

Description of Service

1.0 DURATION OF SERVICES

EGYPTROL's Services shall cover the following two periods:

1.1 Mobilization Period

This period shall cover the time period from Commencement Date of the O&M contract to Takeover date of the Plant. It is proposed to be the first six month of services.

1.2 Operation Period

This period shall cover a time period of two (2) years from the Takeover date of the Plant.

In the absence of Owner providing a notice to terminate this Contract the Operation Period will be extended to additional three (3) years.

2.0 SERVICES TO BE PROVIDED

2.1 Services of Mobilization Period

The Mobilization Period will cover the period from commencement date till the date of taking over the Plant. It is expected to be six months.

The Scope of Services to be provided by EGYPTROL during Mobilization Period under the O&M Agreement shall include:

- a) EGYPTROL shall prepare a detailed O&M organization chart and develop the O&M mobilization plan detailing the activities sequence, schedule and cost. of mobilizing, training and preparing to operate the Plant.
- b) EGYPTROL shall review Plant acceptance test results. EGYPTROL will also provide OWNER with a written report of observed deficiencies and will indicate acceptability of systems for operation, as appropriate.
- c) EGYPTROL shall prepare a safety and loss prevention program and a security plan for the Plant.
- d) EGYPTROL shall develop with OWNER the corporate protocol, including reporting requirements and formats, accounting methodology, approval matrix and special reports of Plant expenses as reasonably required by OWNER.

- e) EGYPTROL shall carry out the screening and selection of subcontractors subject to procedure mutually agreed, and shall establish internal management protocols and reporting structures.
- f) EGYPTROL shall establish procurement capability and policies, including approval authority identification initiate formats and procedures for vendor invoice processing as well as reimbursement invoicing.
- g) EGYPTROL shall review the inventory on equipment, tools fixtures, and consumables. EGYPTROL shall submit to OWNER the deficiency list of anything for the O&M of the Plant.
- h) EGYPTROL shall establish and create the computerized database for the plant and the software that will be used for the O&M activities and control of the inventory. This will include installation of the system and the hardware testing, commissioning, and training of personnel to operate the system.
- i) EGYPTROL shall review available plant technical documentation including manuals and drawings. EGYPTROL shall also establish plant operation manuals and procedures.
- j) EGYPTROL shall establish hiring procedures and compose the selected work force in accordance with the approved staffing plan. Also, human resource policies and employment conditions shall be established.

2.2 **Services of Operation Period**

The duties of EGYPTROL and the Services to be provided by EGYPTROL during Operation Period under this Agreement shall include, among other things, responsibility for day-to-day operations, routine maintenance and management of the 4×125MW installation on 24 hours per day and 7 days per week basis and would cover the following:

- a) Operation of the Plant and equipment in accordance with the Plant operation manuals. Subject to other limitations, the Plant shall be operated in such a manner as not to decrease useful life or increase the scheduled maintenance for the equipment.
- b) Providing all labor service, tools, equipment and materials to make such repairs or replacements as may be necessary to operate and maintain all portions of the Plant.
- c) Coordinating scheduled outages, generation and dispatches with OWNER.

- d) Cooperate with the OWNER in responding to Emergencies on the OWNER Grid System, provided that the Technical Limits of the Plant shall not be violated thereby.
- e) Routine housekeeping and maintaining in good condition, the plant and equipment including making all authorized repairs, taking anti-erosion measures, and replacement of defective components in accordance with the Plant maintenance manual.
- f) Planning, coordination, and control support during scheduled outages and forced (breakdown) outages of the Plant as per the equipment supplier's specification unless EGYPTROL and OWNER mutually agree otherwise.
- g) Manage the repair of any equipment that fails or malfunctions. Where the failure is covered by warranty, EGYPTROL shall prepare and submit a warranty claim on behalf of OWNER.
- h) Providing book keeping and accounting services for the Plant billing to OWNER and maintaining accurate records in accordance with generally accepted accounting principles and cooperating with OWNER's financial auditors.
- i) Obtaining and maintaining insurance policies which are taken by EGYPTROL. Advising OWNER sufficiently in advance, to renew insurance policies taken by OWNER.
- j) Maintaining all current drawings, specifications, Operation and Maintenance Manuals and documents of the Plant and updating these, as required, to reflect any changes resulting from repairs or maintenance and submitting the revised manuals to OWNER.
- k) Arranging for scheduled testing of equipment relating to the Plant and calibration of meters, gauges and other measuring devices.
- l) Monitoring, controlling, and managing inventory of spare parts, materials, supplies, consumables and tools and arranging to procure and replace such items as are used or consumed.

- m) Making recommendations to OWNER for capital improvements/modifications together with estimated cost and financial benefit in terms of improved performance or enhanced reliability.
- n) Maintaining daily operational logs which shall include information regarding primary and secondary fuel consumption, energy generated, net energy sent into OWNER's grid, thermal efficiency, emissions, water consumption, chemical consumption, maintenance and repair activities and all other information that must be maintained on a daily basis in order to produce the daily, monthly and annual status reports.
- o) Preparing and submitting to OWNER daily, monthly and annual status reports in agreed formats.
- p) Coordinating deliveries of primary and secondary fuel to the Plant, interacting with the fuel suppliers and transporters as required, monitoring fuel stock levels, verifying quantities of fuel received and accuracy of invoices submitted by fuel suppliers, sampling, analyzing and monitoring quality of fuel deliveries and providing forecasts of fuel requirements.
- q) Ensuring safety standards including maintaining fire protection and safety equipment for the Plant. Any serious injury or accident to person or property shall be promptly reported to OWNER.
- r) Obtaining and maintaining all permits and licenses pertaining to O&M personnel.
- s) Providing administrative, personnel book keeping and accounting services, as required and ensuring good labor relation.
- t) Maintaining records of inspections, operational checks and financial transactions relating to the Plant.
- u) Preparation of target operating plan for each succeeding Tariff Period indicating performance goals, scheduled outages and major overhauls.
- v) Hiring, training and supervising all operation and maintenance personnel and administering labor relations.

- w) Notifying OWNER of any written notices of violations by EGYPTROL received by EGYPTROL of any law, statute, rule or regulation, order, writ, injunction or decree by any Governmental Authority applicable to its business and operations at OWNER in respect to the Plant within 7 days of receipt of such notice.

2.3 **Work not Included**

- a) The scope of services covered by this proposal does not include the switch yard. The operation and maintenance of the switch yard will remain the responsibility of the Owner. We believe that this agreement would be more feasible with regard to the transmission facility. However, EGYPTROL is willing to discuss this approach with the Owner and agree on common understanding of the O&M of this facility.
- b) The scope services covered by this proposal does not include the Long Term Services Agreement for the plant Gas Turbines equipment.