EXHIBIT B

Compensation

**Table of Contents**

[1 General PROVISION 4](#_Toc94613396)

[1.1 Main rules 4](#_Toc94613397)

[1.2 Measurements 6](#_Toc94613398)

[1.3 Construction engineering, weight control 6](#_Toc94613399)

[1.4 Site procurement 6](#_Toc94613400)

[1.5 Daywork 7](#_Toc94613401)

[1.6 Overtime 7](#_Toc94613402)

[1.7 Waiting time 7](#_Toc94613403)

[1.8 Assistance during (pre-) commissioning and start-up 8](#_Toc94613404)

[2 Summary of Bill of QuantitY 8](#_Toc94613405)

[3 TAXES AND DUTIES 9](#_Toc94613406)

[3.1 Value added tax 9](#_Toc94613407)

[3.2 Income taxes 9](#_Toc94613408)

[3.3 Personnel taxes 9](#_Toc94613409)

[3.4 Other taxes 9](#_Toc94613410)

[3.5 Tax retention 10](#_Toc94613411)

[3.6 Customs duties 10](#_Toc94613412)

[3.7 Indemnification 11](#_Toc94613413)

[4 LIQUIDATED DAMAGES 11](#_Toc94613414)

[4.1 General 11](#_Toc94613415)

[4.2 Liquidated damages milestones 11](#_Toc94613416)

[5 Quantity TAKE-OFF AND INVOICING 12](#_Toc94613417)

[5.1 Quantity take-off and variation order status 12](#_Toc94613418)

[5.2 Invoicing 13](#_Toc94613419)

[6 PAYMENT 13](#_Toc94613420)

[6.1 General 13](#_Toc94613421)

[6.2 Audit rights 14](#_Toc94613422)

[6.3 Terms of payment 14](#_Toc94613423)

[6.4 Advance payment 14](#_Toc94613424)

[6.5 Progress payments 15](#_Toc94613425)

[6.6 Payment for variation orders 15](#_Toc94613426)

[6.7 Payment for HSE incentive agreements 15](#_Toc94613427)

[6.8 Final invoice 15](#_Toc94613428)

[7 EXTENDED SCOPE 17](#_Toc94613429)

[7.1 General 17](#_Toc94613430)

[7.2 Adjustment of lump sums in BOQ chapters 002 to 099 due to an extension of the contract schedule 17](#_Toc94613431)

[7.3 Adjustment of lump sums of BOQ chapters 002 to 099 due to change of volume of the bill of quantity chapters 100 to 490 18](#_Toc94613432)

Attachment B-1 Invoice template

# General PROVISION

* 1. Main rules

For the calculation of LUMP SUMS and UNIT RATES of the BILL OF QUANTITY, CONTRACTOR acknowledges that COMPANY has provided sufficient documentation and other information to enable CONTRACTOR to establish prices for the WORK. CONTRACTOR acknowledges that he had the possibility to enter a LUMP SUM or a UNIT RATE for each BILL OF QUANTITY item in the CONTRACT, as the case may be. BILL OF QUANTITY items which are unpriced shall be deemed to be included in the LUMP SUMS or UNIT RATE of other BILL OF QUANTITY items.

LUMP SUMS and UNIT RATES agreed in the BILL OF QUANTITY shall be deemed to cover all obligations set out in the CONTRACT irrespective of the complexity or sequence of such performance and shall only be subject to adjustment as specially provided for in the Conditions of Contract.

The UNIT RATES and LUMP SUMS stated in the BILL OF QUANTITY shall be understood as all inclusive, and include in particular but are not limited to all requirements for CONSTRUCTION ENGINEERING, TEMPORARY WORKS, TEMPORARY SITE FACILITIES, transport and transport related cost, storage, construction & erection, DIRECT & INDIRECT PERSONNEL, scaffolding, testing, PRE-COMMISSIONING specific task and assistance, COMMISSIONING and / or START-UP assistance, insurance, overheads, taxes (excluding value added tax), duties and profit - all required for the WORK, together with the coverage of all risks, remedies, liabilities, indemnifications and obligations set out or implied in the CONTRACT.

