

Attention To: Mr. Ghaezadeh

Sorosh Mahestan Assaluyeh Petrochemical Company

Subject: Request for Provision of Change Order PO No. KP-40-000-PS-MA-PO-0019

Dear Sir,

With reference to PO No. KP-40-000-PS-MA-PO-0019 for Refrigerator Package of HDPE Plant of Esteemed client and with support of esteemed client and despite several issues encountered during project execution and procurement phase of the project (declining many of sub-vendors in bid stage or during manufacturing, and delay in manufacturing stages) which leads to facing big challenges and also additional costs of urgent activities like Air shipment, etc, we have the honor to inform esteemed client that project execution is finished with using top notch world leading sub-vendors from USA, Japan, Europe, South Korea (Like WIKA, ASCO, EMERSON, ROTORK, HELMKE, PARKER, etc) and accordingly esteemed client inspector has performed final inspection and package disassembly has been performed to make package ready for shipment phase.

In this regard, we would like to remind our esteemed client of some of additional works in addition to main PO which are listed as below:

- 1) With reference to completion of Motor Manufacturing and Client request to change the CTs of the motors, new CTs have been ordered and shipped to Motor Manufacturing Company (HELMKE) and installed on Main Motors which costs 23,000 Euro (Attachment No.1).
- 2) With reference to Commercial Proposal submitted in Bid stage and as per contract (section 4) provision of Structure, Ladder, Hand Rail, Platforms was optional (45,000 Euro Per Skid - Attachment No. 2) and only design was in Vendor scope of work, however, during detail design and considering numerous huge amount of site work and too many field welds with many heavy duty equipment installation and assembly work, it was decided that structure to be made in Fabrication work shop and following actual costs have been invoiced by fabrication company(attachment 3):
 - a. Fabrication of 14.5 Ton Steel structure, Hand Rail, and Platform Per skid including painting, testing, and Material (2.8 \$ per Kilo)
 - b. Procurement and Fabrication of Pipe Supports and Grating with amount of 1 Ton (4\$/KG)

- c. Additional Piping Material (including Testing and Painting) and re-routing of the Pipes to have a suitable access on the 2nd floor platform (8000\$ per skid as per Unit rates specified in attachment)
- d. Addition of Lifting lugs with calculation and Heavy Duty Size and Material (3200 \$ Per Skid)
- e. Execution of Tubing work in shop instead of Site (3000\$ Per Skid)
- f. Execution of Piping assembly at shop instead of project site (when putting parts directly on the foundation and doing field weld on last pipe spools after alignment at site) and additional of alignment signs on the skid along with Instrument and Electrical works performed as fully skid mounted works including manhours, crane, etc costs in Total 16,000\$ per skid
- g. Additional Test of Complete Skids with N2 with pressure of 27 bar for Leakage instead of performing at site (Each Skid 5000 \$)
- h. Cost of MYCOM supervision in UAE for Structure and Piping Work Assembly (10,000 Euro Per Skid) instead of doing this work at site

All above are only parts raised in addition to the contract and basis of MAYEKAWA and DELTA was to finish the project with highest quality and including all required tests and inspection as per high standards of a Japanese Company. In the meantime, we would like to raise esteemed client attention to some of our additional costs occurred like selling Bearings of Main Motors with Amount of 8500 Euro however purchasing price was 19,500 Euro(Attachment 4), as well as cost increase of main items due to Russian-Ukraine War which affected the whole prices in European Market and according lead to sever cost impact for us, however, as the PO is Lump sum, which these losses have not been addressed to esteemed client.

In conclusion, we would like to request our esteemed client to provide an amendment for addition works performed as per actual cost occurred to cover a part of DELTA/MAYEKAWA losses in this big project with basis of facilitating and reducing the amount of huge site works and many hours of MYCOM supervision would be at least three times of these cost and also would take at least 3 Months to be performed.

Best Regards,

Amin Malekinia

General Manager

A. Malekinia