senior management and executives

1.4 Related Documents

This QMP should be read in conjunction with the following project documentation. Special attention should be placed on the Project Execution Plan (PEP) as this is the basis for all other plans and project direction.

- Project Execution Plan (TSR-5-SR-08000-PM-PLN-0001).
- Tellus Quality Policy (TEL-01.001) (Appendix 01)
- Tellus' AS/NZS ISO 9001.2015 Quality Management System certification.

- Tellus' AS/NZS ISO 45001.2018 Occupational Health and Safety Management System certification.
- Tellus' relevant policies and procedures.

2 Objectives

2.1 Overview

This QMP defines the quality assurance and quality control objectives and processes which will be implemented by the Project Team (PT) to ensure that services delivered for the SRDP are executed to:

- Meet Tellus requirements as outlined in the project scope of works (SOW).
- In accordance with approved plans and procedures (developed during planning and/or execution stages).
- Employ good engineering practice.
- Meet all local regulatory and statutory requirements.
- Specific project objectives and key performance indicators will be defined in the PEP and supporting plans.

2.2 Key Roles and Responsibilities

The Project Manager (PM) will assume overall accountability for project communications management. The PM will ensure that all project roles and contractors work in line with the stated accountability and competencies. The PM will also work with contractors to ensure they understand the expectations of the project and that all work performed conforms to Project Management Plan (PMP) and the PEP.

The key roles listed below are in line with Section 3.1 of the PEP. It is advised that the following quality management accountabilities will be adhered to throughout the construction phase of the project:

Table 1 - Quality management roles / accountabilities

Role	Accountability
Project Sponsor	• Ensuring that all contracts fulfil their contractual obligations. • Ensure PD and PM are supported in the implementation of PEP, QMP and associated plans.
Project Director (PD)	• Ensuring that all contracts fulfil their contractual obligations. • Ensure PM and project team are supported in the implementation of PEP, QMP and associated plans. • Ensuring appropriate training and software is provided to improve status quality issues. • Ensuring project operations are performed in accordance with project requirements • Report quality performance and issues to the business and project.
Project Manager (PM)	• Ensure QMP is implemented to meet project requirements. • Identifying resources and equipment for project quality purposes. • Ensuring training is provided to improve awareness of quality issues.

Role	Accountability
	• Incorporating quality management aspects in project planning. • Ensuring project operations are performed in accordance with project requirements • Reviewing the effectiveness of the project related systems for continuous improvement and enforcing the implementation of systems updates in relation to continuous improvement • Ensuring that all contractors fulfil their contractual obligations. • Ensure clear documentation of project requirements. • Ensuring that construction supervisors have the necessary standards, procedures and inspection equipment to carry out their duties.
Planner	• Ensuring project operations are performed in accordance with project schedule requirements. • Reviewing the effectiveness of the project related systems for continuous improvement and enforcing the implementation of systems updates in relation to continuous improvement.
Commercial Manager	• Ensuring project operations are performed in accordance with project commercial requirements. • Defines commercial terms and contractual obligations (terms & conditions, delivery milestones, vendor design approval, change management process). • Defining special commercial conditions governing the works.
Owners Site Representative (OSR)	• Day to day liaison with construction contractors to ensure prompt resolution of issues. • Ensuring Project schedules and milestones are achieved, and to ensure the Project Manager is informed on a regular basis as to the status of Project schedule or exposure to the Project costs or schedule impacts encountered during the course of the Project. • General representation of the owner and site contact for construction contractors and suppliers to ensure the project objectives of safety, quality, time and cost are achieved. • Provides reporting to the Project Manager.
Project Team (PT)	• Ensuring project operations are performed in accordance with project requirements. • Reviewing the effectiveness of the project related systems for continuous improvement and enforcing the implementation of systems updates in relation to continuous improvement.