Where personnel is included in the UNIT RATES, UNIT RATES (including DAYWORK UNIT RATES for personnel) shall be deemed to include, but not be limited to, basic salaries, wages, bonus, overtime pay, shift premiums, payroll burdens, leave salaries, sick leave, uplifts, weekly rest days, public holidays, protective clothing, small and essential tools and necessary implements, consumables, travel cost, insurance, medical cost, visas, residence permits, security passes, end of service benefits, and other cost whatsoever.

UNIT RATES and LUMP SUMS cover also:

* + 1. all incidents for which CONTRACTOR is liable under the CONTRACT, including any effects on related BILL OF QUANTITY items and other parts of the WORK,
    2. measures required to be taken due to climate conditions,
    3. the implementation of recovery measures needed to avoid any extension of time to the CONTRACT SCHEDULE and arising from occurrences for which CONTRACTOR is liable under the Conditions of Contract.

The UNIT RATES and LUMP SUMS stated in the BILL OF QUANTITY shall apply and be unconditionally the basis for full and final compensation for the execution of the WORK and are fixed and firm and not subject to escalation for the duration of the CONTRACT.

UNIT RATES stated in the BILL OF QUANTITY shall remain unchanged for extended or shortened construction/installation period and for additional or reduced WORK and for any other deviation.

CONTRACTOR acknowledges that the final quantities for each BILL OF QUANTITY item at the COMPLETION OF WORKS may differ from those estimated quantities anticipated at EFFECTIVE DATE, however, no such deviation shall have an impact on the UNIT RATES or LUMP SUMS or on the CONTRACT SCHEDULE.

CONTRACTOR is aware that revisions of drawings can take place until the construction activity has reached its latest possible start date and CONTRACTOR confirms that the administration of such revisions is covered in the UNIT RATES and LUMP SUMS. CONTRACTOR also confirms that resulting adjustments to the CONTRACT SCHEDULE will have no consequences on the UNIT RATES or LUMP SUMS as well as to the date of COMPLETION OF WORKS.

The quantities in the BILL OF QUANTITIES may vary during the execution of the CONTRACT. Such additions or reductions or deletion of quantities are a concretisation of the estimated quantities and are no reason for a VARIATION ORDER REQUEST. Furthermore, they are no reason for a partial termination or termination of the CONTRACT. Such reduction or deletion shall not entitle CONTRACTOR to any compensation.

CONTRACTOR confirms that any change in the complexity of the WORK and / or degree of difficulty of construction and / or erection and / or sequence will not have any effect on the UNIT RATES or LUMP SUMS.

* 1. Measurements

The provisions for the measurement of the WORK shall also apply for VARIATION ORDERS. Measurement shall be limited to the defined units of the related items in the BILL OF QUANTITY and as described in the applicable rules of measurement as included in EXHIBIT E – SPECIFICATIONS.

For measurements which cannot be taken from drawings or documents, COMPANY shall participate in the measurement and shall be notified by CONTRACTOR a reasonable time in advance to be able to do so. The results of such measurements have to be countersigned by COMPANY. There will be no separate compensation for performing any measurement activities. Measurements shall be conducted as soon as the necessary preconditions exist.

The sum to be paid to CONTRACTOR shall be determined in accordance with the rules of measurements as specified in EXHIBIT E – SPECIFICATIONS.

CONTRACTOR is obliged to submit to COMPANY together with the results of the measurement all supporting documents enabling COMPANY to verify the measurement executed by CONTRACTOR.

* 1. **Construction engineering, weight control**

Cost for CONSTRUCTION ENGINEERING and weight control are included in the LUMP SUMS and UNIT RATES of the BILL OF QUANTITY.

