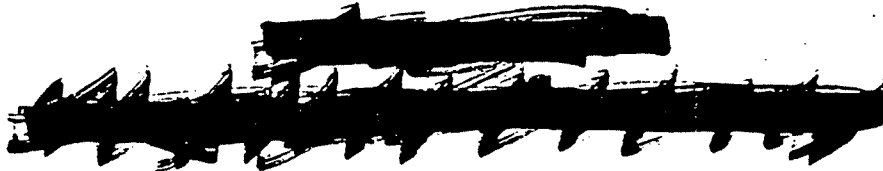


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FLUOR DANIEL

# Project Execution Plan and Project Procedures Manual

for the



DISTRIBUTION:

- Project Director
- Process Director
- Lead Process Engineer
- Finance

Original signed by:

Revision	Date	Revision Description	Approved By
0		Issued Approved	
B		Issued for Review and Comment	
A	11/0796	Draft Issue	N/A

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## 1.0 PROJECT BACKGROUND

### 1.1 Purpose

This plan establishes the project management framework and procedures for execution of the [REDACTED] Feasibility Study project.

### 1.2 Client

The Fluor Daniel client is [REDACTED] which is an Indonesian investment company. [REDACTED] supporting this and other private development projects in Indonesia, and has provided technical input through its subsidiary [REDACTED]. Previous study work for this project was performed by [REDACTED].

All matters relating to the execution of this project will be coordinated directly with the client located in their Jakarta, Indonesia office, or their designated representatives.

### 1.3 Project Information

To meet the growing demand for asphalt in East Indonesia, the client proposes to build a new Asphalt Blowing Plant which would produce 400,000 TPA of asphalt of paving grade quality processed atmospheric residue produced from Middle East Crude feedstock. The project will be located in Indonesia at Tanjung Uban, East Sumatra.

The plant will consist of a Vacuum Distillation Unit, Asphalt Blowing Unit, feed and product tankage, a packaging unit, utilities, and other related facilities. The Block Flow Diagram in Figure 1 illustrates the process in more detail. The asphalt products will be distributed to the East Indonesia region either by bulk and drum or paper bag. The Tanjung Uban area has the facilities to support the distribution by sea.

The Fluor Daniel portion of the project consists of an analysis and study of the feasibility of this project. Phase I of the study will establish the plant definition. A market study using an outside consultant will be obtained to identify the regional sources of asphalt being imported into Indonesia and to establish the price of the product produced at the new plant in order to replace the imported asphalt. Phase II of the project will develop the selected plant concept in sufficient detail to discuss project financing and develop an execution plan for design and construction. The current scope of work does not include any detailed engineering, procurement or construction.

The project is lump sum for production of the Phase I and II study reports. For further information, reference the project scope in the Fluor Daniel Proposal and the project contract.

### 1.4 Basis

This project is based on the scope contained in the following documents:

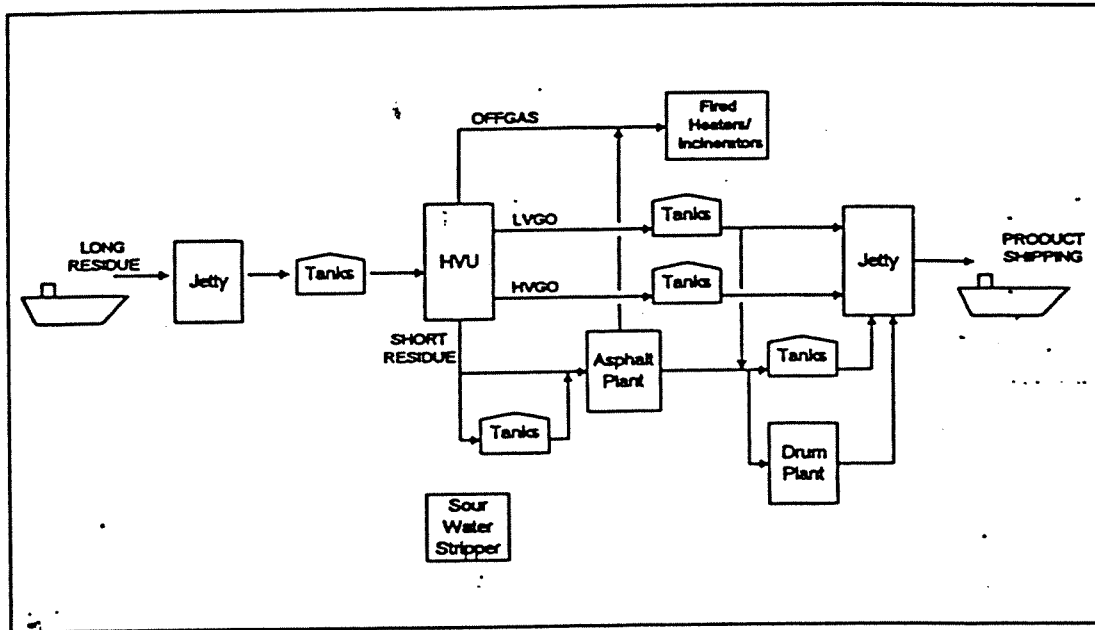
- [REDACTED] No. 04-XXXXXX, dated XX Mon 96
- Fluor Daniel Proposal, dated 24 Sep 96
- Terms of Reference, dated XX Mon 96

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Figure 1

## Block Flow Diagram



## 1.5 Reference Documents

The following reference documents, along with this plan, provide the basis for project execution:

- Process Group Operating System Implementation Plan (OSIP), dated 18 Jan 96
- OPG (Operating Principles Guidebook), dated 03 Jun 96

## 1.6 Control And Revision Of Plan

The Project Director is responsible for the preparation and control of this Project Execution Plan / Procedures Manual (the plan) consistent with the OPG/OSIP. Electronic copies may be provided to individuals on a need-to-know basis and shall be considered as uncontrolled copies.