Role	Accountability
Package Managers	• Ensuring that all contractors fulfil their contractual obligations. • Reviewing the effectiveness of the project related systems for continuous improvement and enforcing the implementation of systems updates in relation to continuous improvement • Ensure quality compliance in line with the Commercial Manager direction.
Contractors	• Fulfilling assigned contractual obligations. • Ensuring project operations are performed in accordance with project requirements • Ensuring training is provided to improve awareness of quality issues. • Incorporating quality management aspects in project planning and execution.
Quality Manager	• Tracking of quality forms and checklists. • Ensuring that vendor and contractor inspections are carried out as planned, and recorded on appropriate inspection plans and assignments. • Performing visual inspections of fit up and/or installation works and verifying on checklists. • Marking out and reporting on unsatisfactory/defective areas for rework or repair. • Ensuring all "Hold, Witness and Verification" points are signed off. • Assisting the Project Manager with compilation of the reviews and documentation. Ensuring that the QMP is implemented to meet the requirements for the project. • Continually revising the QMP to suit the evolving requirements of the project and implementation of process improvements • Identifying relevant quality-related training needs, including induction, and facilitating on-going workshops and other appropriate training • Conducting criticality assessments to establish appropriate vendor surveillance levels. • Managing the vendor surveillance strategy, including approving 3rd party inspection agencies and scheduling inspections. • Reviewing quality requirements of tender packages prior to issuing to vendors, particularly in relation to vendor data. • Reviewing and approving vendor quality documentation, particularly Quality Plans and ITPs, prior to commencement of work.

Role	Accountability
	• Reviewing inspection reports and ensuring any actions required are initiated and closed out or resolved, including liaising with relevant parties regarding concessions and obtaining authorised confirmation in writing. • Liaising with the client to ensure satisfactory completion of quality conformance checks. • Ensuring project non-conformances are reported and corrective/preventive actions taken, and recorded in a project NCR Register. • Ensuring that all contractors fulfil their contractual quality management obligations. • Preparing, issuing and conducting quality audits to ensure implementation of the QMP and compliance with Tellus' quality management system • Conducting both project and vendor quality audits to ensure implementation of Quality Plans and compliance with relevant quality management system. • Preparing and submitting project quality reports. • Attending meetings on quality issues. • Ensuring that product traceability requirements are met • Reviewing and approving NDE requirements, welder's qualifications, welding procedures, weld maps and material traceability drawings; and providing welding information to supervisors. • Liaising with engineering and inspection personnel during the execution of the project to ensure that all contractual and statutory records requirements are understood and reflected in Inspection and Test Plans and associated documentation. • Providing all necessary handover documentation in a timely way to meet commissioning and start-up requirements. • Ensuring progressive approval and compilation of the MDRs, including setting up of filing requirements as defined in the MDR Index, and ensuring that all records of inspection and test are in compliance with the project specified Codes, Standards and Specifications.

2.3 Competence, Awareness and Training

Personnel performing specified assigned tasks are to be qualified on the basis of appropriate education, training and/or experience as required. Competency assessments, identification of training needs and the provision of training for personnel will be identified by the Project Manager during the project setup and revised, as applicable, throughout the life of the project.

2.4 Laws, Regulations and Guidelines

Adherence to this plan does not absolve any party from any obligations or responsibilities under applicable laws and regulations.

2.5 Quality Management System Overview

The project quality assurance and control program provide the basis for monitoring and reviewing:

- The establishment and effective implementation of the project management system.
- Compliance with contractual obligations and objectives, applicable policies and applicable legislative requirements.
- Verification of project management system suitability and effectiveness through review and assessment.
- Verification of the quality of the services supplied consistent with contractual obligations and assessed risk.
- Continual improvement through analysis, corrective and preventive action (including risk assessments and lessons learnt).

2.6 Relationship between Tellus' and Contractor's Quality Documents

The D&C Contractor and other subcontractors will be directly responsible for quality on their respective works and are required to prepare a quality management plan, in accordance with its contractual obligations and legislative requirements, for all activities under their control from the time they take possession of the site through to Final Completion. The PT will review these plans prior to the main contractor starting on site. The main contractors' management plan will be the principal document for the management of quality on site.

This quality management plan is written to cover the PT during their involvement in the project.

2.7 Quality Management System (QMS)

- The PM will implement a Quality Management System (QMS) that is consistent with the overall contract requirements, Tellus' QMS, this QMP, and the D&C contractor's requirements for quality management outcomes on the Project. While owned by the Project Manager and Quality Manager, quality is to be managed by the full Project team.
- The Project Manager ensures that the project team clearly understands how to meet:
  - Contract and scope requirements.
  - Tellus' QMS.
  - Additional Project Management requirements.

2.8 Quality Assurance Requirements

Throughout the project, the PMC shall consult and audit contractors with regards to quality planning, control, assurance, procedures and systems that will ensure the SRDP is delivered to the appropriate standards. Consultation and communication shall be:

- Democratic – everyone has a right to input into issues and decisions that affect them.
- Transparent – the process will be open and transparent and aim to achieve clear outcomes.
- Equitable – an equal opportunity to participate be given to all stakeholders.
- Accessible – ensure that participants from all stakeholder groups can be involved.

