

ANNEXURE F - SERVICE LEVEL AGREEMENT

SERVICE LEVELS

The successful Supplier(s) shall adhere to the Service Levels set out and agreed to in this Annexure. The Supplier will implement a formal process to ensure that Service Levels set out in this Annexure will be met monthly.

1. Introduction

- 1.1. This Service Level Agreement ("SLA") sets forth qualitative descriptions of the critical service levels. The numerical minimum service levels expected services levels, and commencement of obligations associated with such critical service levels are also set forth in the relevant sections of this SLA.
- 1.2. At all times during the term of the Agreement, the Supplier shall provide the Services to meet or exceed the service levels defined in this SLA.
- 1.3. The service levels will be measured in intervals set out in paragraph 7 below.

2. Service Level Management

- 2.1. The Supplier shall monitor actual performance against each service level contained in this SLA in order to:
 - 2.1.1. Report and demonstrate service performance;
 - 2.1.2. Provide pro-active identification of problems and mitigation thereof; and
 - 2.1.3. Provide trend analysis to help predict future performance of the services.
- 2.2. As a result of trend analysis, Transnet will gain insight into where efficiencies can be achieved and where wastage can be reduced.
- 2.3. SLA reports will be reviewed in the relevant governance forums as set out in the Master Agreement.
- 2.4. In the event that the Supplier fails in any Month to meet any Service Level in any service category then the Supplier shall in respect of such failure take the action set out below for each respective failure.
 - 2.4.1. On request, where a Service Level does not meet the minimum Service Levels, the Supplier shall provide a report within 24 (twenty-four) hours on why the relevant Service Levels were not met and its plans to rectify performance where the Service Levels have not been met;
 - 2.4.2. The Supplier shall define interim fixes and long-term solutions for instances where the Service Category has missed the Service Level for 3 (three) consecutive Months to resolve the failure and shall submit details, in writing of the same to Transnet by the 5th Business Day following the distribution and agreement of the Service Level Report detailing such failure;

2.5. The Supplier shall discuss such proposals during the following

- 2.5.1. Contract Management Review meeting and the parties shall agree dates within which these remedial actions shall be completed; and
- 2.5.2. The Supplier shall maintain a record of the interim fixes, long-term solutions and remedial actions and the status of each action and provide reports in respect of those issues. The Supplier will keep Transnet updated on the progress of these actions during the Contract Management Review meeting.

3. Reporting

- 3.1. Unless otherwise specified elsewhere in this SLA, each service level and key measure shall be measured on a Monthly basis, or as stated in the criteria listed in paragraph 7 below.
- 3.2. The Supplier shall provide to Transnet, a set of reports to verify the Supplier's performance and compliance with the service levels and key measurements.
- 3.3. The Supplier shall submit a monthly Sustainability and Emissions Report to Transnet no later than the 15th calendar day of each month, covering the preceding reporting period
 - 3.3.1. The Supplier shall report its Scope 1 and Scope 2 greenhouse gas emissions in accordance with the Greenhouse Gas Protocol, supported by verifiable activity data.
 - 3.3.2. Activity data for Scope 1 reporting must include the following:
 - 3.3.2.1. Vehicle Fuel Consumption: Total fuel consumed by each delivery vehicle used for Transnet deliveries (litres).
 - 3.3.2.2. Vehicle Type: The report must clearly state the type of vehicle used for Transnet deliveries.
 - 3.3.2.3. Loaded Distance Travelled: Total distance travelled while transporting fuel products from the loading depot/terminal to Transnet delivery locations (kilometres)
 - 3.3.2.4. Vehicle Fuel Efficiency: Average fuel consumption rate of each delivery vehicle used for Transnet deliveries (e.g., litres per 100 km or km per litre).
 - 3.3.2.5. Transport Efficiency: Average fuel consumed to transport one tonne of product over one kilometre, expressed as litres per tonne-kilometre (L/t-km), where available.
 - 3.3.3. Activity data for Scope 2 reporting must include the following:
 - 3.3.3.1. Electricity Consumption: Total electricity purchased and consumed during the reporting period, expressed in kWh, supported by meter readings or utility invoices.
 - 3.3.3.2. Energy Source: the report must clearly differentiate between electricity sourced from the grid and electricity sourced from renewable energy sources, expressed in kWh.

4. General Principles

- 4.1. If the Supplier is unable to provide performance reports, the maximum Service Level Credit will become payable.
- 4.2. All Reports must be signed off by a nominated Transnet and Supplier representative.
- 4.3. On request from Transnet and in the event that the Supplier deems it as appropriate, the Supplier will provide information on planned or unplanned maintenance work.

5. Additions and Deletions of Performance Categories

- 5.1. Transnet may request to add or delete Performance Categories by sending a written change request to the Supplier. All requested changes shall be agreed to by Transnet and the Supplier before implementation and the agreed changes shall be implemented within the next reporting period, unless otherwise agreed to by both Parties.
- 5.2. Such change request shall include changes necessary to accommodate the addition of new Performance Categories.

6. Service Levels

- 6.1. The Service Levels are summarised in accordance with the service categories as explained below:

Ref	Service Categories	Acceptable Service Levels (Targets)
1	Lead Times	95% +
2	Ordered vs Delivered Litres	95% +
3	Relief/Self-help	95% +
4	Delivery Communication	95% +
5	Incidents [Transit and Delivery Incidents (i.e. spillages, contamination, etc)]	95% +
6	Submission of monthly reports	95% +
7	Sustainability & Emissions Reporting	95% +

- 6.2. Failure to submit the Monthly Sustainability and Emissions Report by the applicable due date shall constitute a failure against Service Category 7: Sustainability & Emissions Reporting and may be subject to the same corrective action and performance management requirements applicable to other service level failures.

6.3. The Service Levels are described below. The Respondents are required to comply with the lead times they commit to under means of measurement below:

No.	Performance Category	Performance Target
1	Lead times	
1.1	Normal order	<i>Deliver on the day specified in the delivery schedule</i>
1.2	Urgent order	<i>24 hours from receipt of Transnet order</i>
2	Ordered vs Delivered Litres	
2.1	Number of orders placed vs Number of orders delivered	<i>100%</i>
3	Relief Orders:	
3.1	Number of orders waived	<i>Zero</i>
4	Delivery Communication:	
4.1	Completion	<i>Signed Delivery Note confirming receipt of Fuel</i>
5	Incidents	
5.1	Transit and Delivery Incidents (i.e. spillages, contamination, etc)	<i>Zero</i>
6	Submission of Reports	
6.1	Monthly Delivery/Savings Report	<i>Every 15th of the month for the preceding month report</i>
6.2	Monthly SLA Report	<i>Every 15th of the month for the preceding month report</i>
7	Sustainability & Emissions Reporting	
7.1	Monthly Sustainability and Emissions Report	<i>By the 15th calendar day of each month for the preceding month's report</i>

 Respondent's Signature

 Date & Company Stamp