The Project Director will issue revisions to the plan as necessary. Any changes to the plan shall cause the entire plan to be revised and re-issued. Individuals receiving revisions should either destroy the previous version or prominently mark it "superseded."

**FLUOR DANIEL**

**2.0 PROJECT MANAGEMENT**

**2.1 Kickoff And Alignment**

A Kickoff and Alignment session will be held with the client in Indonesia, including a site visit. This session will be documented by conference notes. The Kickoff and Alignment sessions will be held according to Project Management Guidelines, Practices 000.100.1206 and 000.100.1207, available on the FD InfoBase.

Two Key Result Areas (KRAs) have been identified for the project:

- Complete the study on schedule.
- Complete the study within budget.

If additional KRAs are identified during the Alignment session, they will be documented in the conference notes.

**2.2 Organization And Responsibilities**

Fluor Daniel will utilize a non-task force concept under the direction of the Project Director and Process Director. These individuals are responsible for the planning, organizing, directing and coordinating of the project. An organization chart is shown in Figure 2.

Staff will be drawn from the core disciplines on an as-needed basis. Principle disciplines and key personnel identified as contacts for the project include:

- Project Director - [REDACTED]
- Process Director - [REDACTED]
- Lead Process Engineer - [REDACTED]
- Other Discipline Leads [REDACTED]
- Project Controls [REDACTED]
- Finance - TBD
- Project Secretary - [REDACTED]

No special project-specific training is required for project personnel.

**2.3 Project Communications**

Project communications include letters, IOCs, faxes, emails, conference notes, records of telephone conversations, and trip reports. Standard Fluor Daniel forms and numbering will be used.

Correspondence to and from the client will be logged by the Project Secretary. Emails that change the project scope or contract will be printed out and logged with the client letter correspondence.

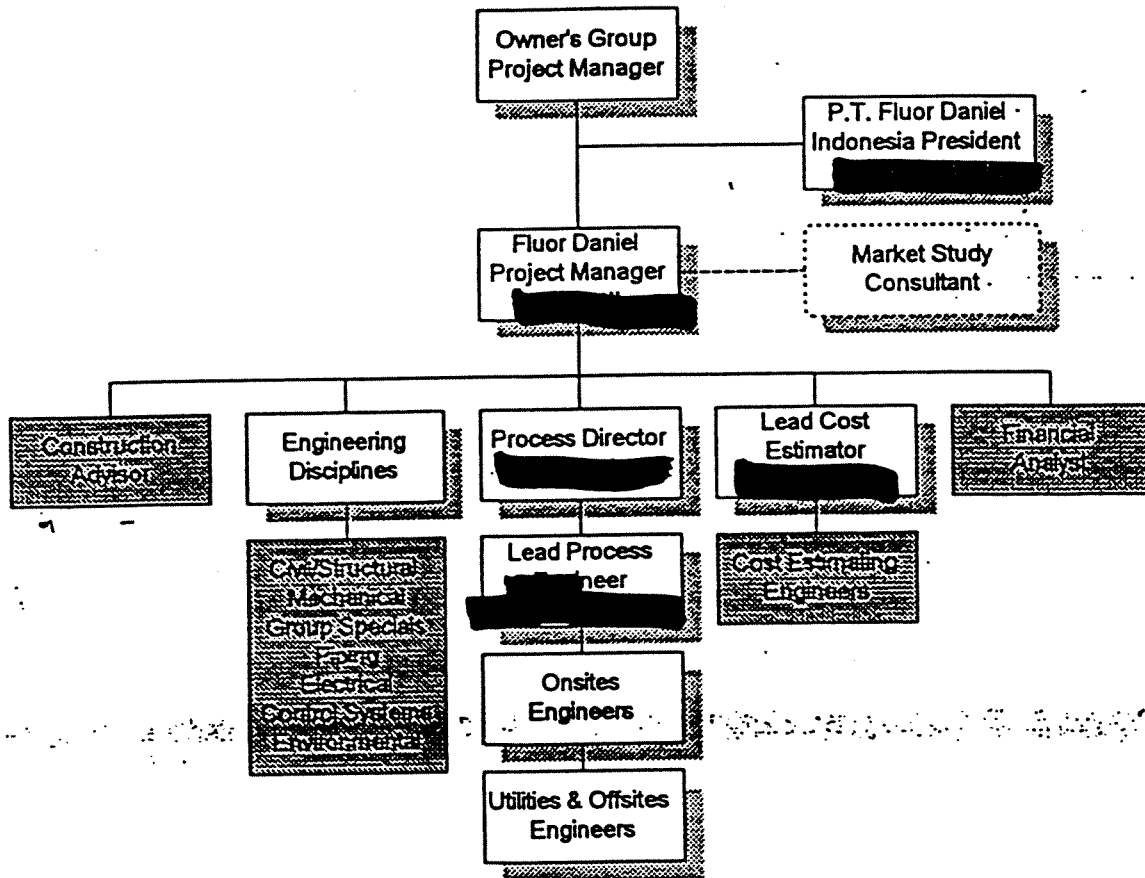
Contract 04-XXXXXX

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FLUOR DANIEL

Figure 2

Fluor Daniel Feasibility Study Team



Denotes Intermittent Participation

**FLUOR DANIEL**

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**2.4 Project Filing System**

The Fluor Daniel standard filing system will be used. Project files will be maintained by the Project Secretary per the Records Management procedures contained in the FD InfoBase. Details can be found in Records Management Practice 000.037.0905, Project File Setup and Closeout, and Records Management Practices 000.037.11XX, Fluor Daniel File Index And Retention Schedules.