3 Quality Assurance

3.1 Overview

- Quality Assurance (QA) is a set of activities for ensuring quality in the processes and deliverables of the project. The focus of QA is the avoidance of problems and defects as well as the associated costs.
- By auditing compliance to the approved plans, processes, requirements and expectations, processes will be continuously developed with regards to workability and cost efficiency.
- The key aim of QA is to continuously investigate issues and systematically develop a system and processes to avoid repetition of earlier issues and establish a management structure to facilitate process improvement at an organisational level.
- The targets are:
  - Increase awareness of processes that could enhance organisational competencies.
  - Identify processes that need organisational improvement.
  - Facilitate discussions to allow people to share their experience inside and outside their functional boundaries.
  - Prioritise processes to achieve continuous improvement.
- It is the aim of this plan to determine potentially existing process errors and take corrective action accordingly wherever possible before the error affects in any way.
- Any identified non-discrepancy will be resolved with the approved plan and/or methodology and will be re-inspected prior to the commencement of the activity or any other activity which makes the later rectification of the non-conformance virtually impossible.

3.2 Quality Assurance Scope of Services

- In accordance with the D&C Contract, each Contractor remains responsible for the performance of its scope of work and services and will be audited against their approved Quality Management Plan. The Owners project team shall work with the Contractors to meet the requirements of ISO 9001.
- The Owner's Works Scope (WS) specifies the Quality requirements that the Contractors are to adhere to. The PM will manage the Contractors, including regular auditing, to maintain compliance with the Owner's WS. Audits by the PM of the Contractors engineering, procurement, fabrication, construction and commissioning works will be required, in accordance with the approved Quality Management Plan.

3.3 Record keeping (QA inspections)

- During construction, the Owner's Site Representative (OSR) is responsible for the development and completion of forms, checklist and registers that will be completed during the ongoing inspections. All forms and checklists will be passed to the Document Controller (DC) before the end of the workday for distribution and storage.
- The DC registers the documents and distributes them to the relevant people promptly.
- The OSR will maintain Daily Activity Records, which will summarize all QC operations including activities, tests and inspections performed for each day during the SRDP life cycle.

3.4 Construction Inspections

- The D&C contract makes allowance for Construction Inspections by the PM that are expected to be carried out during the execution stage. These are aimed at ensuring construction activities and deliverables are consistent with statutory and contractual obligations and approved plans.

Typically, this involves:

- Review of contract terms and specifications and subcontractor data submissions to ensure clear understanding of technical requirements and prerequisite verification and certification requirements.
- Review of personnel qualifications, construction records and certification.
- Chair or attend and record pre-inspection meetings when required and follow-up implementation and closeout of agreed actions.
- Witness subcontractor process and personnel qualification tests in accordance with specification requirements.
- Witness/review of subcontractor inspection and test activities and records in accordance with specification/code requirements in accordance with approved Inspection and Test Plans (ITP).
- Facilitate customer or independent (third party) verification activities as specified in agreed ITPs if and as required.
- Monitor subcontractor technical query and design change control processes.
- Monitor subcontractor non-conformance and corrective action processes, and where necessary, raise non-conformance notes and facilitate disposition of non-conforming works.
- Facilitate review of final construction data reports and acceptance of mechanical completion.
- Analyse and report on subcontractor performance for input into re-qualification and management review processes.

3.5 Document Management

- Tellus utilises SharePoint as the primary document management system on the project and requires all project documentation to be stored within the system.
- Documents shall be transmitted between companies using an email library. This provides the necessary project control mechanisms for document communications.
- A detailed description of the document management system is provided within the Document Management Plan.

4 Project Assurance

4.1 Quality Control

- Quality control is the responsibility of all project team members and is applied when implementing each of the various project activities.

4.2 Risk Management (Preventive Action)

The SRDP risk classification and risk management process is defined by the Risk Management Plan (TSR-5-SR-08000-PM-PLN-0009) and is the basis for managing project risks and preventive actions.

Prior to commencement of Works, a qualitative and quantitative risk workshop will be conducted to review risks with focus on the execution stage of the project. Inputs to this workshop will be taken from the SRDP cell one activities.

