



THE EGYPTIAN PROCESS
SAFETY MANAGEMENT
STEERING COMMITTEE

The Egyptian Process Safety Management Steering Committee

Progress Report



EGYPTIAN NATURAL GAS
HOLDING COMPANY





Cairo: August 16th, 2020

H.E. Eng. Tarek El Molla
Minister of Petroleum and Mineral Resources

Subject: PSM Steering Committee Quarterly Progress Update and Formulation of Technical Sub-Committee

Excellency,

I hope this correspondence finds you in good health. I am pleased to write to you today, to thank you once more for your commitment to ensuring the values of HSEQ and PSM continue to be held in high regard within the oil & gas and petrochemicals sectors. I also want to extend my thanks to you for supporting the formation of the Egyptian Process Safety Management Committee, as per the Memorandum of Understanding signed between the Ministry of Petroleum and Methanex during EGYPS 2020.

To this end, I am pleased to inform you that the meetings of the PSM committee have continued to take place as scheduled over the past seven months despite the challenges of COVID-19, thanks to the dedication of the committee members and their commitment to expediting the journey towards safer processes within the sector, in alignment with your Excellency's vision for the modernization of the sector.

This has resulted in a number of achievements, and I am pleased to enclose a progress report for your kind perusal, the first of a quarterly update series that I will share with Your Excellency on behalf of the committee.

One of these achievements has been the formulation of a Process Safety Management (PSM) Technical Sub-Committee made up of members of the Ministry of Petroleum and Natural Resources Capacity Building program as per the MoU.

On behalf of the Egyptian PSM Steering Committee, I request your support and approval to assign these selected members to dedicate fifty percent (50%) of their time to deliver the MOP PSM and Hazard Management program. This will ensure the wealth of expertise on Process Safety Management will be embedded within the Ministry of Petroleum and Mineral Resources into the future.

Name	Company	Title	PSM Committee
Amr Moawad Hassan	Methanex Egypt	PSM Consultant	Lead
Hany Mohamed Tawfek	ETHYDCO	OH&S General Manager	Member
Mohamed Mahmoud Abdallah Hamoda	Rashid Petroleum Company	HSE Engineer	Member
Mohamed Osman Mesbah	Khalda Petroleum Company	Operations Department Head	Member



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Name	Company	Title	PSM Committee
Mohammed Sabry Hanafi Mahmoud	GASCO	Projects Safety Assistant General Manager	Member
Sayed Eid Sayed Khalil	Agiba Petroleum Company	HSE Assistant General Manager	Member
Tamer Abdel Fattah Mohamed Seddik	UGDC	PS & DM Sites QHSE Senior	Member

Sincerely,

Mohamed Shindy
Managing Director
Egyptian Methanex Methanol Company

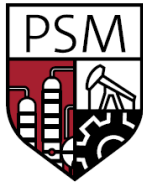
On behalf of the Egyptian PSM Steering Committee members:

Osama Nour El Din – HSE Undersecretary for the Minister of Petroleum and Natural Resources – MOP
Gamal Fathy Mohamed – HSE Chairman Assistant – EGPC
Osama Abdou Ahmed Hassanin – HSE General Manager – EGPC
Mohamed Mahmoud Zaki – Executive Vice President, Operations – ECHEM
Salah El Din Riad – Q&HSE Chairman Assistant – ECHEM
Ahmed Ali Hassan Akrab – Safety General Manager – ECHEM
Sameh Sayed Abdel Razek – Occupational Health & Safety Chairman Assistant – EGAS
Emad Kilany – HSE Assistant General Manager – EGAS
Mohamed Sayed Suliman – HSE General Manager – Ganope
Mohamed Shindy – Managing Director – Methanex Egypt
Manal El Jesri – Public Affairs Manager – Methanex Egypt
Amr Moawad Hassan - PSM Consultant – Methanex Egypt
Mourad Maged Hassan – Responsible Care (QHSE & PSM) Manager – Methanex Egypt



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Egyptian Process Safety Management Steering Committee Quarterly Progress Update Report (1Q & 2Q 2020)

Introduction:

The Process Safety Management (PSM) Memorandum of Understanding (MOU) aims to embed the PSM culture within the Egyptian oil, gas and petrochemicals sector. The Egyptian PSM Steering Committee is driving a robust agenda and roadmap aimed at institutionalizing PSM within the industry in accordance with the Ministry of Petroleum and Natural Resources' (MOP) modernization program and international best practices, guidelines and standards.

Progress Update:

This report provides a quarterly update to personnel in the oil, gas and petrochemical sector against the PSM Steering Committee MOU commitments as well as any additional actions raised during the Egyptian PSM Steering Committee or the Technical Sub-Committee meetings.