**2.5 Project Reporting**

The Project Director shall keep senior management appraised as to the overall status of the work through informal communications. This project is not subject to formal, monthly project reviews.

Fluor Daniel management will be involved in all estimates and quotations to [REDACTED] and will be informed, on an informal basis, of any changes to plan.

Process department management will be involved in the technical aspects of new work that is developed with [REDACTED]

**3.0 PROJECT CONTROLS**

Project controls will be the responsibility of the Lead Cost Engineer. Labor hours will be matched with schedule and original budget. This will enable tracking of expenditures and staffing plans to meet project cost and schedule goals.

**3.1 Cost Control And Change Management**

A lump sum estimate for preparation of the feasibility study was developed as part of the proposal and will be the basis for controlling the project. The lump sum estimate will establish the control base for trending changes in cost. A cost deviation will be issued to the client when any cost change is detected. Change orders will be issued on deviations involving a change in scope.

**3.2 Estimating**

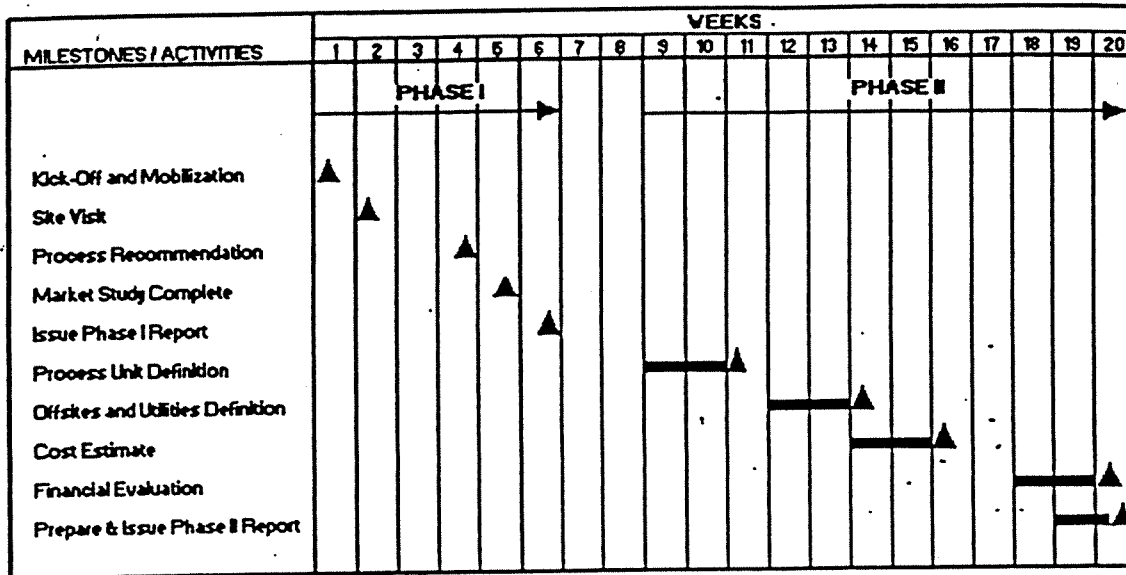
A cost estimate will be prepared as part of the Phase II Feasibility Study Final Report. This estimate will outline the [REDACTED] engineering, procurement, and construction costs for the recommended facility.

**3.3 Scheduling**

The plan for the project is to complete Phase I by the end of December 1996 and to complete Phase II by April 1997. Key milestones for the project are shown in the schedule in Figure 3. Changes impacting the schedule will be trended.

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Figure 3  
Work Schedule



4.0 ENGINEERING / DESIGN

All design / engineering work shall be done in Fluor Daniel's Irvine Office in accordance with Fluor Daniel standards contained in the Fluor Daniel InfoBase, except as noted in Section 9.3, Deviations and Exceptions. No project specific procedures / practices will be generated.

4.1 Drawings Production

Drawings will be produced as follows:

- AutoCAD or Visio shall be used for flow diagrams, P&IDs, or other drawings.
- No drawing approvals are required by PT Batara Ismaya.
- Equipment Criticality Rating shall be "CR 2".
- Equipment Checking Level shall be "CL 2" and Equipment Checking Method shall be "B".

4.2 Document Control

The Engineering disciplines will be responsible that proper revision control is used for documents that are issued to the client. Internal or draft issues of documents should be numbered as Revision A, B, C, etc. Documents that are issued to the client should be numbered as Revision 1, 2, 3, etc. (Revision 01, 02, 03, etc may be used for initial client issue if determined more appropriate, for example for the Phase I study.)

The original signed drawings that were sent to the client will be maintained by the disciplines until project close-out, when they will be turned over for retention.

