

PARTICIPANT AGREEMENT

TO THE ENVIRONMENTAL AGREEMENT ON NO_x (Office translation for information only)

Part 1 Participation

Participation in the Environmental Agreement

On [date] the Construction Products Association, the Norwegian Fishing Vessel Owner's Association, the National Federation of Norwegian Fish and Aquaculture Industries, the Association of Cargo Freighters, the Federation of Norwegian Aviation Industries, the Norwegian Hospitality Association, the Norwegian Fishermen's Association, the Norwegian Shipowners' Association, the Norwegian District Heating Association, The Federation of Norwegian Industries, the Confederation of Norwegian Enterprise, The Norwegian Oil Industry Association, The Federation of Norwegian Coastal Shipping and the Norwegian High-speed Craft Owners Association (hereafter referred to as "the Business Organisations") and the Ministry of the Environment on behalf of the state, entered into an environmental agreement relating to the reduction of NO_x emissions - the Environmental Agreement

By signing this Participant Agreement, the enterprises join the Environmental Agreement. For enterprises to which the Petroleum Activities Act shall apply, the Participant Agreement is entered into by the operator on behalf of the right holders of individual production licenses which for the purpose of this Agreement is to be regarded as an enterprise

Participation is confirmed through the issuing of a Participant Certificate by the Business Sector's NO_x Fund, established in accordance with the Environmental Agreement to the enterprise. The enterprise will then be committed to fulfilling the obligations and be granted the entitlements stipulated in the Environmental Agreement and the Participant Agreement as well as the decisions made by the Business Sector's NO_x Fund in accordance with the Participant Agreement. At the same time, the enterprise will be granted an exemption from the payment of NO_x tax in accordance with Point 9.2 of the Environmental Agreement

In the event of inspection, the Participant Certificate shall be presented to the Surveillance Authorities.

Part II The relationship of participant enterprises to the Business Sector's NO_x Fund

2 The obligations of participant enterprises vis a vis the Business Sector's NO_x Fund

By joining to the Environmental Agreement, the enterprises are committed to fulfilling the following obligations vis a vis the Business Organisations and the Business Sector's NO_x Fund:

- a) Participant enterprises have an obligation to pay the Business Sector's NO_x Fund per kilo NO_x emissions, c.f. Point 3.

- b) Participant enterprises have to formulate a measure plan/application relating to NOx reducing measures in their own enterprise, cf. Point 4.
- c) Participant enterprises have to implement NOx reducing measures in their own enterprise, c.f. Point 5.
- d) Participant enterprises have to report their NOx emissions to the Business Sector's NOx Fund, c.f. Point 6.
- e) Participant enterprises have to be loyal to the Business Sector's NOx Fund, its statutes and its decisions that affect their operations.

The obligation relating to payments to the Business Sector's NOx Fund shall enter into force at the same time as the tax exemption, cf. Point 3 below. The Participant Certificate shall serve as grounds for enforcement of distraint.

Once the participant certificate has been issued, the enterprise may not unilaterally withdraw from the Environmental Agreement.

3. The Participant enterprises obligation to pay to the Business Sector's NOx Fund

The obligation to pay shall apply from the time at which a tax exemption has been granted to the enterprise. For enterprises which join the Environmental Agreement prior to its approval by the EFTA Surveillance Authority, the special provisions stipulated under Point 9.2 of the Environmental Agreement shall apply. The Business Organisations are committed to ensuring that the NOx Fund grants credit on all claims for payment to the NOx Fund until such time as the EFTA Surveillance Authority decides that the tax exemption shall enter into force.

The obligation relating to payment shall apply to the number of kilos of NOx emissions that have been reported in accordance with Point 7.

The provisions of Chapter 6 of the Regulation relating to Special Taxes shall apply correspondingly to all payments to the NOx Fund in as far as it is applicable. The Board of the NOx Fund may formulate guidelines relating to payment.

Amounts paid are irrevocable and shall belong to the Business Sector's NOx Fund from the moment of payment. The enterprises or their legal pursuers have no claims as far as these amounts are concerned.