S/N	Egypt PSM Committee Activity	Status Update
1	Creation an Egyptian Process Safety Management Steering Committee with representatives from MOP, EGPC, ECHEM, EGAS, Ganope and E-Methanex.	Committee created through the signing of the MOU between the MOP and E-Methanex at EGYPS 2020. See attachment number 1.
2	Creation of the PSM technical sub-committee under the leadership of the Egyptian Process Safety Management Steering Committee. Their role will be to implement the recommendations from the Egyptian Process Safety Management Steering Committee through a formal mandate. This committee will utilize the support of the MOP Capacity Building candidates in a meaningful manner to enhance their skills and progress their development.	Capacity Building members interviewed and selected as members of the PSM technical sub-committee. They will work on the development of MOP policies, standards and procedures as well as their implementation across the sector.
3	Develop an Egyptian Process Safety Management Road Map highlighting the key goals over a 3-year period.	Egyptian PSM Steering Committee 3-year road map detailing the Hazard Management and Process Safety Management program development.
4	Develop a plan to identify the status of the MOP companies' PSM maturity.	PSM Basic Requirements Checklist – designed to categorize sector companies' PSM maturity level in order to define their PSM scope of work over the coming 3-year period.



S/N	Egypt PSM Committee Activity	Status Update
5	Develop the PSM program procedures based on the United States of America Center for Chemical Process Safety (CCPS).	Procedure development will initiate with the support of the Capacity Building personnel and under the leadership of the Technical sub-committee Lead. A schedule of policies, standards and procedures is developed to manage performance and delivery.
6	Develop a Hazard Management program set of guidelines, including but not limited to; Safety Case, Process Safety Major Accident Prevention Policy, ...etc.	
7	Develop PSM Key Performance Indicators for companies' performance management.	Key Performance Indicators will be developed by the Technical sub-committee.
8	Suggest a PSM organizational structure to be applied at the MOP and its affiliated companies. This shall include roles and responsibilities for the job profiles and a competency framework.	Proposed PSM Organization Structure including PSM roles and responsibilities for Sector Companies developed. Holding Companies to review, approve and share amongst the sector companies for implementation.
9	Communication Plan	Plan developed to share the knowledge, learning, communicate key PSM information within the sector, updates on regulator developed documents, etc. The plan includes annual workshops, conferences, publications, website etc.
10	Egyptian PSM Steering Committee Charter	Charter developed. See attachment number 2.

For further details, please find attached the signed Memorandum of Understanding (Attachment 1).

Additional deliverables include the following:

1. Egyptian PSM Steering Committee Charter (Attachment 2).
2. Major Accident Prevention Policy (Attachment 3).



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Attachment 1: PSM Memorandum of Understanding



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Memorandum of Understanding

Between

Ministry of Petroleum & Mineral Resources

And

Egyptian Methanex Methanol Company S.A.E



This Memorandum of understanding the "**MoU**" is made on 12 of February 2020 ("**Effective Date**") by and between:

The Ministry of Petroleum and Mineral Resources of the Arab Republic of Egypt with its registered office located at 1, Ahmed El Zomor st, Nasr City, Cairo, Egypt and represented in this MoU by Eng. Abed Ezz El Regal – Egyptian General Petroleum Corporation, CEO. (hereinafter referred to as "**MoP**")

And,

Egyptian Methanex Methanol Company S.A.E, an Egyptian joint stock Company with its registered offices at Petrochemicals Complex, New Damietta City, Damietta,, Cairo., Egypt and represented in this MoU by Eng. Mohamed Shindy, Managing Director. (hereinafter referred to as "**EMethanex**")

Both **MoP** and **EMethanex** are hereinafter referred to individually as "**Party**" and collectively as "**Parties**".

1. Background and Objectives

Under the patronage of the MoP Modernization program, which aim to design and implement an integrated transformative program for Egypt's Oil & Gas sector to enhance its contribution as an engine of economic growth and to reinforce its role as a model for other sectors, Parties desire to engage in a Process Safety Management (**PSM**) cooperation agreement to concert the efforts to take PSM programs awareness and knowledge to the highest desirable level possible.

EMethanex strongly believes in the importance of PSM and has the "know how" to enact a valuable cooperation promoting PSM policies, standards and procedures of the MoP through positive engagement.

2. Objectives

EMethanex is willing to enter into a Process Safety Management cooperation agreement with MOP, which will include a detailed PSM program plan to promote and enhance PSM culture



for MOP and its affiliated companies in accordance with industry best practice, international guidelines and standards ("**the Project**").