**FLUOR DANIEL****4.3 Responsibilities / Approvals**

Project checking / signature requirements for project deliverables are as shown below:

ACTIVITY DESCRIPTION	PREPARED	CHECKED / REVIEWED	APPROVED
Calculations	Process/ Other Disciplines	Process/ Other Disciplines	N/A
Drawings	Process/ Other Disciplines	Process/ Other Disciplines	Lead Discipline Engineers
Market Study	Consultant	Consultant / FD Discipline Leads	Project Director
Phase I Study Report	Project/Process/ Other Disciplines	Project/Process/ Other Disciplines	Project Director
Phase II Feasibility Study Final Report	Project/Process/ Other Disciplines	Project/Process/ Other Disciplines	Project Director

**5.0 AUTOMATION**

The project will only use Fluor Daniel Reference Systems as indicated in Information Services Software Catalog contained in the Fluor Daniel InfoBase. Standard network software shall be used for communication purposes. All personnel accessing data and information through computerized terminals will be required to log in using authorized log-in passwords.

**6.0 PROCUREMENT**

Fluor Daniel is not currently performing any procurement activities on this project, with the exception of contracting for an outside consultant to prepare a market study. Specific contracting procedures are contained in the Procurement portion of the Fluor Daniel InfoBase.

**7.0 FINANCE**

Fluor Daniel's established finance procedures will be used for internal processing of items such as Purchase Orders, Home Office Labor, Expense Reports, and external Client invoices and contractor payments. Specific procedures are contained in the Finance procedures located in the Finance department.

Terms of payment are one progress payment of \$200,000 at the completion of Phase I, an additional payment of \$200,000 at the completion of Phase II, with the balance of \$200,000 deferred until the project proceeds. Payments are anticipated by check or wire transfer, due on receipt.

Finance PFSRs will be completed based on pricing models developed for the lump sum estimate, and actual Home Office services.

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**FLUOR DANIEL**

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**8.0 CONSTRUCTION**

Fluor Daniel is not currently performing any construction activities on this project

**9.0 QUALITY SYSTEM**

**9.1 Activity Plans, Work Instructions And Checklists**

Disciplines shall use their respective master activity plans, work instructions and checklists, as-is, as applicable to the following general activities.

- Producing calculations and drawings
- Equipment design
- Project close-out

**9.2 Audit Schedule**

The Project falls under the guidelines of a "small project" and as such may be subject to a routine audit scheduled by the Petroleum and Petrochemicals OpCo. No project-specific audit schedule is required.

**9.3 Deviations And Exceptions**

The following deviations and exceptions are authorized for this project:

- No formal interdiscipline reviews or design reviews are required.
- Signatures shall be per Section 4.0 in lieu of those identified on master activity plans.
- Client signature / approval is not required on project documentation.
- No formal monthly reports will be generated.

**10.0 SAFETY**

Fluor Daniel's "safety first" philosophy is a paramount consideration in the design, construction, and operation of this plant, and will be incorporated by addressing relevant safety issues during the study by utilizing sound engineering practice, as encompassed in Fluor Daniel standards.

When travelling to the site, standard safety precautions will be taken by project personnel. The Western Region Safety group can provide information as needed at [REDACTED]

The Project Director will act as interim Safety Coordinator for the project.

**FLUOR DANIEL**

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**11.0 ENVIRONMENTAL**

Fluor Daniel will follow any environmental guidelines which may be contained in the contract documentation. Fluor Daniel will abide by the applicable Indonesian regulations and laws with respect to the environment. No other specific environmental issues are involved with this project.

**12.0 CONTINUOUS PERFORMANCE IMPROVEMENT (CPI)**

All project participants are encouraged to continuously look for ways to improve their work processes. Specific CPI activities shall be carried out through department coordinators, as required.

**13.0 PROJECT TURNOVER, COMMISSIONING, AND ACCEPTANCE**

Project turnover, commissioning, and acceptance are not part of Fluor Daniel's current scope of work.

**14.0 PROJECT CLOSE-OUT**

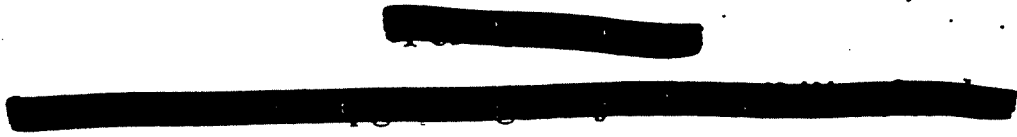
The Project Director will be responsible for project close-out activities as specified in Fluor Daniel Project Management Guidelines in Practice 000.100.1212, Project Close-Out.

The compilation of information for project close-out begins at the outset of the project and continues throughout its life. The project files will be sent to retention at project completion. Process and other involved disciplines will collect, box and send their respective files to retention.

FLUOR DANIEL

# Project Execution Plan and Project Procedures Manual

for the



DISTRIBUTION:

- Project Director
- Process Director
- Lead Process Engineer
- Financial Analyst
- Process Consultant
- Project Controls

Original signed by:

Revision	Date	Revision Description	Approved By
0	01/20/97	Issued Approved	
B	01/16/97	Issued for Review and Comment	N/A
A	11/14/96	Rough Draft Issue	N/A

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Per [REDACTED] study

**FLUOR DANIEL**

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**FLUOR DANIEL****1.0 PROJECT BACKGROUND****1.1 Purpose**

This plan establishes the project management framework and procedures for execution of the [REDACTED] Study.

**1.2 Client**

The Fluor Daniel client is [REDACTED] which is the [REDACTED] petroleum company. [REDACTED] is supported in this effort by the U [REDACTED] (TDA), who is funding this study.

All matters relating to the execution of this project will be coordinated directly with the client located in their [REDACTED] office, or their designated representatives at the refinery sites.

