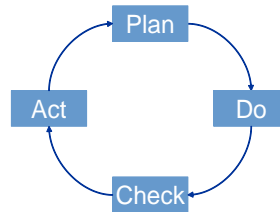


Quality System

1.1.1. Quality Assurance Procedure (Ref. 4.1.1)

In our quality assurance process we follow Deming cycle: Plan, Do Check Act (PDCA) to ensure that our Quality Assurance Program including processes and procedures adheres to stated standard, and that delivered products, projects or services meet performance requirements. Quality is as claimed. Our QA activities also ensure that the components, modules and systems conform to predefined technical requirements.



We thus perform regular audits to measure our process performance and define any deviations, if any, from the original processes. An audit report with findings is developed including the necessary corrective and preventive actions. These actions are assigned to responsible owners to take the required steps to fill up the gaps and to prevent the reoccurrence of defects or deviations found.

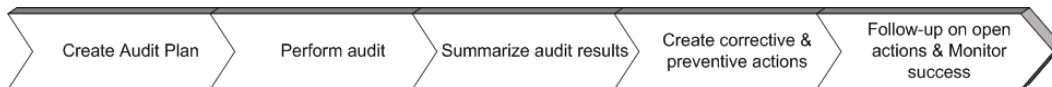


Figure 1 Quality Assurance Process

1.1.2. Quality Accreditation (Ref. 4.1.2)

Although we are not ISO9001:2001 certified, nevertheless we have recently constructed and implemented our quality management system QMS, according to the requirements of the ISO standard. However, we are planning to be ISO certified in the coming year.

1.1.3. Quality Audits (Ref. 4.1.3)

We hereby confirm our readiness to submit any related procedures and quality documentation, where applicable, that relates to the proposed solution.

1.1.4. Reporting Standard (Ref. 4.1.4)

Please find attached a sample of the reports to be used in the project, for your approval.

- ❖ Minutes of Meeting (MoM)
- ❖ Project Progress Report (PPR)
- ❖ Quality Control Reports (corrective and preventive actions)

1.1.5. Project Management Methodology (Ref. 4.1.5)

Our Project Management process is designed to help project managers meet objectives and to manage the demands of all kinds of projects, from simple ones to larger, more complex, and more challenging projects.

Our Project Management process is based on the PMI PMBOK and has the following areas of responsibility:

- ❖ Project Start-up and Initiation,
- ❖ Project Planning
- ❖ Project Execution
- ❖ Project Monitoring & Control and
- ❖ Project Completion.

For each phase we have described a number of activities and work products. In addition, we have set three additional processes related to Project Management, which start at the beginning of the project and ends at the end of the project. These processes are Procurement Management, Change Management, and Quality Management.

1.1.6. Management Requirements (Ref. 7)

1.1.6.1. Management Information & Reporting (REF. 7.1)

1.1.6.1.1. Management Information (Ref. 7.1.1)

In Darko we believe that if we don't measure our performance, we can't improve it. Thus, we continuously make measurements and analyze these to get the most possible information that helps us in taking any decision. That's why we depend basically on our Management Information System MIS that provides us with all needed information. This MIS is part of our Performance Dashboard we recently initiated. It presents all business and project related information. Regarding the project related information; this tool delivers the following reports:

- Project progress reports & project schedule updates which includes:
 - Work performed
 - Risks
 - Claims & Change orders
 - Time schedule updates
 - Progress billings
- Quality Control reports (corrective and preventive actions)
- Material delivery report
- Suppliers performance reporting
- Photographic report

1.1.6.1.2. Representation of Management Information System

Sample of reports attached in Appendix D

1.1.6.2. Account Management (Ref. 7.2)

1.1.6.2.1. Account team (Ref. 7.2.1)

The project team will be organized as depicted in the following organization chart. They will also report according to the following structure.