Other inputs to the project risk assessments should include (where applicable):

- Contract review findings.
- Analysis of any applicable legislative or regulatory requirements.
- Analysis of design basis and associated technical standards.
- Lessons learnt.
- Analysis of related historical non-conformance trends.
- Analysis of related audit findings.
- Project review outputs.
- Management review outputs.

The risk management process is then ongoing for the life of the project, with the facility to identify action and close-out risk. The risk register is a live document and is kept in SharePoint (TSR-5-SR-08000-PM-REG-0001).

Preventive (mitigating) actions identified from the assessment process are to be documented and tracked through the applicable Risk Management Plan Risk Register.

4.3 Monitoring and Measurement of Project Performance

4.3.1 PROJECT REPORTING AND REVIEW

The PM monitors project performance and measures it against specified Key Performance Indicator (KPI) criteria. Project reporting requirements are specified in the Communications and Stakeholder Management Plan (TSR-5-SR-08000-PM-PLN-0011).

4.3.2 CUSTOMER FEEDBACK

From the PM point of view, the project's customers include Tellus Senior Management, Tellus Board and Sandy Ridge Operations team.

The main communication tool with the project's customers is the Monthly Project Status Report which is issued by the 21st of each month (refer to the Communications and Stakeholder Management Plan). Feedback received from the above groups will be reviewed, analysed and addressed through the Monthly Report and/or through ad-hoc actions as required.

Ongoing informal performance feedback is to be sought by the project team and actions taken to ensure that any deficiencies in systems, procedures and/or operations are identified and rectified.

Formal feedback is to be obtained from the Project Director prior to close-out of the project.

Any negative feedback or complaints will be handled internally through the Corrective Action Process through which the root cause of issues will be investigated, corrective actions put in place and timely feedback provided to Tellus.

4.4 Lessons Learnt

The project team is committed to continual improvement of processes and systems and shall implement a Lessons Learnt process. All project team members are encouraged to identify and report lessons (both good and bad) as and when they occur, in a "no blame" culture. Lessons Learnt are recorded in the Lessons Learnt Register.

Collection, analysis and actioning of lessons learnt is to be undertaken continuously during project implementation; through monthly meetings and focused workshops as required. A formal meeting shall also be held at project close-out.

4.5 Control of Non-Conforming Items

Project team non-conforming items will be dealt with through the weekly progress meetings. Non-conforming items will be tabled, and appropriate actions assigned to one or more members. Resolution of non-conforming items will be monitored through the same forum.

Sub consultant and Sub-Contractor non-conformance procedures shall provide for:

- Identification of where non-conforming items exist.
- Documentation of the non-conformance in sufficient detail to facilitate analysis and agreement of correction.
- Analysis by competent personnel and where required, referral to the responsible in-house or independent technical authority for agreement.
- Correction as per the agreed method of resolution.
- Verification to confirm conformance to specified requirements.

Consultant and sub-contractor procedures shall also define arrangements for logging and tracking the resolution of non-conformance and for analysis to establish the cost of non-conformance and as input to corrective action and management review.

5 Corrective Action Procedure

5.1 Overview

The primary goal of the quality program defined in this document is the prevention of non-conformances, reduction of reworks and continuous improvement of processes. In the unfortunate event that non-conformances arise deficiencies will be resolved with an approved plan and/or method in a timely and cost-effective manner and re-occurrence will be avoided to its maximum extent.

5.2 Preventive measures

- This QMP is intended to be proactive, to reduce risks and avoid issues and deficiencies. The prime tools and techniques identified for this project to meet this target include (but are not limited to):
  - Inspections and verifications
  - Submittal management
  - Calibration and maintenance
- Overall quality will be built into the process as much as possible rather than inspected and rectified at a later stage.

5.3 Continuous improvement

- The Quality manager (QM) together with the PM will review any instances where materials, components, assemblies, features of work, or completed products fail to meet the specified requirements, and will take appropriate action to prevent future occurrences.
- All members of the PM are encouraged to suggest improvements.

5.4 Non-conformance report (NCR)

- Identified executed insufficient workmanship or used materials not conforming to the specifications and/or requirements or other non-conformities will be documented by the QM in an NCR and signed by the PM.
- The NCRs will be passed to the DC for registration in the NCR Register and for submission to the PM and responsible PT member, contractors(s), sub-contractor(s), supplier(s) and/or vendor(s).
- The NCR remains open until the non-conformance is satisfactorily resolved, inspected and approved by the QM and PM.
- For the avoidance of repetition each NCR also will be included in a Lessons Learned Register and will be evaluated with regards to process improvement by the PM and communicated to the PT to add to organisational process assets.