**1.3 Project Information**

The project will evaluate the feasibility of a [REDACTED] complex located in [REDACTED] of the [REDACTED] refinery, which is essentially a crude topping unit, and the [REDACTED] refinery, which includes a crude distillation unit and the related conversion facilities including a hydrocracker complex.

The Bottoms Upgrading Project envisages:

- Debottlenecking of existing crude units to provide atmospheric residue (LSWR) feed for the study configurations; and
- Revamping of existing process units at the Dumai refinery for processing incremental feeds produced in the study configuration.

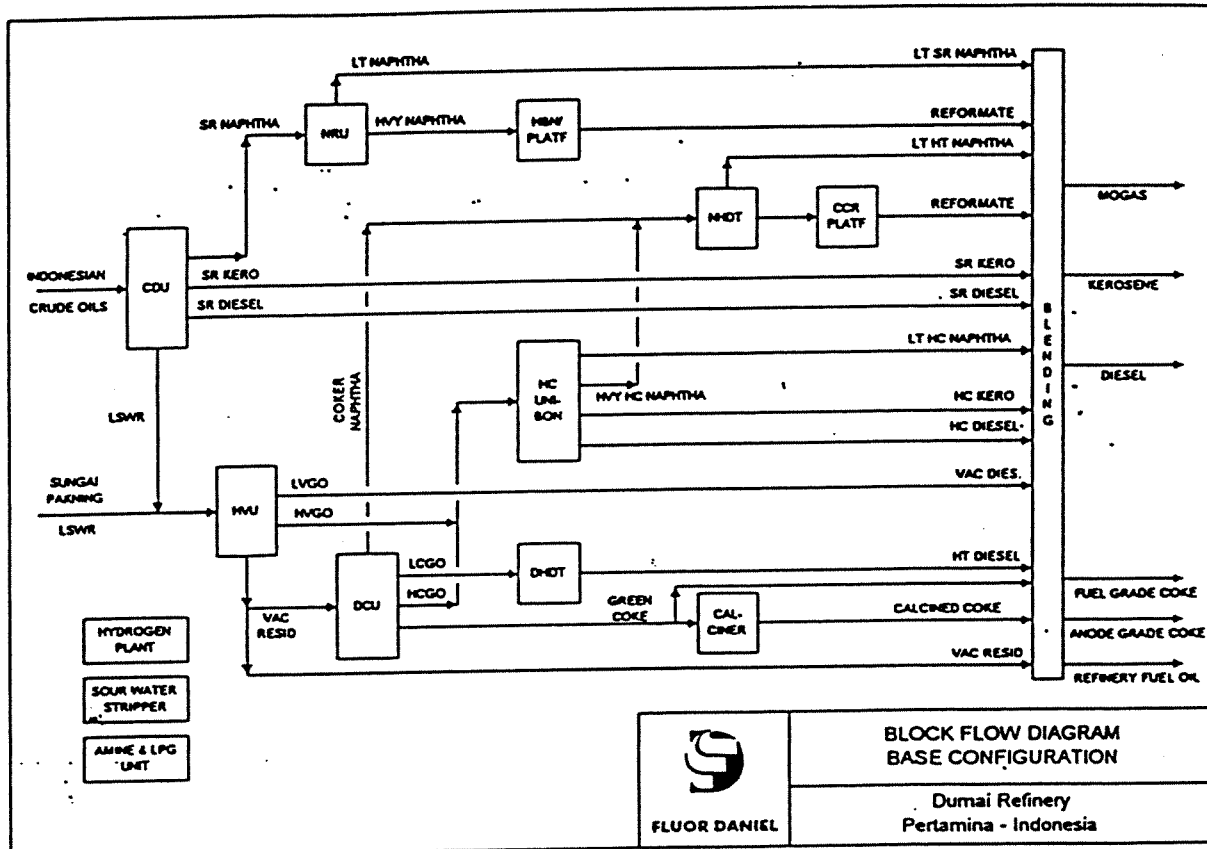
All Low Sulfur Waxy Residue (LSWR) produced at UP II will be processed and converted into transportation fuels. The project will be evaluated and configured to manufacture those transportation fuels which currently have the highest demand and future growth potential in the Indonesian market while maximizing the economic returns for the project.

A block flow diagram is presented in Figure I which illustrates the existing processing facilities at the [REDACTED] refinery.

Phase I of this study, the screening phase, will develop the most cost effective bottom-of-the-barrel configuration to produce the desired products. Phase II, the feasibility phase, will define the required facilities for the chosen configuration at the completion of Phase I and estimate the associated capital and operating costs in order to allow Pertamina to assess the technical and economical viability of the project. The current scope of work does not include any detailed engineering, procurement and construction.

FLUOR DANIEL

Figure 1  
Block Flow Diagram



#### 1.4 Basis

This project is based on the scope contained in the following documents:

- [Redacted] Agreement ([Redacted])
- Fluor Daniel Proposal, dated [Redacted]
- TDA Grant Agreement, dated [Redacted]

#### 1.5 Reference Documents

The following reference documents, along with this plan, provide the basis for project execution:

- Process Group Operating System Implementation Plan (OSIP), [Redacted]
- OPG (Operating Principles Guidebook), d [Redacted]

**FLUOR DANIEL**

**1.6 Control And Revision Of Plan**

The Project Director is responsible for the preparation and control of this Project Execution Plan / Procedures Manual (the plan) consistent with the OPG/OSIP. Electronic copies may be provided to individuals on a need-to-know basis and shall be considered as uncontrolled copies.

The Project Director will issue revisions to the plan as necessary. Any changes to the plan shall cause the entire plan to be revised and re-issued. Individuals receiving revisions should either destroy the previous version or prominently mark it "superseded."

