

ACCEPTANCE TEST PROCEDURE AND CRITERIA

1 TESTING AND ACCEPTANCE

- 1.1 The Company shall in accordance with the Project Schedule and Specifications, conduct system tests and acceptance test on the system.
- 1.2 Prior to such system tests and acceptance tests, the Company and the Contractor shall each nominate one or more representatives to be present during the respective tests, or if agreed between the Parties, available for consultation during the respective test period(s).
- 1.3 Following installation of the System, the Contractor shall submit the System to the system tests to ensure that the System conforms to the Specifications and is ready for the Acceptance Tests in accordance with the Project Schedule. The Contractor must rectify any non-conformance of the System with such requirements at no additional cost to the Company.
- 1.4 Acceptance of the System will take place on the date of the written acknowledgement by the Company to the Contractor of its acceptance of the System and this written acknowledgement shall be sent within ten (10) working days from the date of successful completion of the Acceptance Tests.
- 1.5 If the System fails the Final Acceptance Tests then the Company may require the Contractor to forthwith implement free of charge such alterations or modifications to the System as the Company shall in the circumstances reasonably judge necessary and in sufficient time to make possible the repetition of the Final Acceptance Tests by the Company in the presence of the Contractor's representative(s) within thirty (30) days of the date of failure (the "First Repeated Acceptance Tests") and at the Contractor's cost. The Contractor shall not charge the Company for the cost of attendance (by its representative(s)) at the First Repeated Acceptance Tests.
- 1.6 If the System fails the First Repeat Acceptance Test then the Company may at its option:
 - a) Require the Contractor by written notice to forthwith implement such further alterations or modifications to the System free of charge as the Company shall reasonably judge necessary to enable the System to pass repeat Acceptance Tests (the "Second Repeat Acceptance Tests") and at the Contractor's cost. The Second Repeat Acceptance Tests shall be carried out by the Company in the presences of the Contractor's representative(s)) at the second Repeated Acceptance Tests then the Company shall be entitled to proceed at its option under either clause 1.6 b) or 1.6 c) OR
 - b) Accept the System subject to such refund of the charges in respect of the System as the Contractor and the Company shall agree. If the Parties fail to agree to such refund within thirty (30) days of failure of the First Repeat Acceptance Test or Second Repeat Acceptance Tests pursuant to this Agreement the Company shall be entitled either to refer the matter for settlement in accordance with the dispute resolution procedures set out in Agreement.
 - c) Reject the System and terminate this Agreement without prejudice to any other rights or remedies to which the Company may be entitled hereunder or at law.
- 1.7 The issuance of any interim acceptance certificate for some parts of the System which have successfully completed the Acceptance Tests shall be without prejudice to the Company' right to reject the entire system in the event the other parts of the System and/or the entire system fails to pass the Acceptance Tests.

The Contractor shall provide the Company with all such assistance and advice as it shall from time to time required in the process of, or for the purpose of testing the System pursuant to this Agreement.

MANUALS

- 1 The contractor shall submit two sets of the following in hardcopy
 - a. Electrical Diagrams
 - b. Operation and Maintenance Manuals
 - c. PLC and Application software manuals
 - d. Third party manuals (eg motor, inverter, PLC manuals)
 - e. As built Drawings
2. The nature and contents shall be in accordance with design and specifications
3. Software in CD format

MAINTENANCE SUPPORT AND TRAINING

1. Maintenance

- 1.1 The 12 months Warranty Period shall be inclusive of "Preventive Maintenance" (PM), spares parts due to manufacturing defects. The contractor shall provide four complimentary preventive maintenance visits during the warranty period. The PM is a general cleaning, adjustment and inspection of the equipment, to ensure it is in good working order and operating at its optimal level.
- 1.2 A preventive maintenance schedule should be drafted and approved by the owner.
- 1.3 A maintenance checklist for all equipment shall be provided and signed off during PM

OPTION 1 :

Comprehensive Maintenance (3 years) for the above quoted equipment:

After 12 months Warranty	Annual Cost
As per option in Annex C	

Comprehensive Maintenance (5 years) for the above quoted equipment:

After 12 months Warranty	Annual Cost
As per quote in Annex C	

1. Training

- 1.1 Training shall be provided for both operation and maintenance staff to equip them with sufficient knowledge and competency.
 - a. Training notes shall be prepared for training and distributed to attendees. Two sets shall be included in the documentation hand over. .
 - b. The trainers for all relevant training courses and programmes shall be qualified personnel from the Contractor or Training Centre recommended by the Contractor
 - c. A record of all successful participants shall be issued to all trainees who can complete and pass the training session.