5.5 Site Observation Report

- Significant deviations of any kind that can be corrected on the spot, but do not justify an NCR at the discretion of the QM or the Construction Manager, will be documented and communicated in the Site Observation Report.

- Such deviations will be promptly resolved on the spot so that the site observation report is only for documentation in terms of lessons learned and avoidance of future repetition.

In case of recurrence, the site observation report will be a precursor to the NCR.

Conversely positive findings will also be documented in the form of a site observation report to record good practice in the lessons learned register.

5.6 Corrective action system

Identified negative quality trends such as repeated NCRs, observations, defects or whatsoever will be documented by the QM in a Corrective Action Report (CAR) and registered in the CAR Register.

As a deficiency is corrected, a CAR will be completed by the executor of the subject works and will be passed to the DC for registration and further distribution to the QM.

6 Project Records and Documentation

The PM will establish and maintain the quality file which is a part of the project documentation. The purpose of this file is to maintain a complete set of all relevant documents and records.

The quality file is a compilation of:

- Plans
- Reports
- Registers and logs
- Work orders
- Change orders
- Correspondences
- As-built records
- Certifications
- Any other relevant records that provide information on the project.

Under no circumstances documents will be removed from the quality file, even if superseded. In such cases, revisions will be prepared and kept.

6.1 Filing system

SharePoint shall be used to store and manage all project quality documentation.

Hardcopies and electronic data will be maintained simultaneously. Each data folder will be represented by a corresponding hard copy file and vice-versa. The names of both box file and data folder will be same, their contents consequently will be same.

6.2 Data backup

All electronic data will be backed-up regularly. The responsibility of backup is outsider the scope of the project team and reliance is made on the Information Technology systems utilised by Tellus.

7 Appendix 1 – Quality Policy

Publicly Available

QUALITY POLICY

1. PURPOSE AND SCOPE

1.1 As an operator and developer of world's best practice geological repositories and circular economy solutions, and provider of innovative and professional environmental services, high quality systems, processes, culture and people are critical to the success of Tellus Holdings Ltd and its related bodies corporate ("**Tellus**", and each, a "**Company**").

1.2 Tellus strives to ensure that quality is integral in its way of working as it meets stakeholder and regulatory expectations. It recognises that providing an excellent and consistent, service and experience for its stakeholders positively impacts on Tellus' sustainability, reputation and compliance status.

1.3 This Quality Policy (the "**Policy**") applies to the activities of Tellus, and the people associated with each Company. This includes employees, directors, visitors, consultants and contractors. Tellus shall ensure that this Policy is communicated and understood throughout each Company and is available for access to relevant interested parties, as appropriate.

2. POLICY STATEMENT

Tellus is committed to:

(a) As a minimum, complying with applicable legislation, regulations, approvals and licences, and monitoring relevant legislation for changes and the requirements of AS/NZS ISO 9001:2015 (Quality Management Systems). Tellus' leadership regards compliance as a starting point; Tellus' ethical obligations and its desire to create respectful, healthy and sustainable relationships with all its stakeholders are also of prime importance and must be taken into account in decision-making.

(b) Providing leadership that displays behaviour consistent with this Policy.

(c) Encouraging a culture amongst all directors, employees and contractors consistent with this Policy: in particular, all directors and employees have an important role in embedding a culture of quality, excellence and continual improvement, just as they have an important role in embedding a culture of safety, environmental protection and sustainability.

(d) Ensuring that Tellus' management system supports the strategic direction and purpose of Tellus.

(e) Continually improving the governance and the performance of our management system, for example through early identification of opportunities for improvement, risk-based thinking, science-based decisions, and the Plan, Do Check, Act process which underpins our management system. The Chief Executive Officer is committed to providing resources essential to the implementation, training and governance of the management system.

(f) Determining and meeting the expectations of relevant stakeholders, in particular recognising the need to maintain client satisfaction through clear and honest communication and polite, efficient and professional customer service. and striving to keep alignment with Tellus' core values.

(g) Providing Tellus' stakeholders with the utmost confidence in its ability to meet their needs by supplying a service that meets or exceeds their expectations.

(h) Minimising non-conformances, through the implementation of procedures and resourcing to take appropriate corrective and preventative actions.

(i) Continuous improvement of staff training and staff satisfaction.