* 1. **Site procurement**

CONTRACTOR is obliged to carry out SITE procurement on written request of COMPANY. Prices shall be based on verifiable net invoice amounts from THIRD-PARTIES.

A mark-up of 7,5% on the verifiable cost shall be compensated to CONTRACTOR for his endeavours and cost. COMPANY is entitled to reduce this handling fee in case the purchase amount will exceed the value of EUR 10.000 (ten thousand) or equivalent.

For purchases exceeding the value of EUR 10.000 (ten thousand) or equivalent, COMPANY will inform CONTRACTOR regarding the number of quotations to be inquired. The decision with regard to the most favourable quotation remains with COMPANY.

* 1. **Daywork**

DAYWORK will be calculated by multiplying the UNIT RATES of the BILL OF QUANTITY chapter 810 to 830 with hours or DAYS.

DAYWORK shall only be performed by CONTRACTOR after being instructed by COMPANY in writing, otherwise CONTRACTOR is not entitled to any payment for DAYWORK.

CONTRACTOR shall, during the performance of DAYWORK submit to COMPANY for approval on a daily basis a report detailing the following information:

* + - name, qualification, working time and number of the personnel involved,
    - a statement covering the description of the WORK performed, and
    - a list showing WORKING EQUIPMENT used.

If approved by COMPANY, the signed report will be returned to CONTRACTOR for invoicing purposes.

* 1. **Overtime**

A surcharge as per BILL OF QUANTITY chapter 810 to 830 shall be applied in addition to the DAYWORK rate of UNIT RATE when COMPANY requires CONTRACTOR in writing to work overtime more than CONTRACTOR’S regular working hours per week, night shifts, unplanned shifts and / or work on Sundays (or the corresponding weekend day in countries where Sunday is a regular working day) / public holidays on SITE.

Surcharges will not be paid for additional shifts which are planned by CONTRACTOR to meet the CONTRACT SCHEDULE.

No surcharges will be paid if extraordinary WORK is due to a default in CONTRACTOR'S planning and working method and / or which CONTRACTOR must perform to recover lost time to meet the CONTRACT SCHEDULE.

The surcharge shall include all cost necessary for such extraordinary WORK. All further cost is included in the UNIT RATES, LUMP SUMS or the DAYWORK rates of the BILL OF QUANTITY.

* 1. **Waiting time**

In general waiting time will not be compensated.

CONTRACTOR shall minimize standby time and / or lost time, if any, as far as possible. In order to ensure this, CONTRACTOR shall, if necessary, re-allocate its staff to other sections of its WORK.

However, if CONTRACTOR can document that waiting time longer than 1 (one) hour per person and event will be or was solely caused by COMPANY and was unavoidable, and CONTRACTOR has informed COMPANY immediately in writing about it, and COMPANY has not given instruction to overcome the waiting time situation, then CONTRACTOR has the right to issue a VARIATION ORDER REQUEST for waiting time exceeding such 1 (one) hour.

There will only be given compensation for man-hours within regular shift working hours for personnel waiting on the SITE at the UNIT RATES provided corresponding timesheets are countersigned by COMPANY. No cost will be paid for overhead and management. Waiting time for WORKING EQUIPMENT will be compensated based on working hours for driver or operator; no payment will be made for WORKING EQUIPMENT itself.

If COMPANY has given notice 24 (twenty-four) hours in advance of expected waiting time, such waiting time will not be compensated. No compensation for acceleration due to lost time will be granted. Mobilisation and de-mobilisation time deem to be included in the LUMP SUMS and UNIT RATES and will not be compensated extra.

* 1. **Assistance during (pre-) commissioning and start-up**

In case CONTRACTOR’S scope of WORK includes PRE-COMMISSIONING, the compensation is part of the UNIT RATES of the BILL OF QUANTITY chapter 100 to 490.

In case COMPANY requires CONTRACTOR to provide PRE-COMMISSIONING assistance, such assistance will be compensated according to the UNIT RATES of the BILL OF QUANTITY chapter 825.

