CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

- **MAIN MEASURES FOR MINIMIZING THE TIME RISK DURING THE IMPLEMENTATION OF THE PUBLIC PROCUREMENT AND FOR CONSTRAINING THE NEGATIVE CONSEQUENCES OF AN EVENTUAL DELAY IN THE PERFORMANCE OF THE EPC CONTRACT;**

The Resources of CPW devoted to the execution of the IGB project secure the timely and safe production and delivery of the steel pipes to the EPC sites.

The main measures for minimizing the time risks are the mobilization of the 5 mills plus delivery plans which includes as alternative Fast Track Delivery

PRODUCTION CAPACITY

MILLS	*CAPACITY/ TNS*	*CAPACITY METERS*	*PROCUREMENT QUANTITIES / METERS*
SAWH MILL	*375.000 TNS / ANNUAL*	*1.522.816 meters*	*160.758*
SAWL MILL	*400.000 TNS / ANNUAL*	*1.023.017 meters*	*26.890*
COATING MILL	*6.300.000 m² ANNUAL*	*2.471.557 meters*	*187.648*
LINING MILL	*2.000.000 m² ANNUAL*	*825.082 meters*	*187.648*

WAREHOUSE AREA

Corinth Pipeworks SA Available for min. 400.000 m²

Stomana SA Available for min. 100.000 m²

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IGB – Delivery Plan/ Delivery Schedules

MAIN PLAN

THISVI PLANT
↓ *Trucks*
THIVA TRAIN STATION
↓ *Railway*
BULGARIAN TRAIN STATIONS
↓ *Trucks*
EPC YARDS BULGARIA

THISVI PLANT
↓ *Trucks*
THIVA TRAIN STATION
↓ *Railway*
GREEK TRAIN STATION
↓ *Trucks*
EPC YARDS GREECE

STANDARD DELIVERY 198 DAYS
↓
PRODUCTION AND DELIVERY TOTAL 10 MONTHS

CONTINGENCY PLAN

THISVI PLANT
↓ *Trucks*
THISVI PORT PRIVATE USE
↓ *Vessel*
BULGARIAN PORT BURGAS
↓ *Railway*
BULGARIAN TRAIN STATION
↓ *Trucks*
EPC YARDS
↓
FAST TRACK DELIVERY 125 DAYS
↓
PRODUCTION AND DELIVERY TOTAL 7,5 MONTHS

The combination of CPW Production Capacity and the efficient Delivery Plan secure the elimination of time Risk for the IGB Project

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CPW by standard follows a procedure that involves identification of the techniques, tools and their applications for risk identification, assessment, and mitigation applied to different aspects of the Quality Management System and the Project. The objectives of risk assessment and management are to:

- Provide early identification and management of risks
- Provide risk assessment criteria
- Make available information that enables decision making
- Introduce an effective risk treatment
- Monitor and review risk level and status

Conducting effective risk management is dependent upon having well defined roles and communicated responsibilities. The management of the involved departments has the responsibility to:

- Analyse and classify risk
- Control and monitor risk
- Establish risk acceptance criteria
- Set contingency plans or undertake preventive / corrective actions.

Risk management includes systematic processes designed to coordinate, facilitate and improve decisions making and actions taking with respect to the assessed risk. The steps to initiate and plan a risk management process are the following:

- Define the stage where a potential risk is identified.
- Assemble information relevant to the potential risk
- Identify responsibilities for risk management

The following diagram shows all the relevant to risk management processes and their interaction:

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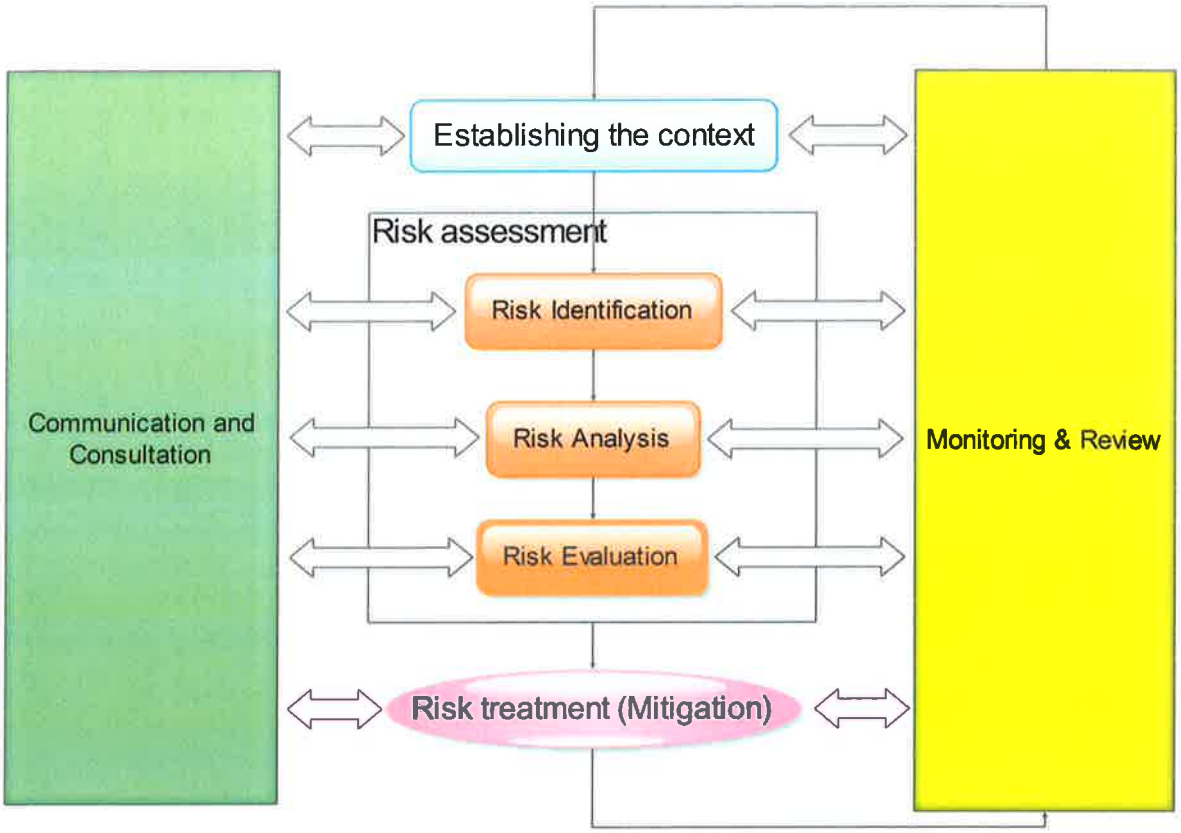

In case of the particular project, the risk management initiation process begins by establishing the context of the risk management to the limits of the specific project. Communication between the stakeholders is necessary for this phase.

Risk assessment is the overall process of identifying, analyzing and classifying risk, as described in the following paragraphs.

Risk assessment associated with product delivery includes as a minimum, facility / equipment availability and maintenance, subsupplier performance and material availability / supply.

Risk assessment associated with product quality includes as a minimum, delivery of nonconforming product and availability of competent personnel.

Identifying Risks

Risk identification should include risks whether or not their source is under the control of CPW even though the risk source or cause may not be evident.

The techniques used by CPW project team for risk identification are:

- Brainstorming
- Semi-structured interviews/ meetings

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- Semi-structured "What-if" Technique (SWIFT)

Analysis and evaluation of Risk

CPW team reviews the Risk Management List versus the project scope, objectives and requirements. For each risk identified, the CPW team has to consider causes, sources, existing controls and/or mitigation actions, consequences, likelihood and it is important to adequately analyze them.

When a risk is analyzed, a brief description is given, as well as the existing responsibilities and controls for monitoring and mitigation of the risk. For the purpose of a project, mitigation actions are included in the analysis and considered during the evaluation process that follows.

The evaluation process refers to:

- existing controls (methods, procedures, indices etc)
- severity of the impact
- probability of occurrence (likelihood)
- acceptance level (depending on total score)
- need for a treatment plan (further mitigation actions) if risk is not acceptable

Using the techniques defined in the previous paragraph, project team evaluates the existing control system and classifies it as "adequate", or "inadequate". If inadequate, further treatment plan (s) should be determined and implemented to mitigate the risk.

Severity of the impact and likelihood are classified. Multiplying Impact and Likelihood score a total score prioritize the risk. Pre-specified limits define if the Risk is "Acceptable" and there is "No" Need for a Treatment Action Plan. Accordingly if the Risk is "Not-Acceptable" and there is Need for a Treatment action/plan.

Review of Risks

Regular reviews are conducted by the CPW project team, consisting of key representatives of relevant functions, e.g:

- Steel Procurement
- Mill Production
- Logistics
- Quality
- Financial
- Project Management

The output from the review meeting includes any decisions or actions related to:

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- Acceptance, revision, and evaluation of project risk management plan.
- Evaluation of treatment/mitigation actions
- Improvement of project risk management process/lessons learnt

Within the filed of risk assessment, please note some major advantages of our proposal:

- It does not involve subcontracting of any production activity, which in principle reduces many major risks of the project.
- Our Thisvi facilities involve one single location of pipe production, coating, lining storage and load out of ships.

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