The cooperation agreement will address the following:

- Creation of the Egyptian Process Safety Management Steering Committee with representatives from MOP, EGPC, ECHEM, EGAS, Ganope and EMethanex. The Committee will oversee the implementation of this MOU and will have a formal mandate. See annex 1 for the committee's list of members.
- Creation of the PSM technical sub-committee under the leadership of the Egyptian Process Safety Management Steering Committee. Their role will be to implement the recommendations from the Egyptian Process Safety Management Steering Committee through a formal mandate. This committee will utilize the support of the MOP Capacity Building candidates in a meaningful manner to enhance their skills and progress their development.
- Develop an Egyptian Process Safety Management Road Map highlighting the key goals over a 3-year period.
- Develop a plan to identify the status of the MOP companies' PSM maturity.
- Develop the PSM program procedures based on the United States of America Center for Chemical Process Safety (CCPS).
- Develop a Hazard Management program set of guidelines, including but not limited to; Safety Case, Process Safety Major Accident Prevention Policy, ...etc .
- Develop PSM Key Performance Indicators for companies' performance management.
- Suggest a PSM organizational structure to be applied at the MOP and its affiliated companies. This shall include roles and responsibilities for the job profiles and a competency framework.

3. Confidentiality

Each Party shall remain the owner of its information, technology, knowledge and data of whatever nature patented or not and related to or used in connection with the subject matter of this MoU. Nothing in this MoU or during its implementation shall be construed as granting or transferring any ownership of whatever kind of any technology, trademarks or tradenames, knowledge, information or data which may be provided by one Party to the other in connection herewith.

A Party shall not, except with the prior written consent of the other Party, use, disclose or reproduce any information contributed by the other Party (including any information in writing or orally) or resulting from the Objectives agreed to be discussed between the two Parties



(regardless whether or not such information is contained in reports or documents) for any purpose other than the pursuit and development of the Objectives jointly with the other Party.

No Party shall place announcements, advertisements, or any press release describing any of the Objectives being discussed between the two Parties, any resulting agreements, this MoU or any matters related to, without the other Party's consent, which shall not be unreasonably withheld or delayed. The Parties shall mutually agree upon the contents, manner and timing of any press release.

The obligations of any Party pursuant to this article (confidentially) shall survive the termination of this MoU and shall expire three (3) years after the effective date of such termination.

4. Term and Termination of MoU

The term of this MoU shall commence on the Effective Date and shall continue in full force and effect until the earlier to occur of (i) Parties' signature of cooperation agreement replacing this MoU, (ii) the parties mutually agreeing in writing to terminate this MoU or (iii) three (3) years from the Effective Date.

5. Non- Binding Effect

This MoU does not constitute on the Parties any financial or legal obligations and not binding to create any kind of contractual relations between the Parties but rather sets forth understandings in principle and states the present intention of the Parties.

6. Dispute Resolution

Any dispute, controversy or claim arising out of or in relation to this MoU or the breach, termination or invalidity thereof shall be resolved, insofar as it is possible, by mutual consultation between the Parties.



7. Compliance with Laws and Business Ethics

Each Party agrees to fully observe and comply with all applicable laws, decrees, ordinances, rules and regulations in the performance of its obligations hereunder.

Each Party agrees that it shall not (and shall procure that its employees shall not) (i) either directly or indirectly, pay, promise to pay, authorize the payment of, or transfer, money, or anything of value, or offer any inducement in any form to any employee or representative of the other Party, or an official of any governmental body or agency or national oil company or instrumentality thereof, or political party, or any other third party, to secure any advantage or benefit in relation to the matters contemplated herein, or influence the act or omission of any of the aforesaid persons in order to obtain or retain business related to this MoU or to any of the contemplated transactions, or obtain any improper advantage or benefit, and/or (ii) obtain or maintain business through illegal conduct or practices of unfair competition. Any breach of the foregoing shall be a material breach of the mandate and the non-breaching Party shall have the right to terminate this MoU and/or the Project with immediate effect. Where either Party (“**the Committing Party**”) commits any act or omits to perform an act required of it in the performances of the MoU and/or any law, regulation or instrument or the perpetration of an illegal act or omission which results in the imposition of a fine and/or penalty on the other Party (“**the Indemnified Party**”) by any organization, regulatory body or government/governmental agency, the Committing Party shall be liable for and shall be responsible for the payment of such fine and/or penalty and also to reimburse “the Indemnified Party” in such respect where the Indemnified Party has paid such fine or penalty directly to the imposing authority. The Committing Party shall also be liable to pay or reimburse any expenses incurred by the Indemnified Party as a result of the said act and/ or omission. Without prejudice to any other rights of the Indemnified Party, the Indemnified Party may terminate this MoU immediately and without compensation if the Committing Party breaches the foregoing and/or any law, regulation or instrument or perpetrates an illegal act or omission.