The rate per kilo NOx emissions shall be determined by the Board of the NOx Fund, and the Fund is free to stipulate higher rates for certain types of industry upon consultation and agreement with the business organisation that represents the industry in question. The Fund aims to keep the rates as stable as possible. The Business Sector's NOx Fund shall consult the Business Organisations concerned prior to any rate changes. The Fund may at maximum increase the rate so that it corresponds to the rate stipulated in accordance with the Regulation relating to Special Taxes in cases where this is deemed to be necessary in order to fulfil the obligations laid down in the Environmental Agreement.

In the event of rate changes (if any) shall enter into force from the date determined by the Board. The Business Sector's NOx Fund shall always notify all Participant enterprises of any rate changes. Notifications relating to rate changes shall be given three months before the new rate enters into force at the latest.

4. The obligation of participant enterprises to evaluate NOx reducing measures for their own enterprise The enterprise's emission reduction obligation

The enterprise shall formulate their own measure plan for NOx reductions in relation to their own enterprise. The measure plan shall contain implementable and cost-effective measures for the relevant enterprise. A measure is implementable if it can be implemented in the relevant enterprise during the period lasting until 31.12.2011 without being contrary to the requirements laid down by the Authorities which apply to the enterprise in question, including HSE requirements. In order to be implementable, the measure must have been adopted by the enterprise in accordance with the general investment criteria that apply to industry in question, including among others HSE requirements, regularity, future operating costs etc, on the pre-condition that the applied-for support from the Business Sector NOx Fund is granted. A measure is cost-effective if the tax reduction which is the result of the relevant measure, calculated over a three-year period, is sufficient enough to cover the corporate costs in relation to implementing said measure, including the enterprise's fee after it has received support from the Business Sector's NOx Fund, including losses in cases of reduced operations or temporary shutdown of operations and other costs resulting from the measure for the enterprise or others. Assessments of cost-effectiveness shall be based on the general investment criteria that apply to the industry in question

Calculations of cost-effectiveness, c.f. above shall be based on the at any time relevant tax rate imposed by the State for NOx emissions, as well as the at any time relevant guidelines stipulated by the Business Sector's NOx Fund as regards support level and support eligible investment and operating costs

Moreover the measure plan shall contain the following:

- Investment needs and the desired investment support required from the Fund
- Operating costs
- Other costs (for example cost related to production shutdowns, production delays etc)
- Description relating to the implementability of the measure in question, including considerations concerning health, safety and the environment
- Description of measure and the stipulated milestone plan for the implementation
- Estimated effect as measured in tonnes of NOx per year
- Notification requirements –sharing of experiences
- Pre-conditions and requirements(if any) for the implementation of the relevant measure

The Business Sector's NOx Fund may through guidelines or for each individual case stipulate which information the enterprise is required to submit

The measure plan containing the implementable and cost-effective measure shall be submitted to the Business Sector NOx Fund within a period of two years following the signing of this Participant Agreement. If operating conditions so demand, the enterprise may stipulate a limited period of time for the implementation of the relevant measure.

The measure plan shall be regarded as the application for support from the Business Sector's NOx Fund to implementation of the measures outlined in the measure plan. In cases where the

Business NOx Fund allocates support to one or more measures (cf. point 5) in line with the measure plan, the enterprise has an obligation to implement the relevant measure, and the NOx reduction which is the result of said measure shall be regarded as the enterprise's individual emission obligation

If the decision relating to the granting of support from the Business Sector's NOx Fund contains requirements which deviates from application submitted by the enterprise, and the preconditions and requirements stipulated in the measure plan, the enterprise has no obligation to implement said measure

5. The NOx Fund's administrative procedure applied to applications for of financial support measures

The Business Sector NOx Fund determines which measures that is to be granted support on the basis of the measure plans submitted by the enterprises Cost-effective measures yielding the largest NOx reduction in volume shall be granted priority. The Business Sector NOx Fund may seek assistance and advice from external experts when processing and prioritising applications

Decisions made by the Board will be incorporated into the Standardised Implementation Agreement in the form of appendixes that are deemed necessary.