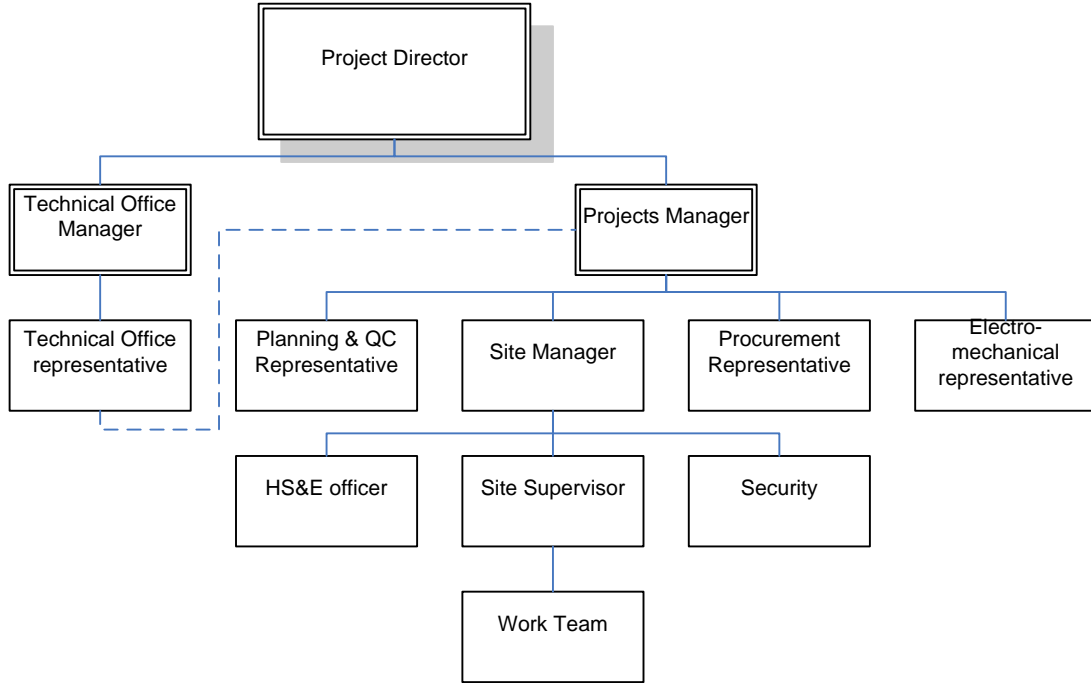


Figure 2 - Project Organization Chart

Project Team Responsibilities:

The following responsibility assignment matrix RAM illustrates the connections between the work that needs to be done and the project team members.

Project Team	Activity							
	Plan	Design	Follow up	Procurement	Quality Assurance	Quality Control	Execution	
Project Director	I	I	I		I	I	I	
Projects Manager	I	I	A	I	I	I	A	
Technical Office Manager	C	R		C		I	C	
Technical Office Representative	C	R		C		I	C	
Procurement Representative				R	A	A	I	
Planning & QC Representative	R	I	I	I	R	R	C	
Electro-mechanical representative	C	R	A	C	A	A	R	
Site Manager		I	R	A	A	A	R	
HSE Officer			I	C			C	
Security								
Work team					R	R	R	

R = Responsible
A = Accountable
C = Consultant
I = Informed

Project Team Availability:

The following Resource Histogram shows the different loading for each of the project team member.