**2.0 PROJECT MANAGEMENT**

**2.1 Kickoff And Alignment**

A Kickoff and Alignment session will be held with the client in Indonesia, including site and information gathering visits to Dumai and Sugai Pakning Refineries. These sessions will be documented by conference notes. The Kickoff and Alignment sessions will be held according to Project Management Guidelines, Practices 000.100.1206 and 000.100.1207, available on the FD InfoBase.

Two Key Result Areas (KRAs) have been identified for the study:

- Complete the study on schedule.
- Complete the study within budget.

If additional KRAs are identified during the Alignment session, they will be documented in the conference notes.

**2.2 Organization And Responsibilities**

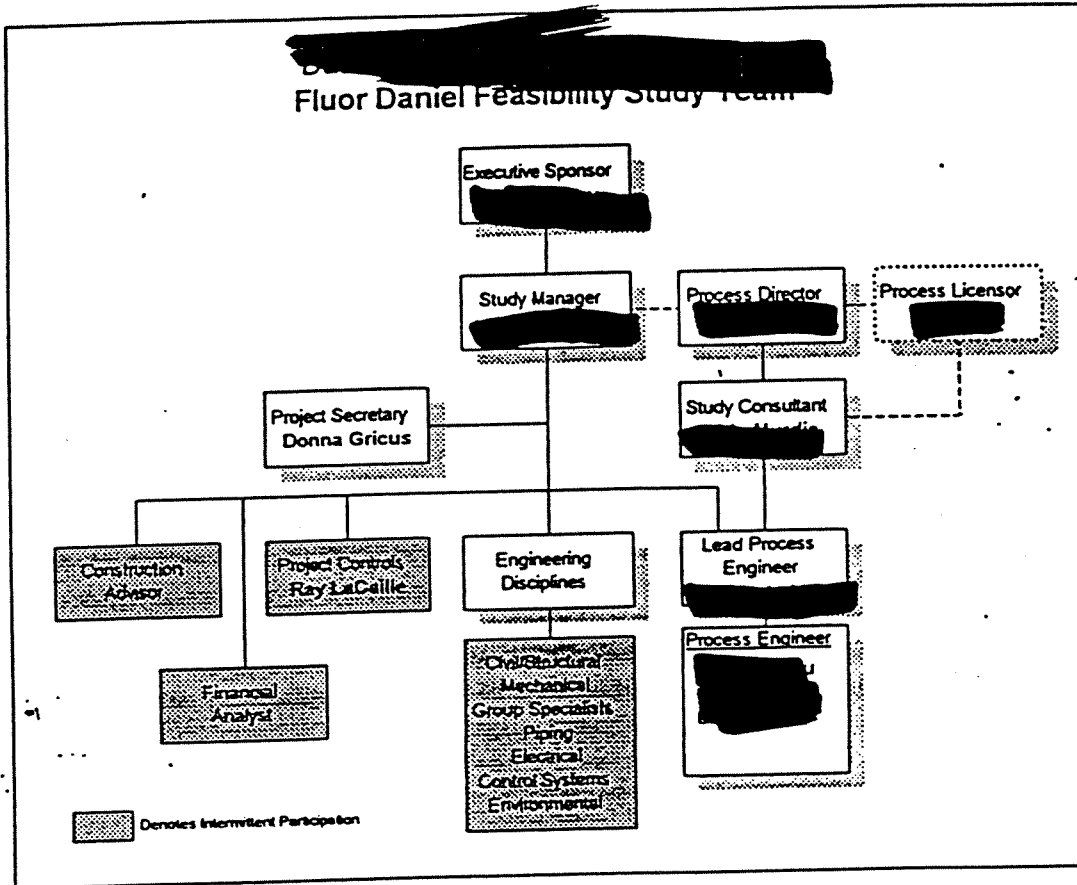
Fluor Daniel will utilize a non-task force concept under the direction of the Project Director and Process Director. These individuals are responsible for the planning, organizing, directing and coordinating of the project. An organization chart is shown in Figure 2.

Staff will be drawn from the core disciplines on an as-needed basis. Principle disciplines and key personnel identified as contacts for the project include:

- Project Director - [REDACTED] [REDACTED]
- Process Director - [REDACTED] [REDACTED]
- Process Consultant - [REDACTED] [REDACTED]
- Lead Process Engineer - [REDACTED] [REDACTED]
- Other Discipline Leads - TBD
- Project Controls - [REDACTED] [REDACTED]

FLUOR DANIEL

Figure 2  
 Fluor Daniel Project Organization



- Financial Analyst – [Redacted]
- Project Secretary – [Redacted]

No special project-specific training is required for project personnel.

2.3 Project Communications

Project communications include letters, IOCs, faxes, emails, conference notes, records of telephone conversations, and trip reports. Standard Fluor Daniel forms and numbering will be used. Routine IOCs, emails, faxes and records of telephone conversation need not be numbered and logged, but will be dated and filed.

Correspondence to and from the client will be logged by the Project Secretary. Emails that change the project scope or contract will be printed out and logged with the client letter correspondence

**FLUOR DANIEL****2.4 Project Filing System**

The Fluor Daniel standard filing system will be used. Project files will be maintained by the Project Secretary per the Records Management procedures contained in the FD InfoBase. Details can be found in Records Management Practice 000.037.0905, Project File Setup and Close-out, and Records Management Practices 000.037.11XX, Fluor Daniel File Index And Retention Schedules.