In case COMPANY also orders assistance during COMMISSIONING and / or START-UP of the PLANT, such assistance will be compensated according to the UNIT RATES of the BILL OF QUANTITY chapter 830.

# Summary of Bill of QuantitY

The BILL OF QUANTITY as included in EXHIBIT A – SCOPE OF WORK is structured and priced as follows:

<BILL OF QUANTITY>

All materials, services, WORKING EQUIPMENT, DIRECT and INDIRECT PERSONNEL, TEMPORARY SITE FACILITES, etc. necessary for the performance of the WORK, except the supply of COMPANY PROVIDED ITEMS are the responsibility of CONTRACTOR and are deemed to be included in the LUMP SUMS and UNIT RATES of the BILL OF QUANTITY and are understood inclusive of freight delivered to SITE or SITES as applicable in accordance with the latest edition of “Incoterms DDP”. Any quantity or time related cost associated with the receipt, off-loading, on SITE transport, storage and preservation of the COMPANY PROVIDED ITEMS are deemed to be covered by the UNIT RATES and LUMP SUMS of the BILL OF QUANTITY.

# TAXES AND DUTIES

* 1. **Value added tax**

All prices, LUMP SUMS and UNIT RATES in the BILL OF QUANTITY or elsewhere in the CONTRACT are exclusive of value added tax (VAT).

If applicable, value added tax (VAT) shall be applied in accordance with the valid legislation and will be invoiced in addition to the CONTRACT SUM.

* 1. **Income taxes**

CONTRACTOR shall pay corporate income taxes levied on it due to its activity on SITE, based on valid regulations of the country where the WORK is performed.

* 1. **Personnel taxes**

CONTRACTOR shall pay all taxes arising for its personnel, either employed or hired, working on SITE based on valid regulations of the country where the WORK is performed.

* 1. **Other taxes**

If due to LAW other taxes, duties or fees of whatever nature have to be paid by CONTRACTOR in the country, or countries, where the WORK is performed then all such burden are for CONTRACTOR'S account.

* 1. **Tax retention**

In case the WORK is provided with Germany, the German law requires COMPANY to retain an amount of 15% (fifteen percent) of each of CONTRACTOR’S invoiced amounts, inclusive value added tax (VAT).

COMPANY must report and transfer the retained amount to CONTRACTOR’S competent tax office in Germany. CONTRACTOR must inform to COMPANY its competent local tax office in Germany and its German tax number.

COMPANY can be exempted from this obligation only if CONTRACTOR provides COMPANY prior to a payment made from COMPANY to CONTRACTOR with a valid certificate issued by German tax authorities that exempts COMPANY from the retention obligation.

* 1. **Customs duties**

All customs clearance procedures for materials and TEMPORARY SITE FACILITIES have to be performed by CONTRACTOR and all customs duties and fees related to these imports shall be borne by CONTRACTOR. This does also include deposits or guarantees to be rendered for the period during which the TEMPORARY SITE FACILITIES remain in the country where the SITE is located.

COMPANY will support customs clearance of CONTRACTOR by making available to it such documents which are necessary, and which are in possession of COMPANY.

In case materials and / or TEMPORARY SITE FACILITIES are subject to customs duties exemption or reduction, COMPANY shall not be held responsible for payment of customs duties in case CONTRACTOR has not received such exemption / reduction.

In case COMPANY PROVIDED ITEMS are subject to customs duties exemption or reduction, it may be necessary according to local customs regulations that COMPANY PROVIDED ITEMS shall be stored or further treated in a custom fenced area at CONTRACTOR’S premises or at SITE. CONTRACTOR shall follow the rules and regulations set by the local customs authorities without any extra charge for COMPANY.

* 1. **Indemnification**

Should any tax, customs duty, any other duty or fee be levied by any competent authority on COMPANY for which CONTRACTOR is responsible, CONTRACTOR shall indemnify and hold harmless COMPANY with respect to such tax, customs duty, other duty and fee.