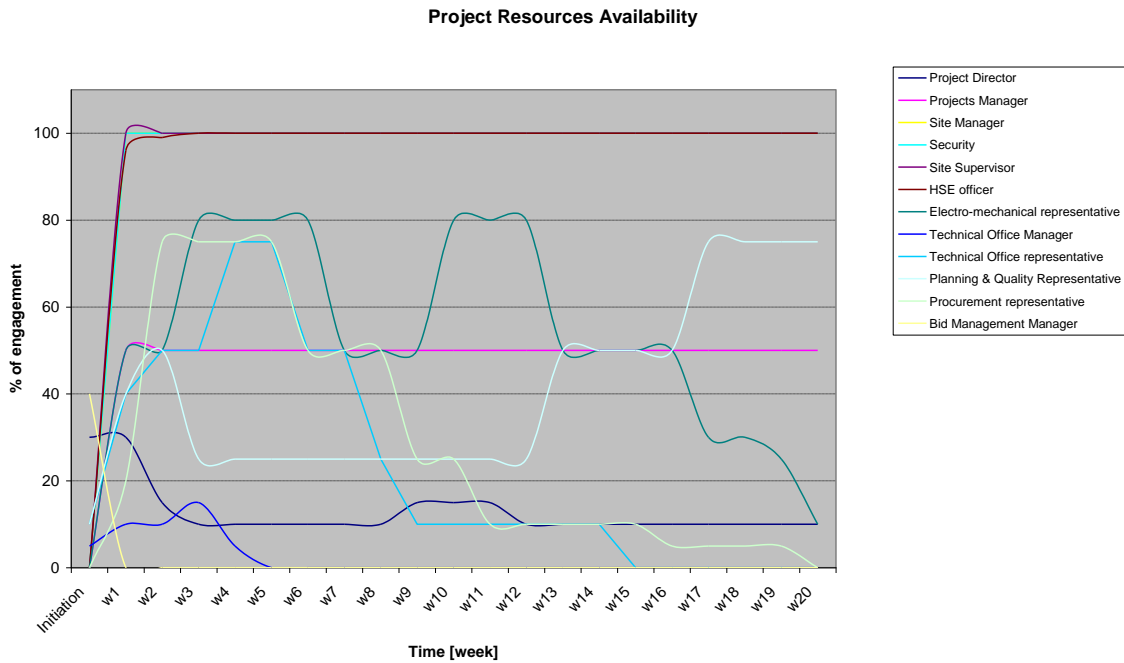


Figure 3 - Resources Availability Histogram

1.1.6.2.2. Supporting functions (Ref. 7.2.2)

The organizations functions that will provide support to our project team are as follows:

- ❖ Project Management Office PMO
- ❖ Design office
- ❖ Finance & Accounting department
- ❖ Purchasing department
- ❖ Planning and monitoring department

The last two functions are already presented in the project team. However, all the interfaces among the stated departments/functions and their relations and reporting channels are represented in the company organization chart (Figure 1)

1.1.6.2.3. Metrics & Key Performance Indicators (Ref. 7.2.3)

We have a reliable quality management system that is supported with KPIs to measure its continuous improvement. For each of our process there are KPIs that measure its effectiveness and efficiency to monitor its performance and thus to be able to improve in case any deviations arise.

Together with the operational metrics we have our project metrics that allow us to measure our performance in projects e.g. KPIs for each project. These are defined to control the triple constraint of our projects:

- ❖ Schedule
- ❖ Cost
- ❖ Quality

Some metrics are:

1. Cost variation
2. Project time variation
3. Service quality variation

KPI	Cost variation
Objective	To measure the difference of panned cost vs. the actual cost incurred during a certain period
Calculation	$(\text{Actual cost} - \text{planned cost}) / \text{actual cost} * 100\%$

KPI	Project time variation
Objective	To measure the deviation of planned schedule vs. the actual schedule
Calculation	Deviation days = actual date- planned date

KPI	Service quality variation
Objective	Align performance with project requirements
Calculation	No of snags in snag list

1.1.6.2.4. Change Management (Ref. 7.2.4)

We have predefined processes for handling customer complaints and escalation procedures, customer requests and change management procedure.

Escalation Procedure:

In Darko we believe that an appearing problem has to be solved on the same level that it appears. If not possible, it will be solved inside the core team. If necessary, the Project Manager decides to make the decision with the appropriate manager or the steering committee.

For example, if there is a problem on work package level it shall be solved by the responsible work package owner. If they do not find a solution, it is the responsibility of the project core team to solve the problem.

Change Management:

Because the number and timing of changes is a function of many factors, we consider the following Change Management process flow to better manage the process. The change management process defines the sequence of tasks required to follow changes during the project life cycle. This description makes it possible to guarantee to our clients the conformity of our projects and to have better traceability.

The change management process has 6 steps as depicted in (Figure 4 Change Management Flow) below.

The application of this procedure:

- ❖ Product change
- ❖ Design change
- ❖ Process change
- ❖ Documentation change

Change Management Flow:



Figure 4 Change Management Flow

The descriptions below highlight the major purpose of each phase as illustrated in the above process flow. Additional details are presented in the tables that follow.