**2.5 Project Reporting**

The Project Director shall keep senior management apprised as to the overall status of the work through informal communications. This project is not subject to formal, monthly project reviews.

Fluor Daniel management will be involved in all estimates and quotations to [REDACTED] and will be informed, on an informal basis, of any changes to plan. Process department management will be involved in the technical aspects of all work that is developed with Pertamina.

A monthly progress summary report will be sent to Pertamina.

**3.0 PROJECT CONTROLS**

Project controls will be the responsibility of the Lead Cost Engineer. Labor hours will be matched with schedule and original budget. This will enable tracking of expenditures and staffing plans to meet project cost and schedule goals.

**3.1 Cost Control And Change Management**

A lump sum estimate for preparation of the feasibility study was developed as part of the proposal and will be the basis for controlling the project. The lump sum estimate will establish the control base for trending changes in cost. Change orders will be issued on deviations involving a change in scope.

**3.2 Estimating**

Rough order magnitude (ROM), capital and operating cost estimates will be prepared as a part of the Phase I Screening Study Phase. If facilities are common to all the cases in consideration, they may not be rigorously estimated. Since the purpose of the screening study is to reduce the number of cases in consideration.

A feasibility - grade cost estimate will be prepared as part of the Phase II Feasibility Study Final Report. This estimate will outline the plant engineering, procurement and construction costs for the new facilities including site development, engineering, equipment, construction, start-up, catalyst, chemicals, infrastructure and etc.

**3.3 Scheduling**

The plan for the project is to complete Phase I by the 17 February 1997 and to complete Phase II by 30 June 1997 (assuming an effective kickoff date of 9 December 1996 by UOP).

**FLUOR DANIEL**

Key milestones for the project are shown in the schedule in Figure 3. Changes impacting the schedule will be trended.

**4.0 ENGINEERING / DESIGN**

All design / engineering work shall be done in Fluor Daniel's Irvine Office in accordance with Fluor Daniel standards contained in the Fluor Daniel InfoBase, except as noted in Section 9.3, Deviations and Exceptions. No project specific procedures / practices will be generated.

**4.1 Drawings Production**

Drawings will be produced as follows:

- AutoCAD or Visio shall be used for flow diagrams, P&IDs, or other drawings.
- No drawing approvals are required by [REDACTED]
- Equipment Criticality Rating shall be "CR 2".
- Equipment Checking Level shall be "CL 2" and Equipment Checking Method shall be "B".

**4.2 Document Control**

The Engineering disciplines will be responsible that proper revision control is used for documents that are issued to the client. Internal or draft issues of documents should be numbered as Revision A, B, C, etc. Documents that are issued to the client should be numbered as Revision 1, 2, 3, etc. (Revision 01, 02, 03, etc may be used for initial client issue if determined more appropriate, for example for the Phase I study.)

The original signed drawings that were sent to the client will be maintained by the disciplines until project close-out, when they will be turned over for retention