# LIQUIDATED DAMAGES

* 1. **General**

LIQUIDATED DAMAGES are to be understood as being payment for each Day of CONTRACTOR’S delay, counting from the date on which the LIQUIDATED DAMAGE MILESTONE had originally to be completed and under consideration of any time extension officially granted in writing by COMPANY.

The total LIQUIDATED DAMAGES are calculated on the final CONTRACT SUM and are limited to a maximum percentage of the final CONTRACT SUM as defined in the Conditions of Contract.

* 1. **Liquidated damages milestones**

The LIQUIDATED DAMAGES MILESTONES which are subject to payment of LIQUIDATED DAMAGES as stated in EXHIBIT C – CONTRACT MILESTONES are listed below:

|  |  |  |
| --- | --- | --- |
| **Milestone number** | **Milestone description** | **Liquidated damages (per DAY of delay)** |
| <INSERT> | <INSERT> | <INSERT> |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

# Quantity TAKE-OFF AND INVOICING

* 1. **Quantity take-off and variation order status**

Prior to the submission of the monthly invoice, CONTRACTOR shall submit to COMPANY the following information:

* + 1. the quantity take-off including the cumulative and monthly quantities and their values considering all accounting periods and the quantities performed within a specific accounting period. This quantity take-off shall be established by the file format (Excel) provided by COMPANY (preferably quantity take-off shall be submitted in GAEB-format xml, <https://www.gaeb.de/en/about-us/international-connections/>); and
    2. the VARIATION ORDER status considering all accounting periods and the VARIATION ORDER(S) executed and performed within a specific accounting period.

The quantity take-off and the VARIATION ORDER status shall be completed with all information required to confirm CONTRACTOR’S entitlement; such as copy of VARIATION ORDER(S) to be accounted in the period, detailed measurement certificates associated to drawings, calculations and sketches and any other information and / or documents necessary to substantiate the WORK executed.

COMPANY will review the quantity take-off and VARIATION ORDER status and revert with its approval or comments, if any.

In case of any comments by COMPANY those shall be incorporated by CONTRACTOR in a revised quantity take-off and VARIATION ORDER status and resubmitted to COMPANY. Upon approval by COMPANY, COMPANY will issue the invoice verification document showing the monthly instalment value. This invoice verification shows the value which CONTRACTOR is entitled to invoice for the accounting period.

* 1. **Invoicing**

CONTRACTOR shall issue one monthly invoice with full supporting documentation to COMPANY`S accounting department. The invoice shall be based on the currency of the CONTRACT. The invoice shall contain the following minimum content and have the form as per attachment B-1 to this EXHIBT B – COMPENSATION:

* Complete name and address of CONTRACTOR and COMPANY
* Tax number or value added tax identification number of CONTRACTOR
* Invoice issue date
* Invoice number
* Period or date of work
* Invoice value, applicable tax value or note on tax exemption
* If applicable note on tax liability of COMPANY

All invoices shall have the title "progress invoice" except for the “advance payment invoice” and the “final invoice”.

# PAYMENT

* 1. **General**

Invoices that do not meet the requirements of the CONTRACT will be returned; any resulting payment delays shall be for CONTRACTOR’S account. Incorrect and / or incomplete performance of the WORK entitles COMPANY to withhold payments in an amount to have sufficient security to have its claims covered. The same applies in the event penalties have been incurred, or COMPANY has other claims against CONTRACTOR.

Payments made to CONTRACTOR under the CONTRACT shall neither constitute acceptance nor a waiver of any rights of COMPANY’S rights or remedies under the CONTRACT.

COMPANY may offset claims for payment by CONTRACTOR against not only any and all of his own claims but also against all claims of COMPANY’S AFFILIATED COMPANIES. If these claims are due on different dates, the COMPANY’S claims and COMPANY’S AFFILIATED COMPANIES’ claims respectively shall be settled at the latest when the COMPANY’S liabilities fall due.