1.2 Operator Training

There should be 4 sets of training given to operations staff including the trainers and key staff. Theoretical and practical training shall be given with emphasis on operation of the equipment.

1.3 Maintenance Training

There should be 6 sets of training given to maintenance staff on the equipment. The training should cover machine safety and inherent risk. The training should preventive maintenance, corrective maintenance and troubleshooting

1.4 Software Maintenance

The training will enable the SATS Saudi Arabia's personnel to gain the necessary knowledge to make use of all the available software tools for the maintenance of software during the life span of the System.

2. Training Schedule

- 2.1 The Contractor shall propose a training schedule for each of the training courses proposed. The following information shall be included, but not limited to, in the schedule:
 - a) Training Content and Staff categories;
 - b) Duration of Training and Venue;
 - c) Equipment used.
- 2.2 Before the execution of the training courses, the Contractor shall propose the schedule in details for approval four (4) weeks before the actual training starts. The Contractor shall ensure that the training caters to all Operation, Maintenance and Engineering staffs of the following approximate capacities.
- 2.3 The Contractor shall ensure that trainings are conducted without disrupting normal operations. The number of trainees for each session will be decided by the employer.
- 2.4 The Contractor shall ensure all end-user concerned in the SATS Saudi Arabia are fully trained before system implementation, before the handover of the machine to SATS Saudi Arabia for System Integration Testing I.e. the sorter must be fully installed and all internal tests are already conducted by the vendor.

PROJECT MANPOWER

1. The project manpower shall be as follows: (to be provided)

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Annex G
Change Request

CHANGE REQUEST

Ref: ECR No. XXXX

S/no	Description	Cost Addition or Reduction	Impact to Project Schedule	Remarks

Reason for Change Required:

Signed by:

Date:

Representative of the Company

Signed by:

Date:

Representative of the Contractor

WORK SAFETY AND HEALTH (WHS)

All vendors (including but not limited to) subcontractors, agents etc. must conform fully with the KSA requirements.

1. GENERAL

- 1.1 Ensure their workers and sub-contractors have the required qualifications, competencies or licenses to carry out specific activities that may be required by Saudi's Laws & Regulations.
- 1.2 Ensure all instruments, machineries; tools (including hand-tools, electrical and mechanical tools) or vehicles must have the appropriate certificates, permits or licenses from the relevant authorities before it may be used inside the Company's premise.
- 1.3 Ensure all machineries, tools or vehicles are properly and safely used as per their purpose and design. No modification shall be made unless otherwise approved by the manufacturer or relevant authorities.
- 1.4 Use of the Company's tools, equipment or machineries is not allowed without the prior approval of the Company's authorised representative.
- 1.5 All operating permits, licenses or apparatus granted by the relevant local authority are to be submitted to the WSH Personnel on demand or upon request prior to any work commencement.
- 1.6 Observe and adhere to all posted "Danger", "Warning", "Caution" and "Notice" signs.
- 1.7 Smoking is strictly prohibited within the Company's premises except at Designated Smoking Area.
- 1.8 Lockout and Tag out should be implemented when servicing, inspecting, repairing, cleaning or maintaining machineries or equipment in the Company where the unexpected energization, start-up or release of stored energy sources could cause injury to the worker.
- 1.9 Risk Assessment MUST be conducted and established for works as prescribed in the WSH Risk Management Regulation. Contractor shall submit their risk assessment prior to commencement of the works.
- 1.10 Comply with all applicable Workplace Safety and Health legislations, regulations & others requirements, inclusive of the Company's safety rules and regulations.