The support will be paid once the relevant measures have been implemented and the effect on annual emissions has been documented in accordance with the regulatory framework on taxes and Point 4, 5 and 6 of the Environmental Agreement

Measures must be agreed in the years 2008, 2009 or 2010 in order to qualify for investment support. Measures shall be implemented as quickly as possible and by the end of 2011 at the latest. The Fund may develop incentives to ensure early implementation of measures.

Applications relating to support for changeovers to gas or other types of fuel, water emulsion solutions etc. which result in reduced NOx emissions may also be submitted.

The Fund may grant support to required operating costs for the period until 31.12.12, for example for the purchasing of urea intended for the operation of SCR facilities.

Support rates and the guidelines governing the allocation of support will stipulated by the Business Sector's NOx Fund's Board and published on the Fund's homepage. Applications will be processed consecutively.

In special cases, the Fund's Board may grant an exception from the obligation to implement measures outlined in an enterprise's measure plan.

6 Orders for a new application in cases relating to clearly incorrect measure plans

The Business Sector's NOx Fund may order a participant enterprise to submit a new application and measure plan in cases where the Fund finds that that an application is formulated on a clearly incorrect basis.

7. The reporting obligations of Participant enterprises in relation to NOx emissions

Participant enterprises shall report their emissions the Business Sector's NOx Fund with a corresponding frequency as that stipulated in the Regulation relating to Special Taxes. The reports shall be based on the same methods used for the calculation of NOx tax pursuant to § 3-19-6 (1) and (2) of the Regulation relating to Special Taxes. The emission calculation shall be documented in accordance with § 3-19-10 of the Regulation relating to Special Taxes.

The Business Sector's NOx Fund may order the enterprise to present the data used for emission calculation for the purpose of gathering the best possible figures for emission projections and as a basis for factor calculations.

In cases relating to changes in emission factors, the reporting obligations vis a vis the tax authorities shall apply correspondingly to the Fund.

The Business Sector NOx Fund may order participant enterprises to conduct measurements and verifications of emissions as part of their efforts to document emission factors from representative groups. Such measurements will have to comply with certain quality requirements laid down by the Fund. Participant enterprises may apply for financial support to cover the implementation costs once the documentation has been presented.

The Business Sector's NOx Fund may order participant enterprises to report their annual fuel consumption as part of their efforts to document activity level. The Fund shall determine the sectors to which this reporting obligation shall apply.

For emission sources that are equipped with Selective Catalytic Reduction (SCR) the consumption of urea or similar reduction agents will have to be documented. For emission sources where water emulsion is used, the consumption of water emulsion agents will have to be documented.

For land-based enterprises using fuel that vary greatly with regard to burn value (for gas) nitrogen content (for liquid fuel) or moisture (for bio-fuel), adjustments shall be made continually for source specific emission factors. This type of continual adjustment will have to be documented.¹

8. Decisions relating to coercive fines and revocation of participant certificates

In special cases, the NOx Fund may impose a coercive fine before a violation has been established, in order to ensure adequate pressure with regard to fulfilment for enterprises that are to implement measures during the Agreement Period. The coercive fine shall run from the date of commencement for the possible violation. The provisions relating to pre-determined coercive fines stipulated in § 73 of the Pollution Control Act shall apply correspondingly.

¹ Guidelines and methods to be used for this type of adjustments are published on the Norwegian Pollution Control Authority's homepage.

The Business Sector's NOx Fund may revoke an enterprise's participant certificate, if the associated enterprise significantly violates its obligations laid down in this Agreement or the Environmental Agreement.

The Business Sector's NOx Fund may first revoke the Participant certificate on the basis of breach of contract if the participant enterprise fails to correct its non-compliance with the obligations stipulated under Point 2 within 30 days following a written notification relating to the violation from the Business Sector NOx Fund. In the event of several notifications relating to violations from the Business Sector's NOx Fund a shorter deadline for compliance may be stipulated

9. The effects of revocation of participant certificates issued by the Business Sector's NOx Fund

In the event that the Business Sector's NOx Fund should decide to revoke an enterprise's Participant Certificate in accordance with Point 8, the enterprise will lose its entitlements that follow from the Environmental Agreement and this Participant Agreement as of that day. The enterprise in question will also have to repay all the support received from the Business Sector's NOx Fund if the support has not been spent on NOx reducing measures.