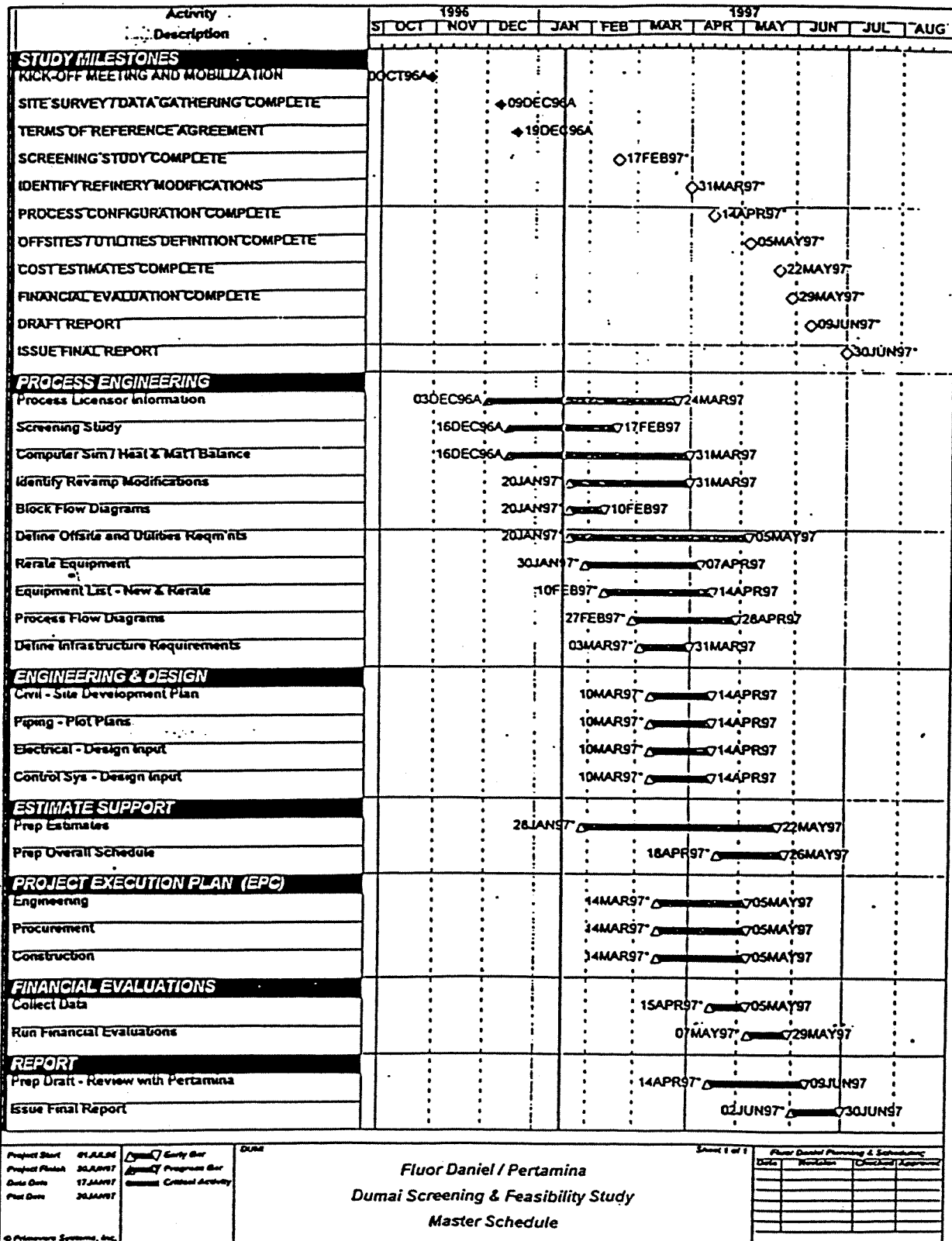
**4.3 Responsibilities / Approvals**

Project checking / signature requirements for project deliverables are as shown below:

ACTIVITY DESCRIPTION	PREPARED	CHECKED / REVIEWED	APPROVED
Calculations	Process/ Other Disciplines	Process/ Other Disciplines	N/A
Drawings	Process/ Other Disciplines	Process/ Other Disciplines	Lead Discipline Engineers
UOP Study	UOP	Consultant / FD Discipline Leads	Project Director
Phase I Study Report	Project/Process/ Other Disciplines	Project/Process/ Other Disciplines	Project Director
Phase II Feasibility Study Final Report	Project/Process/ Other Disciplines	Project/Process/ Other Disciplines	Project Director

FLUOR DANIEL

Figure 3  
 Work Schedule



**FLUOR DANIEL****5.0 AUTOMATION**

The project will only use Fluor Daniel Reference Systems as indicated in Information Services Software Catalog contained in the Fluor Daniel InfoBase. Standard network software shall be used for communication purposes. All personnel accessing data and information through computerized terminals will be required to log in using authorized log-in passwords.

**6.0 PROCUREMENT**

Fluor Daniel is not currently performing any procurement activities on this project, with the exception of contracting for an outside consultant (UOP) to assist in the process definition. Specific contracting procedures are contained in the Procurement portion of the Fluor Daniel InfoBase.

**7.0 FINANCE**

Fluor Daniel's established finance procedures will be used for internal processing of items such as Purchase Orders, Home Office Labor, Expense Reports, and external Client invoices and contractor payments. Specific procedures are contained in the Finance procedures located in the Finance department.

Terms of payment are specified in Exhibit "B" of the AGREEMENT. Pertamina will approve all invoices first and return them to FD who will forward them to the United States Trade and Development Agency by regular mail to the address shown on page 10 of the AGREEMENT.

Finance PFSRs will be completed based on pricing models developed for the lump sum estimate, and actual Home Office services.

**8.0 CONSTRUCTION**

Fluor Daniel is not currently performing any construction activities on this project

**9.0 QUALITY SYSTEM****9.1 Activity Plans, Work Instructions And Checklists**

Disciplines shall use their respective master activity plans, work instructions and checklists, as-is, as applicable to the following general activities.

- Producing calculations and drawings
- Equipment design
- Project close-out

**9.2 Audit Schedule**

The Project falls under the guidelines of a "small project" and as such may be subject to a routine audit scheduled by the Petroleum and Petrochemicals OpCo. No project-specific audit schedule is required.

**FLUOR DANIEL****9.3 Deviations And Exceptions**

The following deviations and exceptions are authorized for this project:

- No formal interdiscipline reviews or design reviews are required.
- Signatures shall be per Section 4.0 in lieu of those identified on master activity plans.
- Client signature / approval is not required on project documentation.
- No formal monthly reports will be generated.

**10.0 SAFETY**

Fluor Daniel's "safety first" philosophy is a paramount consideration in the design, construction, and operation of this plant. Safety will be addressed during the study by utilizing sound engineering practice, as encompassed in Fluor Daniel standards, for relevant safety issues.

When traveling to the site, standard safety precautions will be taken by project personnel. The Western Region Safety group can provide information as needed at [REDACTED].

The Project Director will act as interim Safety Coordinator for the project.

**11.0 ENVIRONMENTAL**

Fluor Daniel will follow any environmental guidelines which may be contained in the contract documentation. Fluor Daniel will abide by the applicable Indonesian regulations and laws with respect to the environment. No other specific environmental issues are involved with this project.

**12.0 CONTINUOUS PERFORMANCE IMPROVEMENT (CPI)**

All project participants are encouraged to continuously look for ways to improve their work processes. Specific CPI activities shall be carried out through department coordinators, as required.

**13.0 PROJECT TURNOVER, COMMISSIONING, AND ACCEPTANCE**

Project turnover, commissioning, and acceptance are not part of Fluor Daniel's current scope of work.

**14.0 PROJECT CLOSE-OUT**

The Project Director will be responsible for project close-out activities as specified in Fluor Daniel Project Management Guidelines in Practice 000.100.1212, Project Close-Out.

The compilation of information for project close-out begins at the outset of the project and continues throughout its life. The project files will be sent to retention at project completion. Process and other involved disciplines will collect, box and send their respective files to retention.