

ANNEXURE "A"

TRANSACTION DOCUMENT

Service Order

1. SCOPE OF WORK

1.1 SERVICES

Introduction

The Petroleum Oil and Gas Corporation of South Africa (SOC) Ltd, herein after called PetroSA, operates a Gas to Liquid Processing Refinery and related facilities in Mossel Bay, including the FA Platform and facilities in Bloemfontein and Tzaneen.

PetroSA requires a capable Supplier for the provision of scaffolding services at its facilities as stated above and where practical at other facilities operated by PetroSA throughout the Republic of South Africa on an as and when required basis. These services will include in the main the following:

- Scaffolding erection and dismantling when required and directed by PetroSA
- Modifications / Alterations of erected scaffolding
- Provision of all the required management, supervision, labour, transport, consumables, equipment, administration related to the provision of scaffolding services
- Inspection of erected scaffolding

It is expected from the Supplier to provide the Service expertise, advanced techniques, reliable equipment, manpower, and experienced project management, including preparation and execution plan of the works in accordance with and within time frames defined by PetroSA.

Onshore

As a recommendation and based on current usage the Supplier will be required to keep and maintain a minimum of **200 Tons** of scaffolding material at the GTL Refinery. This does not bind PetroSA to pay rental for material kept on site. The Supplier will be required to ensure that the material mix enables the provision of these services without delay. PetroSA shall only pay for rental of scaffolding material after seven days of erection (from day eight), when the scaffold has been certified safe and tagged as such.

Offshore

As a guideline and based on current usage, the recommended scaffolding material to be kept and maintained at the FA Platform is **40 Tons** of galvanised

scaffolding material and required components on the FA Platform, all of which will be payable on a monthly rental basis based on the agreed contract rates. The supplier shall agree on the component mix with PetroSA. PetroSA shall pay rental for all scaffolding material kept at the FA Platform.

All scaffolding material kept Offshore shall be galvanised; ladders shall be wooden and the Supplier shall only keep three-ply laminated boards

The Supplier should, however, be able to mobilise additional scaffolding material and resources when required within 48 hours for both on and Offshore. It will also be expected of the Supplier to replace any scaffolding components that are not usable or deemed unfit for purpose. All defective material should therefore be removed from site and replaced immediately at the Supplier's cost.

The Supplier will be expected to furnish PetroSA with a list of scaffolding components at the commencement of the contract for both the GTL Refinery and the FA Platform. This list must be updated bi-annually from the commencement date of the contract.

Minimum Crew Requirements

If there is no work, PetroSA will reimburse the Supplier for the minimum crew as specified in Table A below:

If there is no work, PetroSA will reimburse the Supplier for the minimum crew as specified in Table A below:

- The minimum crew consists of a list of personnel as indicated by PetroSA
- The Supplier shall be required to provide PetroSA with a list/names of the minimum crew at the commencement of the contract and shall ensure that PetroSA is updated on any changes made to the minimum crew. Prior approval to any changes of the agreed upon minimum crew should be sought from PetroSA.
- Work is primarily reserved for the agreed minimum crew. The Supplier shall make informed decisions with regards to additional resource requirements and mobilise as such at no additional cost to PetroSA.
- Augmentation of the offshore crews shall be agreed to between the Supplier and PetroSA.
- Payment for the required minimum crew when there is no work shall only be done if the work done on that particular day is not enough to cover the minimum crew costs.

Minimum crew as requested by PetroSA shall comprise the following job categories which will be paid for standing time in the absence of work from PetroSA.

Minimum crew - Table A

GTL Refinery	
Designation	Quantity
Supervisor	1
Safety Officer	1
Foreman	1
Charge hands	1
Fixer	1
Scaffold Hand	3
Driver Code 14	1
Total	9

FA Platform	
Designation	Quantity
Foreman	1
Charge Hands	6
Total	7

NB: Crews at the FA Platform are not allowed to work for more than 14 days. The Supplier will therefore be expected to alternate their offshore crews after 14 days.

PetroSA shall pay for the Offshore minimum crew (or actual crews on site) on monthly basis or such intervals agreed between PetroSA and the Supplier.

1.1.1 Procedures

DOCUMENT NUMBER	DESCRIPTION
SABS Code of Practise SANS 10085	Company must comply to this practise
ISO 9001	Quality Management System
Act No.85 of 1993	Occupational health & Safety Acts
Act No 28 of 2002	Minerals and Petroleum Resources Development Act
WP/MRE/FBS/CNT/004	Safe Operating Work Practise for Scaffolding Building.
ACT 29 of 1996	Mines Health and Safety Act Regulations
SMS	FA Platform Safety Manuals Volumes I,II,III & IV

1.1.2 Capacity and capabilities

The Supplier shall be required to update the following on an as and when required basis:

- The Supplier shall, in order to ensure competent management structure, supply an organogram with full details of its personnel structure including curriculum vitae of its key personnel with contact details.
- The Supplier to indicate permanent labour on their payroll with their skill levels.
- The Supplier must indicate the resources at their disposal, including trucks, material and labour.