2 HAZARD AREAS

- 2.1 Certain areas/rooms and operation within the Company's site where, because of the nature of the hazards, extra precautions must be taken. Before entering any of the following areas or starting work on any operation within these areas, the contractor is required to check with the authorised representative for a review of applicable WSH rules:
 - 2.1.1 High Voltage Electrical Areas
 - 2.1.2 Waste Water Treatment Plant
 - 2.1.3 Chemical Storage Areas
 - 2.1.4 Utility Shafts housing, Overhead Pipes and Ducts and Confined Spaces

3 OVERHEAD WORK

- 3.1 No overhead work shall commence if any person is present or over roadways or passageways until adequate precautions have been taken to ensure the safety of persons and property below.
- 3.2 Relocation of personnel shall be accomplished prior to and maintained throughout the overhead work period. The contractor shall make all personnel relocation requests to the Company's authorised representative.

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Annex H
Work Safety and Health (WSH)

3.3 Contractors are not permitted to crawl along and/or step on ductworks, cable trays, piping or other building structures.

4 HOUSEKEEPING

4.1 Materials should be carefully stacked and located so that it does not block Aisles, Doors, Fire Fighting Equipment, Eyewash Stations, First Aid Boxes, SDS Stations, Chemical Spill Kit, Fixed Ladders, Electrical Equipment or Stairways.

4.2 Nails protruding from board must be removed.

4.3 Concrete form and scrap lumber and all other debris shall be kept clear of all work areas.

4.4 Combustible scrap, waste materials and debris shall be removed from the building on a daily basis, preferably at the time of strip-out and disposed of at the designated collection points.

4.5 Overhead storage of debris, tools, equipment, pipes, etc. is prohibited. No loose material shall be left in the area above suspended ceiling panels.

4.6 The work area shall be kept free from any potential tripping hazards.

4.7 Do not obstruct passageways and exits.

5 FLOOR OPENINGS

5.1 Substantial barriers, railings, and covering material shall guard floor openings. The contractor shall supply all materials required to cover the floor openings.

6 CHEMICALS

6.1 Contractors must submit the most recent copies of the Safety Data Sheets (SDS) to the Company's authorised representative for any chemicals they plan to use in the Company's premises. All SDS must be submitted and approved for use by WSH Personnel prior to the contractor starting work.

6.2 All chemicals used shall be in their original container with the original vendor labels or properly-labelled secondary container. The labels must include chemical constituents, hazard information, safety precautions and proper use specifications.

6.3 Contractors are responsible for conducting "Hazard Communication" sessions for their workers and Sub-Contractors in accordance with governmental requirements.

6.4 All work with chemicals shall be carried out with minimal exposure to contractor and the Company's personnel.

6.5 All chemicals for the contract shall be purchased and supplied by the contractor, unless the contract specifically states otherwise. The proper disposal of used chemicals is at the expense of the contractor.

6.6 The Contractor is advised that there are some areas of the Company where hazardous chemicals are present. It is the contractor's responsibility to review all areas of his work and determine if a hazard to his personnel exists. Upon request, the Company will provide the necessary information for the contractor regarding hazardous chemicals used in our facilities.

6.7 Prevent contaminated water from escaping into open drains and/or public sewer. Prevent any spill causing water and soil contamination.

6.8 Contractors shall not store any chemicals at the Company's premises, including overnight storage, unless prior approval by the Company's authorised representative.

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Annex H
Work Safety and Health (WSH)

- 6.9 Adequate ventilation must be provided and maintained at all times when flammable and/or toxic chemicals are used.
- 6.10 Flammable, oxidizer and corrosive liquids must never be stored together.