The purpose of step	Responsibility
Change Request	
<p>The focus of this phase is to describe clearly the change and explain the reasons of the change. The requester files the form (Change Request CR).</p> <p><u>The Project Manager</u> must clearly identify from whom the request is coming.</p> <p>It is necessary that every change be documented and tracked in a change log. This log shall be updated during all subsequent steps to document the states and progress of the change. This log will provide historical information and support related claims, when required. The log must have sufficient detail</p>	Requestor
Change Evaluation	
<p>The focus of this phase is to evaluate the opportunity and identify the feasibility of the change in terms of: risk, cost, resources, planning design and quality. The impact of change will be clearly stated in the evaluation results.</p> <p>All documents impacted by the change must be listed on the CR.</p> <p><u>The project team</u> must complete an assessment of the impact the change request may have on the project scope. Every evaluation should be initiated with a change meeting including all parties involved in order to identify all potential effects. The first step should be a rough, conservative estimate of the resulting change impact. This can be used for a first response to the requester and all those affected. If the potential change is still considered feasible it shall be followed by a detailed evaluation. The results of this evaluation shall be recorded on a Change Control Form CCF.</p>	Project Manager, Project Team
Send Evaluation Result	
<p>The focus here is to inform the client if there is an impact on the product/project in term of fit, form function and state clearly the impact of changes on the cost, time schedule. Then the other goal is to obtain external approval.</p>	Project Manager
Receive Client's Reply	
<p>Receive the reply of client, either with an approval of the CR evaluation result, or rejection of the changes requested. This approval is required prior to formal initiation of the change implementation activity.</p>	Coordinator, PM
Change Validation	
<p>The purpose of this phase is to describe and execute all work packages for changes to process that require development prior to introduction. These changes will require verification or validation and a review of the results reflecting the affected factors (e.g. design, costs and quality).</p>	Coordinator, Quality Planner
Change Introduction	

The purpose of this phase is to fully execute the change (project / process) after approval.

PM, Project Team

Responsibilities:

Requestor:

The initiator of the change; could be:

- ❖ External (supplier, client)

He/she files the form CR to identify the request and if necessary might ask help from other departments.

Coordinator:

The coordinator of the change is:

- ❖ The Projects Manager
- ❖ Project coordinator (site manager, project manager)

He/she needs to follow the change management process and see if all are applied. He/she is responsible to plan the initial meeting and all coordination meetings needed.

Quality Planner:

Validate the CR/VO. He/she is also the interface with the client.

He/she also approves the validation plan and the results.

Project Team:

It is a cross functional team that validates the change impacts. It must constitute at least with the core team and the extended team if necessary. They evaluate the feasibility of the change in term of risks, costs, planning and quality.

1.1.6.3. Performance Reviews (Management Review) (Ref. 8.3)

To enable the Senior Executive Team to oversee and review the maturity of the projects on a regular basis, management reviews will be conducted on-site, regularly on weekly basis. The following topics are included in the agenda.

- ❖ Project Progress
- ❖ Internal audit results including corrective and preventive actions
- ❖ Previous Management Review follow-up actions

Depending on the circumstances, the Management can decide to organize additional Management Reviews. The PM can trigger the invitation of the Management team for these additional reviews.

The attendees of these reviews will be according to the Resources Availability Histogram. Some of fixed attendees are:

- Projects Manager
- Procurement Manager
- Design Office Manager
- Planning and Monitoring Manager

The purpose is:

- ❖ Early detection of risks / problems
- ❖ Coordination /communication issues
- ❖ Knowledge exchange (e.g. within and between the project teams, divisions)
- ❖ Minimization of time and cost by avoiding late changes,
- ❖ Mistake prevention by providing lessons learned
- ❖ Adequate management involvement

The outcome of the management review including any improvement measures is recorded in writing. The PM supervises the proper implementation of the measures and retains the minutes of meeting as in the proper filing structure.

Moreover we have a detailed Management review procedure that covers all review related tasks and activities