Part III The Relationship to the State

10. Submission of documentation

Participant enterprises shall ensure that the Norwegian Pollution Control Authority (SFT) is given the information requested as part of the follow-up of the Agreement. In cases where the documentation provided contains confidential information, the enterprise in question shall take special care to notify the Fund and the Norwegian Pollution Control Authority thereof.

11. Obligation to pay NOx tax in the event of under-fulfilment of the obligation to reduce NOx emissions by the Business Organisations *(according to 9.4 in the Environmental Agreement)*

If the control by the Norwegian Pollution Control Authority of the Annual Status Report show that the Business Organisations have fulfilled less than 90 % of their annual reduction obligation before the deadline, a tax obligation will arise for the relevant calendar year, including the obligation to pay late payment interest pursuant to the Tax Payment and Collection Act, article 11-1. For 2010, the tax obligation arises if the Annual Status Report shows that the Business Organisations have fulfilled less than 100% of their annual reduction obligation within the deadline.

The NOx tax shall be paid according to a declared quantity of emissions of NOx for the preceding year from taxable sources for the period they have been exempted from the tax. The tax rate according to the Stortinget's tax resolution will be reduced by the percentage share of the annual reduction obligation that has been fulfilled.

The Norwegian Pollution Control Authority shall decide which rate that shall be utilised by the undertakings liable to pay the reduced tax. This payment obligation implies that if the

Business Organisations, for example, fulfil 60 % of the annual reduction obligation, then the individual taxable source shall pay 40 % of the ordinary tax.

For the individual undertaking liable to pay the tax, the payments already made into the NOx Fund and the payment of the NOx tax under this provision shall in total not exceed what the undertaking would have paid in NOx taxes according to the Stortinget's resolution.

Part IV Concluding Provisions

12. Term of agreement

The tax exemption shall cease to apply on 31.12. 2010

The enterprises shall participate in the Environmental Agreement until it ceases to apply on the 31.12 2010 c.f. Point 10 of the Environmental Agreement. At the same time, the effects of the Participant Agreement will cease to apply, however so that the enterprises shall contribute to the realisation of the NOx fund's objective until such time as all its capital has been spent. The obligations of Participant enterprises pursuant to Point 2b)-e) shall continue to apply until the Fund's entire capital has been spent.

The expiry of the Environmental Agreement does not affect the validity of the agreements between the NOx Fund and its Participant enterprises or the validity of orders imposed on enterprises in accordance with Point 7 of this Agreement

In the event that the State and the business organisations enters into a new environmental agreement or the current Environmental Agreement is extended, c.f. Point 2. 11 of the Environmental Agreement, the enterprise must - if it wishes to join - explicitly accept this by signing a new written participant agreement. This shall also apply in cases where the Environmental Agreement is otherwise amended or altered in ways that affect the enterprises

13. Conflicting provisions

In cases of conflicting provisions between the Environmental Agreement and the Participant Agreement, the provisions of the Environmental Agreement shall apply.

14. Disputes

All attempts shall be made to resolve disputes between the Fund and the Participant enterprises in an amicable manner. In cases where negotiations between the Fund and an associated enterprise fail to succeed, the matter shall be brought before the ordinary courts.

15. Completion of form and signature

The company hereby request that the Business Sector's NOx Fund issue a participant certificate in the company's name.

A signed and completed copy of the Participant Agreement shall be sent to:

The Business Sector's NOx Fund
P. O Box 5250 Majorstuen
0303 OSLO

Name of Enterprise: _____

Organisation Number: _____

Contact Person: _____

Email: _____

Please specify in an annex ships by name and IMO number that will participate in the Agreement.

The company must report NOx- emissions from 2007 in an electronic form www.nho.no/nox/english for:

1. NOx-emissions that are subject to tax from 2007 by sectors (as reported to the tax-authorities). Process-emissions of NOx from land based industries in 2007 that have not been subject to NOx-tax.
2. Specifications of the basis of calculation of NOx emissions from all ships that have been the basis for payment of NOx-tax in 2007.

Signature

Company confirmation or authorisation must be enclosed with the completed and signed form.