1.1.3 Expertise and Technical Support

The Supplier shall have the technical support and expertise to provide professional advice and to design and approve special requirements on an ad hoc basis.

1.1.4 New Technologies, Products, Trends and Best Practices

It will be expected from the Supplier to keep in touch with up-to-date technologies, products, trends and practises in its field of expertise and share any information with PetroSA that could positively contribute to improve the service schedule, quality of service, safety and cost.

1.1.5 Training

The Supplier shall be responsible for training all its personnel, including casual labour, to the minimum required level of competency to safely and effectively perform their duties injury free at no cost to PetroSA.

The Supplier to pay their own employees for statutory/regulatory training. PetroSA will not reimburse the Supplier.

1.2 PERSONNEL

To comply with the requirements of this contract, the Supplier's personnel are required to be suitably qualified and competent in order to maintain a high level of workmanship. Before any resources will be allowed on site, proof of competency must be made available. The following are minimum requirements.

Designation	Minimum Experience (Years)	Minimum Qualification
Site Manager	3 years	Matric

Supervisor	6 years	SSCI - Scaffolding Safety Control and Inspection
Safety Officer	3 years	SSCI - Scaffolding Safety Control and Inspection
Foreman	4 years	SSI qualification - Scaffolding Safety Inspection
Charge Hand	3 years	Erectors Course – Module 2
Fixer	2 years	Fixers Course – Module 1
Scaffold Hand	No experience	Scaffold hand module

All other Training for specific tasks/areas will be done by PetroSA. This shall include amongst others:

- Regulatory training
- All other internal training as required by PetroSA

1.3 BUSINESS PROCESS

1.3.1 Normal Operating Conditions: Maintenance

The Supplier shall, at the commencement of the contract, receive a Purchase Order against which all their invoices shall be paid. The Supplier shall ensure that this Purchase Order is reflecting on all their invoices.

Before commencing with any job, the Supplier shall be issued with a Works Order/Job Card. The Works Order number shall also be reflected on the supplier invoices and the job card attached as one of the invoice supporting documents.

All payments to the Supplier for work done Onshore shall be based on the unit rates tendered by the Supplier. Only under exceptional circumstances where it becomes impractical to use the unit rates shall day works be applied, this must however be pre-agreed between the supplier and PetroSA. Day works, where applicable, shall be signed off on a daily basis by a PetroSA representative.

All resources (material and labour) at the FA Platform shall be paid for by PetroSA while at the FA Platform.

1.3.2 Turnarounds and Projects

Turnarounds and minor projects are included as part of the maintenance contract. Only under exceptional cases will this removed as part of this contract with the main one being the suppliers performance.

1.3.3 Shutdown

Shutdown requirements are excluded from this contract.

1.3.4 Inclement Weather

PetroSA shall, in the event of adverse weather conditions, pay the supplier for the crews on site at a minimum of four hours or the actual hours that the crews would have spent on site and ordered to stand down.

PetroSA shall in the event of cancellation of choppers, seat limitation on the chopper, and personnel on board (POB) limitations pay the Supplier 8 hours per person for the crew ordered to stand down (FA Platform).

1.3.5 Prerequisites

All work shall be performed in accordance with the approved PetroSA procedures, standards and specifications and it will be the responsibility of the Supplier to fully acquaint its employees with the content thereof.

The Supplier shall be responsible to obtain the necessary permits to work prior to the commencement of the services specified on the Works Order.

The Supplier shall be responsible for ensuring that the workforce of the approved sub-contractors is competent and fully equipped to perform the services safely.

1.3.6 Abnormal operating conditions (breakdowns and emergencies)

Similar conditions are in force as under normal operating conditions except that work may proceed without the receipt of the official works order.

The work must be confirmed to be a genuine priority or breakdown by a PetroSA representative.

The Supplier will be held responsible for recording such instances in a logbook and acquire the signatures of the relevant PetroSA representative.

The official works order shall be issued to the Supplier within 24 hours of the initial request

1.4 SUPPLIER RESPONSIBILITIES ON SITE

The Supplier shall establish itself at the PetroSA designated site and supply adequate resources to enable it to perform the services.

1.4.1 Site Establishment

PetroSA will supply a Contractors Yard and an office building for the Supplier and the Supplier must maintain the building for the duration of the Agreement

and return it to PetroSA in the same condition it was received excluding normal wear and tear. The supplier could decide to add additional offices / storage at their own cost (not payable by PetroSA)

The cleanliness of the yard and buildings must comply with the PetroSA Safety and Housekeeping Policy.