* 1. **Audit rights**

COMPANY and CLIENT are entitled to audit all payments made in connection with the CONTRACT. To perform such audits, access shall be given during office hours to all records and other documents, including original invoices and supporting documentation, insofar as they relate to the WORK, together with all books of accounts incorporating such account details. Such audit rights do not include audits of LUMP SUMS and UNIT RATES of the BILL OF QUANTITY. COMPANY and CLIENT shall be allowed to take photocopies of such audited documents. CONTRACTOR shall keep such records until the end of the MECHANICAL WARRANTY PERIOD.

* 1. **Terms of payment**

Unless otherwise specified, invoices will be paid within XX (in words) DAYS after receipt by COMPANY’S accounting department and subject that the conditions for payment under the CONTRACT are fulfilled.

* 1. **Advance payment**

The invoice for the advance payment of XX % (in words percent) of the initial CONTRACT SUM will be paid with XX (in words) DAYS after receipt of it by COMPANY’S accounting department, provided that the advance payment guarantee as well as the parent company guarantee, if applicable, as per EXHIBIT J – GUARANTEES have been made available to COMPANY.

The invoice for the advance payment must include a cash flow forecast for the WORK. The cash flow forecast must be updated and submitted with each monthly invoice. CONTRACTOR’S failure to provide the cash flow forecast may result in delayed payments.

The advance payment will be recovered by proportionally reducing all monthly invoices by the same percentage for which the advance payment was made.

* 1. **Progress payments**

Progress payments are subject to the following approvals:

* + 1. COMPANY’S approval of MILESTONE achievement, and / or
    2. COMPANY’S approval of progress measurement, and / or
    3. COMPANY’S approval of DAYWORKS, and / or
    4. COMPANY’S approval of LUMP SUMS
    5. COMPANY’S approval of construction cost reports
  1. **Payment for variation orders**

Payment of VARIATION ORDERS will be made monthly after the respective VARIATION ORDER WORK is completed. If the execution of VARIATION ORDER WORK will last for more than one month, progress payments can be agreed upon.

* 1. **Payment for HSE incentive agreements**

In case COMPANY and CONTRACTOR have agreed upon a HSE incentive scheme for the WORK, the details of the incentive scheme are then defined in EXHIBIT E – SPECIFICATIONS. If, upon completion of the WORK, CONTRACTOR’S HSE performance results in a bonus payment, CONTRACTOR shall raise a VARIATION ORDER REQUEST. Should CONTRACTOR’S HSE performance result in a malus, CONTRACTOR shall deduct the corresponding amount from the final invoice.

* 1. **Final invoice**

Payment of the final invoice will be made subject to the following pre-conditions:

* + 1. COMPLETION OF WORKS CERTIFICATE approved by COMPANY, and
    2. final figures of the WORK (BILL OF QUANTITY) based on the AS-BUILT DOCUMENTATION approved by COMPANY, and
    3. complete documentation received and approved by COMPANY, and
    4. CONTRACTOR’S release of liens and claims statement as per art. 23.4 of the Conditions of Contract, and
    5. receipt of the bank guarantee for the MECHANICAL WARRANTY PERIOD as per EXHIBIT J – GUARANTEES, and
    6. close out report as per EXHIBIT D – ADMINISTRATION REQUIREMENTS approved by COMPANY.

The final invoice shall show the compensation due to CONTRACTOR structured according to the BILL OF QUANTITY. The final invoice shall clearly identify the original compensation due to CONTRACTOR, adjustments to the BILL OF QUANTITY, approved Variation Orders, penalties and other deductible amounts due to COMPANY.

