

5th October 2015

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Gillian Sinclair
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Ref: HZI Installation Quality to Date

Dear Gillian,

We can confirm that in general the quality of construction on the EnviRecover project is good.

HZI have a site inspection procedure, which is outlined in the attached document, in order to monitor quality. There is a good relationship between our Site Representative, Paul Draffan and HZI's quality manager Georgios Apostolidis, and we are invited to all HZI site intermediate inspections (IIS), so that components can be inspected prior to insulation. We will also be invited to final site inspections (FIS). These inspections present the opportunity to check quality documentation and pick up any snags prior to the final Mechanical Erection Completion (MEC) inspection for the system. The MEC is the final inspection for each system to ensure that it meets the contractual and good industry practice requirements.

We are also able to review HZI's quality monitoring documentation, including weld maps, at any time, through arrangement with the HZI Quality Manager.

In addition to the HZI organised inspections, we carry out our own independent plant walk downs and inspections daily. Any issues we encounter are raised through the observations system. To date, 39 civil observations have been raised (with 12 closed) and 4 process observations have been raised. Compared to other projects, this is a relatively low number, and none of the observations raised to date give any particular cause for concern.

The quality of material and equipment delivered to site is good. In particular we have been impressed with the professionalism and diligence of Carey's, Refako and Mostostal Pulawy. Equipment has also been inspected prior to shipment from the factory during Factory Inspection Workshops (FIWs). As part of these inspections, the quality system of the boiler supplier Refako was audited and found to be robust. The turbine rotor was inspected and confirmed that the balancing requirements had been met. Our electrical engineer has also been impressed with the build quality and specification of the electrical panels inspected to date, with only minor issues raised.

In conclusion, the quality of site installation is good and we currently have no major concerns. There has been no reduction in quality of the civil works since the termination of the Interserve contract. The key Interserve subcontractors such as Arup, Royal Haskoning and Adstone have been retained. Where there has been a replacement of a subcontractor e.g. Bemac for Carey's the level of quality has been maintained.

Yours sincerely
FICHTNER Consulting Engineers Limited

Mark Shatwell
Project Manager

Stuart Wilson
Fichtner Project Director