7 LADDERS

- 7.1 The contractor is required to provide his or her own ladders, with company identification clearly visible. In no case shall contractors utilize the Company's ladders for carrying out their work.
- 7.2 When using a ladder in aisles, lobby, cafeteria or any other area that has free access to personnel and is not designated as a "construction area", the area around the ladder is to be barricaded with ropes and stanchions, cones or another contractor employee to direct personnel around the ladder work area.
- 7.3 The use of ladders with broken or missing steps/rungs, broken side rails or with other faulty or defective construction is prohibited.
- 7.4 Ladders shall not be placed adjacent to a door unless the door is locked or guarded.
- 7.5 Metal ladders shall not be used when working on any electrical systems unless properly insulated.
- 7.6 The contractor shall not use any ladders in an unsafe manner. This includes, but is not limited to, standing on the top step as well as No 2nd party holding the ladder.
- 7.7 Ladders are not to be set-up and left unattended. Ladders not in use should be stored in a secure area.
- 7.8 Permit-To-Work at Height would be required for any work above 2m.

8 COMPRESSED GAS CYLINDERS

- 8.1 Any compressed gas cylinder taken into the Company's premises must be in good condition, correctly labelled and content identified.
- 8.2 Compressed gas cylinders shall be secured (roped or chained) in an upright position at all times. Use of forklift as a mean of transportation is prohibited unless a special structure is used to uphold the cylinders.
- 8.3 Cylinders shall be kept a safe distance or shielded from welding and cutting operations. Cylinders shall not be placed where they can contact an electrical outlet or outdoor exposed to the sun and rain.
- 8.4 Cylinder valve protection caps shall be firmly installed (hand tight) when compressed gas cylinders (empty or full) are transported or stored.
- 8.5 The correct regulators, in proper working order shall be used for each type of gas. Regulators or regulator connections shall not be modified in any way.
- 8.6 Dual Flashback arrestors must be provided on each welding hose.

9 TOOLS

- 9.1 Contractor shall provide their own hand and power tools required for the work. Tools shall not be provided or loaned out by the Company.
- 9.2 Tools used must be of safe construction and maintained.
- 9.3 When working near or inside flammable storage areas, spark resistant tools should be used to prevent the hazard of friction spark that may be an ignition source.

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Annex H
Work Safety and Health (WSH)

9.4 Defective tools must not be used. It shall be tagged and removed from the work site immediately.

10 SCAFFOLDS

10.1 Suitable and sufficient scaffolds should be provided for workers for all work that cannot be safely done at height from a ladder or by other means.

10.2 All types of scaffolds must be erected, used and supervised by contractor in accordance with governmental requirement.

10.3 Permit-To-Work at Height is required when contractor erects fixed or mobile scaffolds in the Company's premises.

11 CRANES AND HOISTS

11.1 Contractors shall not be permitted to use the Company's hoists without prior permission from the Company's authorised representative.

11.2 Crane lifts shall not be attempted over or adjacent to any occupied areas. If such work is necessary, it shall be coordinated with the Company's authorised representative and the occupied area shall be evacuated of all personnel prior to the lift.

11.3 Hoisting devices such as slings, chains, spreaders, grabs, etc., used in conjunction with hoists or cranes must be designed and fabricated to meet the Work requirements. Swivel type, self-catching safety hooks shall be used for the load hook.

11.4 Contractors' cranes and hoists used at the Company's premises must meet governmental and other regulatory requirements and have current certifications available for examination as required.

12 ELECTRICAL

12.1 The contractor shall not perform any work on **ENERGIZED** (Live) electrical panels, distribution boards, bus ways or other electrical devices, which may expose personnel to accidental contact with energized parts.

12.2 All electrical equipment should be equipped with electric grounding unless they are manufactured as a double insulated equipment.

12.3 Extension cords shall be the three-wire type for grounded tools (two-wire is acceptable for double insulated tools) and shall be protected from damage. Worn or frayed cords shall not be used. Cords must not be run through doorways where the door could cut or damage the cord. Spliced cords must be connected with proper connector and not insulation tape.

12.4 No wiring shall be left on the floor ground or the floor where there is vehicular or human traffic. If unavoidable, the wiring must be provided with adequate mechanical protection to withstand the wear and abuse to which it may be subjected.

12.5 Portable electrical tools should be equipped with a Residual Current Device for earth leakage protection.

12.6 Do not overload any electrical circuit.

13 EXCAVATION

13.1 All excavation works must be carried out in accordance with governmental and other regulatory requirements. The detection of underground utilities should be conducted prior to the excavation.