CONTRACTOR shall present the final Invoice within 60 (sixty) DAYS after the date of the COMPLETION OF WORKS CERTIFICATE. If CONTRACTOR does not send the final invoice within this deadline, COMPANY may set a reasonable additional deadline in writing and at the same time reserve the right to prepare a statement for the final settlement after the expiry of the additional deadline. CONTRACTOR may only object to the final settlement prepared by COMPANY if CONTRACTOR submits an objection within 14 (fourteen) DAYS after having received the final settlement. Otherwise, the final settlement is deemed to be accepted by CONTRACTOR.

3 (three) months after issuing the COMPLETION OF WORKS CERTIFICATE all unsettled CONTRACTOR'S payment claims will become null and void.

All payment claims not covered by the final invoice shall be considered as non-existing.

If COMPANY has objections to CONTRACTOR’S final invoice, these shall be submitted within 45 (forty-five) DAYS from receipt of the final invoice.

# EXTENDED SCOPE

* 1. **General**

Any change in the BILL OF QUANTITY and / or the CONTRACT SCHEDULE might also influence the LUMP SUMS indicated for the BOQ chapters 002 to 099. It is, however, agreed upon that changes up to plus 20% (twenty percent) of the initial CONTRACT SUM for WORK covered under BOQ chapters 100 to 490 will have no influence on the LUMP SUMS as shown in BOQ chapters 002 to 099. For the values exceeding the limit mentioned above an adjustment of the LUMP SUMS of BOQ chapters 002 to 099 has to be calculated. Such an adjustment will be included in the final invoice.

* 1. **Adjustment of lump sums in** BOQ chapters 002 to 099 **due to an extension of the contract schedule**

In case CONTRACTOR is entitled to an extension of time due to reasons attributable to COMPANY and in accordance with the Conditions of Contract, CONTRACTOR shall be entitled to issue a VARIATION ORDER REQUEST for such extension.

The value for the extension of WORKS to be performed after the scheduled COMPLETION OF WORKS date shall be determined based on the LUMP SUMS mentioned in the BILL OF QUANTITY chapter 002 to 099, for all items applicable, except e.g. for mobilisation and demobilisation cost. The cost shall be proportionally determined in relation with the planned CONTRACT SCHEDULE to the extended CONTRACT SCHEDULE.

This method is applicable when CONTRACTOR is further on working with full load during the extended CONTRACT SCHEDULE. Otherwise the LUMP SUMS of chapter 002 to 099 of the BILL OF QUANTITY have to be reduced and mutually agreed upon by the PARTIES.

* 1. **Adjustment of lump sums of** BOQ chapters 002 to 099 **due to change of volume of the bill of quantity chapters 100 to 490**

If the difference between the initial CONTRACT SUM for WORK covered under BOQ chapters 100 to 490 and the final measured CONTRACT SUM for WORK covered under BOQ chapters 100 to 490 results in more than 20% (twenty) of the initial CONTRACT SUM for WORK covered under BOQ chapters 100 to 490 and the WORK is performed within the CONTRACT SCHEDULE, CONTRACTOR shall be entitled to present a VARIATION ORDER REQUEST. Such VARIATION ORDER REQUEST shall be accompanied by a list of the personnel, equipment, services, and/or other items additionally required and utilised to account for the increase of WORK. In case the VARIATION ORDER REQUEST is accepted by COMPANY, the LUMP SUMS for BOQ chapters 002 to 099 will be increased according to the following formula and a VARIATION ORDER shall be issued by COMPANY accordingly:

**0,35 A (B-1,2C)/C**

Where:

A = Initial CONTRACT SUM of BILL OF QUANTITY chapter 002 to 099

B = Final CONTRACT SUM of BILL OF QUANTITY chapter 100 to 490

C = Initial CONTRACT SUM of BILL OF QUANTITY chapter 100 to 490

The sums will be calculated by multiplying the quantities with the applicable UNIT RATES and LUMP SUMS.

In no case will VARIATION ORDERS be considered for determining the overrun of 20% (twenty percent), i.e. VARIATION ORDERS will not be considered determining the final volume of the BILL OF QUANTITY.