PetroSA reserves the right to randomly conduct safety inspections of the premises, buildings and equipment on site.

PetroSA will not provide fuel for Supplier's vehicles.

Site establishment cost shall include all the necessary training, induction and medicals

1.4.2 Labour

The Supplier shall supply all labour, supervision, management, other overheads and specialist personnel to perform the services.

The Supplier shall give preference to suitable labour from the Mossel Bay area.

All personnel shall be suitably qualified and have the necessary experience to perform the services.

The Supplier's Site Manager shall ensure that only qualified and competent people will be allowed to work on Site.

Proof of training must be submitted before anybody will be allowed on site.

PetroSA will have the right to evaluate, test and interview all personnel designated to perform the services.

PetroSA reserves the right to object to any personnel who in terms of this agreement or any PetroSA policy is deemed to be incompetent, negligent, guilty of misconduct or unsuitable.

The Supplier shall immediately remove such personnel from the premises and provide a satisfactory replacement, if required, at the Supplier's own cost.

All personnel, including casual labour, must be able to read, and understand safety signs and participate in on-the-job safety talks.

1.4.3 Materials

All materials supplied by PetroSA on a free issue basis shall remain the property of PetroSA and any surplus material shall be returned to PetroSA upon completion of the services.

The Supplier is responsible for transportation of the scaffolding material on and off site

The Supplier shall also be responsible for any loss of material due to negligence, misconduct or bad workmanship.

The Supplier shall maintain a scaffolding register of all the scaffolding material on site and the register to be sent to PetroSA weekly. A weekly scaffolding report of erected by the supplier shall also be required.

1.4.4 Equipment, Plant and Tools

The Supplier shall be required to keep sufficient plant, transport, tools and equipment on site to effectively perform the service for the normal day-to-day requirements.

1.4.5 Reserve Capacity

The Supplier shall state what additional back-up manpower and equipment are available with associated mobilisation windows, if required by PetroSA.

1.4.6 Utilities and facilities at charge

PetroSA will provide the following utilities and facilities to the Supplier for which the Supplier shall be charged:

- Telephone and Fax lines (activation deposit of R1,000.00 is required)
- Supplier will be charged for all calls made and faxes sent.

1.4.7 Inspection and Identification of scaffolding material

The Supplier shall be responsible for clearly marking all its material, plant tools and equipment for easy identification.

PetroSA shall not be responsible for any loss of the Supplier's materials, plant tools and equipment.

The Supplier is required to inspect material on site and provide inspection report as SANS 10085.

The scaffolding to be erected as per SABS Code of practise SANS 10085.

1.5 WORKING HOURS

The Supplier shall ensure that the services are available on a 24 hour per day seven days a week basis.

Primarily, work is performed during normal hours of work, unless the Supplier is specifically instructed otherwise by PetroSA.

1.5.1 Normal Working Hours

Refinery

Normal working hours are as follows:

- Monday to Friday: 08:00 to 16:30 - with half hour lunch break
- Saturday & Sunday: Normal day off.

FA Platform

Working hours will be as follows:

- Monday to Sunday: 12 hours per day
- Meals and tea breaks to coincide with FA Platform Services Department.
- Working hours will be 14 days of 12 hour shifts in a two week cycle and shall mean all the days of the week, including Saturdays, Sundays and Public Holidays.
- Any time worked in excess of 12 hours per shift shall be considered as overtime (to be paid at a rate of 1.5). Such overtime hours may only be worked with the permission of the Offshore Installation Manager. Any unauthorized overtime work shall not be paid for by PetroSA.

1.5.2 Overtime

All overtime requirements shall be pre-approved. Any unauthorised overtime work shall be for the Supplier's cost.

Onshore:

- Overtime 1 Mondays to Fridays after 8 hours of work, and Saturdays
- Overtime 2 Sundays and Public Holidays

Offshore:

- Overtime Working in excess of 12 hours per day (only applicable with the express permission of the Offshore Installation Manager) and working beyond the allowable 14 day cycle.

1.5.3 Night Shift

Night shift work shall be set up as and when required by PetroSA to satisfy operation requirements.

The first eight hours of any night shift worked shall be classified as normal time for personnel that only come in at night. Overtime will only be applicable once the 8 hours have been exhausted.

PetroSA will pay Suppliers a night shift allowance of **10%** for work done at night. Night work hours will be as per the BCEA/MEIBC provisions.

1.5.4 Public Holidays

In general, all Public Holidays are observed by PetroSA but this is fully dependent on PetroSA Production and Maintenance operational requirement.

1.5.5 Time and Attendance System

PetroSA operates a Time and Attendance System to determine or cross check the Supplier's billable hours. Where it has been decided that day works shall be used for the approval of Supplier payments time sheets must be filled in on a daily basis and signed off.