13.2 Inform WSH personnel before the start of any excavation work.

14 PERSONNEL PROTECTIVE EQUIPMENT

- 14.1 The type of protective equipment to be worn shall be determined by the degree of exposure to potential hazards. All protective equipment and clothing shall be provided by the contractor and shall comply with all applicable regulations and requirements.
- 14.2 Suitable eye protection equipment shall be used while engaged in welding, cutting or grinding any material where flying particles may endanger the eyes.
- 14.3 Safety harness must be worn when working above 2 meters on unguarded platforms and on straight or extension ladders when the work involves pushing, pulling or action, which may dislodge the person from the ladder. **DO NOT SECURE SAFETY HARNESS TO THE SPRINKLER OR UTILITY PIPING.**
- 14.4 Hard Hat and safety shoes must be worn at the designated areas. Hearing Protection must be worn when using noisy equipment that generate noise of more than 85dBA or working in areas which are identified as high noise level. Areas with high noise level are identified with "Ear Protectors Must Be Worn" Notice Sign.

15 ACCIDENTS AND FIRST AID

- 15.1 Contractors who are injured shall be given prompt and proper medical attention at the Company's In-house Clinic or first aid station by certified first aiders.
- 15.2 Contractor must notify the Company's authorised representative immediately in case of any accident/incident or first aid cases.
- 15.3 Assist the Company's authorised representative to furnish the Incident & Near-Miss Investigation Reports.
- 15.4 It is the contractors' responsibility to notify relevant authorities as required under prevailing laws.

16 CONFINED SPACE ENTRY

- 16.1 Confined Space Entry Permit is required when contractors are carrying out work in confined space. Confined spaces are areas that may have atmospheric or physical hazards that could affect the safety of employees who enter them. It is not designed for continuous human occupancy and has a limited means of entry or exit. These areas include, but are not limited to pits, tanks, duct, manholes and trenches.
- 16.2 The Contractors are responsible for the full compliance of the conditions attached within the approved Confined Space Entry Permit.

17 HOT WORK

- 17.1 Hot Work Permit is required when contractors perform Hot Work. Work that involves welding flame cutting, gas soldering, brazing, burning or any work that generate sparks.
- 17.2 The Contractors are responsible for the full compliance of the conditions attached within the approved Permit.

18 EMERGENCY RESPONSE & ACTION

- 18.1 Familiar with the escape routes and assembly area in case of any emergency. Check with the Company's authorised representative for a review of applicable *Emergency Evacuation Instructions*.
- 18.2 Main Contractor's Supervisor is responsible for accounting their own employees & Sub-Contractors working in the Company's premises in the event an emergency where evacuation is

required. He/she shall inform the Company's authorised representative if any person is not accounted for.

- 18.3 Know the nearest location of the emergency response equipment such as eye wash station, first aid station and fire extinguishers etc.

19 RULES/REGULATIONS/SUB-CONTRACTING

- 19.1 The foregoing WSH RULES AND REGULATIONS stated in the above paragraphs shall continue to be enforced for all your subsequent work engagement with the Company.
- 19.2 The Main Contractor shall be responsible for briefing these rules and regulations to any Sub-Contractors or any person contracted or employed by them.
- 19.3 The Main Contractor shall be responsible for the actions of its Sub-Contractors while inside the Company's premises.

20 LIQUIDATED DAMAGES FOR NON-COMPLIANCE OF SAFETY REGULATIONS

- 20.1 In the event the contractor commits any breach of or fails to comply with:
 - a) any applicable laws, regulations, by-laws and codes of practice relating to safety Health Act and its regulations, and regulations under the Factories Act or other relevant Act which have not been repeated; or
 - b) any safety guidelines or measure which the Company has imposed in relation to the execution of the works.
- 20.2 Without prejudice to any other terms of the contract, the Contractor shall pay the following amounts to the Company as tabulated below:-

Offence	Contract price Above
1st	SAR 300
2nd	SAR 500

- 20.3 The Contractor shall promptly pay all sums due hereunder upon the Company's request. Without prejudice to any other right of action or remedy of the Company against the Contractor nor to any of the terms of the Contract, in the event that the Contractor does not promptly pay any such amounts to the Company, the Company may set off and deduct such sum against any payment(s) due to the Contractor, or set off the same against the security deposit furnished by the Contractor pursuant to Clause 11 of the Contract, as the Company may elect in its sole discretion.

