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		Rev: 01
		July 2013
KLM Technology Group #03-12 Block Aronia, Jalan Sri Perkasa 2 Taman Tampoi Utama 81200 Johor Bahru Malaysia	CHANGE ORDER PROCEDURE (PROJECT STANDARDS AND SPECIFICATIONS)	

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SCOPE

This Project Standards and Specifications cover the basic requirements for handling all changes in the CONTRACT. This procedure addresses the basic requirements for processing changes to the CONTRACT that may affect the cost or the time required to complete the project either due to addition or deletion to the WORKS.

DEFINITION

FIR	- field Instruction Request
FI	- Field Instruction
COP	- Change Order Proposal
CO	- Change Order
WORKS	- As defined in the Contract Form
CONTRACT	- As defined in the Contract Form
SMCD	- Scheduled Mechanical Completion Date

PROCEDURE

1. Changes

- A CONTRACTOR shall anticipate that as the WORKS progress, the Company may request for changes to the WORKS the changes can be addition or deletion to the WORKS.
- B As the WORKS progress, the company reserves the right to request changes in the WORKS and may request CONTRACTOR to quote, source and examine the feasibility of the change before issuing the Field CONTRACTOR on its own initiative shall reply within the given duration, specifying the validity of the quotation, for the companies evaluation
- C CONTRACTOR shall refer to the Figure I below for the responsibility of handling the changes in the CONTRACT.

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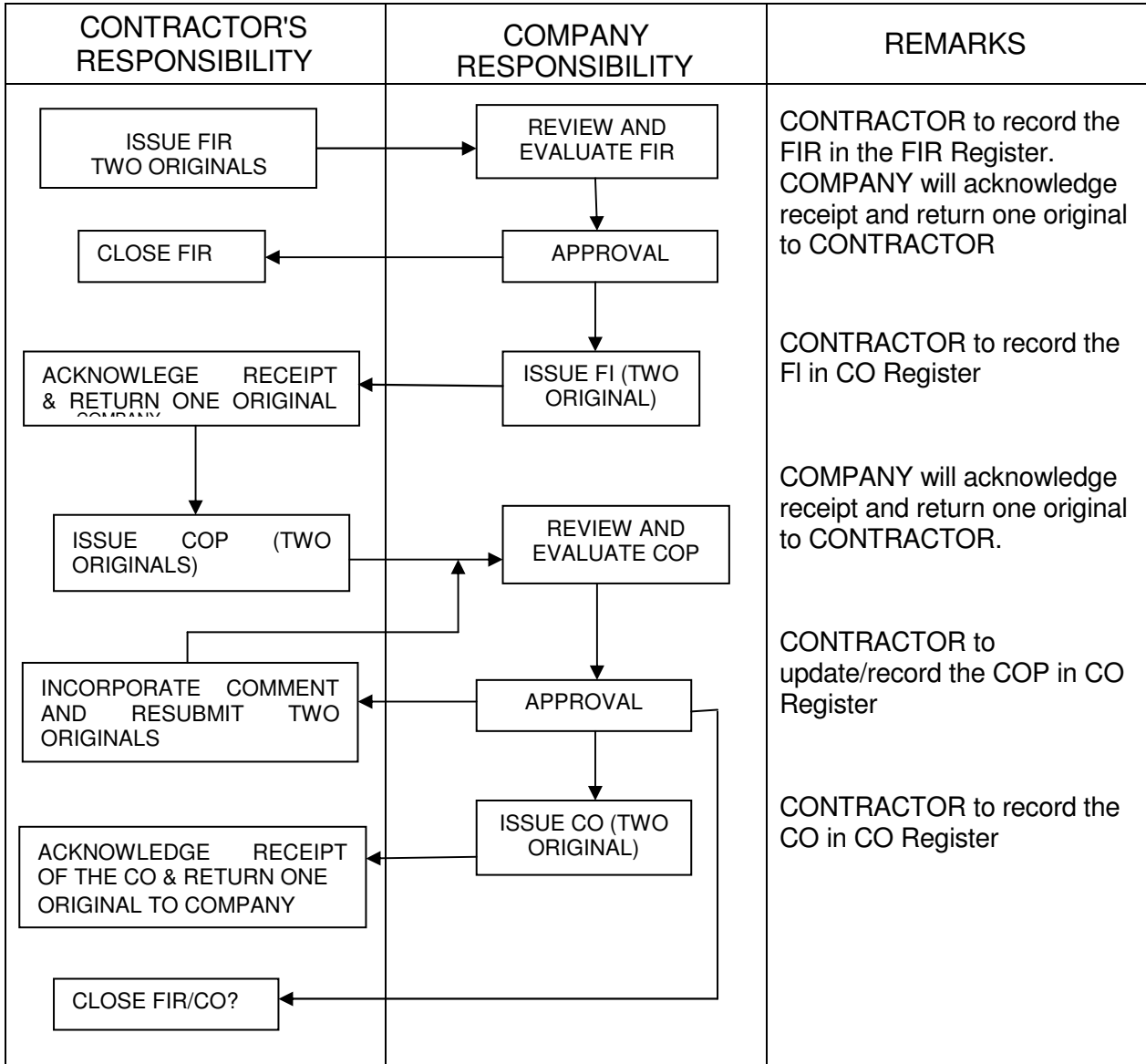


Figure I - Flowchart for FIR/CI/COP/CO.

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- D If at any time CONTRATOR believes that any act or instruction by COMPANY constitutes a change to the WORKS. and it is not covered under FI from COMPANY by forwarding the FIR
- E COMPANY reserves the right to specify which Schedule in the Exhibit III of the CONTRACT shall be utilized to compute the cost for such change

2. Field Instruction Request (FIR)

- A If at any time CONTRACTOR believes that there has been a change in the Scope of Work and/or change in the Scope of Work is needed CONTRACTOR may request COMPANY to issue a FI by completing and forwarding two copies of signed FIR (see Appendix I) with detailed justification indicating the cost or schedule impact of the change.
- B Upon receipt of the FIR,. THE COMPANY will evaluate the request and at its discretion may approve or reject the request. If COMPANY agrees with the request, then a FI will be issued.
- C CONTRACTOR shall maintain a running reference number for the FIR but it may not necessarily be the same number as the FI.