1.6 GENERAL

Any activity, work or condition not covered in this Agreement shall be negotiated and agreed on in advance with PetroSA.

Proper clean-up and housekeeping after the completion of a specific job shall be seen as part of the complete job and payment may be withheld if not adhered to.

The Supplier shall be responsible for properly barricading and protecting surrounding process equipment with appropriate means like canvasses during activities performed within the process units.

Any damage to PetroSA equipment due to negligence or poor workmanship will be for the account of the Supplier.

1.7 SAFETY EQUIPMENT AND APPAREL

The Supplier shall ensure that all its personnel engaged in the performance of the work at site are provided as a minimum with the following safety equipment and apparel in good condition:

- Safety shoes or boots
- Overall with long sleeves

- Hardhat
- Rain suit for wet work and days of rain
- Safety gloves
- Hearing protection
- Safety glasses
- Safety harness
- All weather jacket

A safety harness is required at elevations of more than 2 meters.

All safety equipment or apparel must bear the SABS mark and must be approved by the PetroSA Safety Department.

PetroSA will provide, free of charge to the Supplier, any additional safety equipment or apparel to satisfy specific area safety requirements.

This safety equipment or apparel will remain the property of PetroSA and any damage because of abuse, neglect, misuse, or loss, will be for the Supplier's account.

1.8 QUALITY ASSURANCE

The Supplier shall ensure that the Services, including workmanship, products, materials, documentation, tools and equipment used or required for the rendering of the Services, comply with PetroSA's Quality Assurance and Certification Requirements procedure.

Any rework or damage to PetroSA equipment due to negligence, poor quality of workmanship, materials or application of incorrect material shall be to the account of the Supplier.

1.9 SAFETY HANDOVER CERTIFICATE

The Supplier should implement a scaffold handover certificate to make sure that scaffolding built is fit for purpose and complies with the scaffolding regulations.

What must be in the handover certificate?

- The location of the scaffold handed over
- Date and time of the handover
- The duty loaded permitted on the scaffolding
- Details that the scaffolding complies with SANS10085
- The permitted number of working lifts
- Name and signature of the person handing over the scaffold
- Name and signature of the person accepting the scaffold

The Supplier to implement the scaffolding tagging and handover as a good work practice and therefore it is recommended to be observed at all times. The scaffolding must be handed over by a competent and trained scaffolder.

The scaffolding should be inspected and handed over by someone other than the person who erected the scaffolding structure to make sure that defects are identified and corrected prior to handing over the scaffolding as safe for use to PetroSA.

1.10 SAFETY PLAN

The Supplier's Safety Plan shall be specific to this Agreement and shall contain details of the following:

- Standards and Procedures to be followed to ensure Supplier personnel safety in the execution of the works and in compliance with PetroSA SHEQ requirements, including procedures for identifying protective equipment for specific jobs and procedures for confined space entry.
- Accountability of Supplier's key personnel with regards to safety at the work site.
- Responsibility of Supplier's Safety Officers and number of Safety Officers to be used.
- Supplier safety indoctrination for its personnel and safety meeting frequency.
- Procedures to ensure safety hazards are identified through proper planning and continuous monitoring.
- Preparation of risk assessments to identify hazards and the control measures to be used to eliminate or reduce the risk
- Emergency procedures and first aid
- Housekeeping
- Basic personal protective equipment; compliance with PetroSA requirements
- Accident/incident reporting

The Supplier shall describe in this plan how his/her Company will comply with environmental regulations of PetroSA.

1.11 ACCOMMODATION AND TRANSPORT

No accommodation or transport will be provided by PetroSA other than on the FA platform. The Supplier shall provide all necessary daily transport for its personnel to and from work, to the Heliport and for equipment movement on site. Supplier shall supply transport for scaffolding to the harbour for the FA platform. Transport from the harbour to the FA Platform will be provided by PetroSA. No costs will be refunded by PetroSA for the above.

PetroSA shall transport, at its own cost, the Supplier's personnel who will be working on the FA Platform in accordance with the scope of work specified herein, from the heliport at the George Airport to the Platform.

The Supplier shall be responsible for all costs in relation to transport of personnel, tools, equipment and materials to and from the Heliport or harbour and PetroSA's Main Warehouse at Mossel Bay.

The current flight schedule from the heliport follows, but is subject to change from time to time. PetroSA shall advise such changes timeously.

DAY	FLYING FROM	CHECK-IN TIME (one hour before departure)	DEPARTURE TIME
TUESDAY	HELIPORT - GEORGE	08:00	09:00
WEDNESDAY	HELIPORT - GEORGE	08:00	09:00
THURSDAY	HELIPORT - GEORGE	08:00	09:00

The Supplier shall be responsible for making its own arrangements regarding accommodation when not accommodated on the FA Platform. This will be for the cost of the Supplier.