CONDITIONAL ACCEPTANCE CERTIFICATE

1. In accordance with Clause 9.10 of the Agreement by and between [CONTRACTOR] (“Contractor”) and SATS Saudi Arabia (“Company”) dated [●], 20[] (“Agreement”), the undersigned Contractor hereby certifies as follows:
 - 1.1 Substantial completion of the Works have been achieved in accordance with the terms of the Agreement have been successfully completed;
 - 1.2 The Works have been completed in accordance with the Agreement except for the Works on the punch-list attached to this Conditional Acceptance Certificate as Appendix 1 which shall be completed no later than 30 (thirty) days from the date of this Conditional Acceptance Certificate;
 - 1.3 The Contractor has previously delivered to the Company this Conditional Acceptance Certificate for the Company’s review and approval; and
 - 1.4 The Works have been tested and are capable of being safely and reliably operated in accordance with the terms of the Agreement.
2. This Conditional Acceptance Certificate shall only be valid and effective after the Company’s final written acceptance of the Works as evidenced by the Final Acceptance Certificate issued by the Contractor and accepted by the Company;
3. This Conditional Acceptance of the Works does not release the Contractor from the warranties and guarantees provided for in the Agreement which will survive until their entire satisfaction;
4. Conditional Acceptance of the Works shall occur when the Company’s duly authorised representative signs this Conditional Acceptance Certificate.
5. Capitalized terms used herein which are not defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the Contractor has caused this Conditional Acceptance Certificate to be duly executed and delivered this **[insert date]**

CONTRACTOR

By: [insert name and designation]
For and on behalf of [insert full name of Contractor]

Accepted by the Company on [insert date]

By: [insert name and designation]
For and on behalf of **SATS SAUDI ARABIA**

WITNESS:

By: [insert name and designation]
SATS Saudi Arabia

FINAL ACCEPTANCE CERTIFICATE

1. In accordance with Clause 9.8 of the Agreement by and between [CONTRACTOR] (“Contractor”) and SATS Saudi Arabia (“Company”) dated [●], 20[] (“Agreement”), the undersigned Contractor hereby certifies as follows:
 - 1.1 All punch-list items have been fully and successfully completed in accordance with the terms and conditions set out in the Agreement and the Company’s requirements;
 - 1.2 The Works have been fully and successfully completed in accordance with the terms and conditions of the Agreement and the Company’s requirements; and
 - 1.3 The Contractor has transferred to the Company, the Specifications, the Documentation and all documents, records, as-built drawings, and test reports required to be delivered to the Company pursuant to the express or implied terms and conditions of the Agreement.
2. This Final Acceptance Certificate of the System and the Works shall only be valid and effective after the Company’s final written acceptance of the System and the Works and does not release the Contractor from all obligations, undertakings, warranties, guarantees and liabilities arising from or connected with or provided for in the Agreement which will survive until their entire satisfaction.
3. The applicable milestone payment referred to in [●] of the Agreement shall be due and payable to the Contractor only after the Company’s final written acceptance of the System and the Works.
4. Final written acceptance of the System and the Works shall occur when the Company’s duly authorised representative signs this Final Acceptance Certificate.
5. Capitalized terms used herein which are not defined shall have the meaning ascribed to such terms in the Agreement

IN WITNESS WHEREOF, the Contractor has caused this Final Acceptance Certificate to be duly executed and delivered this **[insert date]**

[CONTRACTOR]

By: [insert name and designation]
For and on behalf of [insert full name of Contractor]

Accepted by the Company on [insert date]

By: [insert name and designation]
For and on behalf of **SATS Saudi Arabia**

WITNESS:

By: [insert name and designation]
SATS Saudi Arabia