Annex 1

Egyptian Process Safety Management Steering Committee list of members:

1. Osama Nour El Din – HSE Undersecretary for the Minister of Petroleum and Natural Resources – MOP
2. Mohamed Mahmoud Zaki – Executive Vice President, Operations – ECHEM
3. Salah El Din Riad – Q&HSE Chairman Assistant – ECHEM
4. Ahmed Ali Hassan Akrab – Safety General Manager – ECHEM
5. Gamal Fathy Mohamed – HSE Chairman Assistant – EGPC
6. Osama Abdou Ahmed Hassanin – HSE General Manager – EGPC
7. Sameh Sayed Abdel Razek – Occupational Health & Safety Chairman Assistant – EGAS
8. Emad Kilany – HSE Assistant General Manager – EGAS
9. Mohamed Sayed Suliman – HSE General Manager – Ganope
10. Mohamed Shindy – Managing Director – EMethanex
11. Manal El Jesri – Public Affairs Manager – EMethanex
12. Amr Moawad Hassan – PSM Consultant – EMethanex
13. Mourad Maged Hassan – Responsible Care (QHSE & PSM) Manager – EMethanex



8. General

- This MoU may only be amended by a mutual written consent of Parties.
- Neither Party may assign its rights under this MoU without the other party's prior written consent provided however that either Party may assign this MoU to an affiliate without the other Party's prior written consent.
- For the avoidance of doubt, this MoU does not grant any of the Parties any exclusivity rights, and each of the Parties shall have the full right to agree similar schemes with any third parties it deems appropriate.

IN WITNESS WHEREOF, MoP and EMethanex have executed this MoU through their duly authorized representatives as of the Effective Date in (2) original and identical copies, English language, each Party given an original.

**Signed for and on behalf of
The Ministry of Petroleum and Mineral
Resources Arab Republic of Egypt**

**Name : Abed Ezz El Regal
Title: CEO
Egyptian General Petroleum Corporation**

**Signed for and on behalf of
EMethanex**

**Name: Mohamed Shindy
Title: Managing Director**



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Attachment 2:

Egyptian Process Safety Management Steering Committee Charter



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Egyptian Process Safety Management Steering Committee Charter

Title	Egyptian Process Safety Management Steering Committee Charter
Project Sponsor	Ministry of Petroleum & Mineral Resources and Methanex Egypt
Charter Formulation	February 12 th 2020
Charter Duration	Three years
Description	Enhance Egypt's Oil, Gas and Petrochemical sector in the field of Process Safety Management (PSM). Enable PSM knowledge, programs and implementation to achieve the highest desirable level possible in line with the MOP Modernization Project.
Scope & Deliverables	<ul style="list-style-type: none"> ▪ Creation of the PSM technical sub-committee. ▪ Develop an Egyptian PSM Road Map highlighting the key goals over a 3-year period. ▪ Develop a plan to identify the status of the MOP companies' PSM maturity. ▪ Develop gap assessment framework and guidelines for CCPS Risk Based PSM 20 Elements. ▪ Develop the PSM program procedures based on Center for Chemical Process Safety (CCPS) Risk Based PSM 20 Elements. ▪ Develop a Hazard Management program set of guidelines, including but not limited to; Safety Case, Process Safety Major Accident Prevention Policy, ...etc. ▪ Develop guidance for PSM Key Performance Indicators for companies' performance management. ▪ Suggest and develop a PSM organizational structure model to be applied at the MOP and its affiliated companies. This shall include roles and responsibilities for the job profiles and a competency framework.
Business Case	Minimize & eliminate Process safety related risks / incidents in Egypt's Oil, Gas and Petrochemical sector.
Constrains	<ul style="list-style-type: none"> ▪ Current PSM maturity variation level of MOP group of companies. ▪ COVID-19 pandemic.
Benefits	Establish PSM policies, standards and procedures to reduce risk and enhance culture within Egypt's Oil, Gas & Petrochemical sector.
Steering Committee	Egyptian Oil, Gas & Petrochemical Industry Process Safety Management Steering Committee.
Key Member Entities	MOP, EGPC, EICHEM, EGAS, GANOPE and Methanex Egypt.
Key Stakeholders	Oil, Gas and Petrochemical companies and Joint Ventures.



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Attachment 3:

Major Accident Prevention Policy (MAPP)



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Major Accident Prevention Policy (MAPP)



MAJOR ACCIDENT PREVENTION POLICY STATEMENT

In order to control Major Accident Hazards [MAHs], limit the consequence and to achieve high standards in Process Safety Management [PSM], The Ministry of Petroleum and Natural Resources Holding Companies (EGPC, EGAS, ECHEM and Ganope) and their group of companies will establish and maintain an effective Process Safety Management System in line with applicable country's regularity requirements to ensure:

- Compliance with local legal Process Safety Management [PSM] regulations.
- Design of plant in the first instance using inherent safe techniques and where this is not reasonably practicable, through preventive and protective aspects of design.
- Systematic identification of all existing MAHs and those which may be introduced via plant modification, new business opportunities or other changes.
- Assessment of risks [likelihood & severity] to personnel and public from MAHs.
- Implementation of control measures for safe operation and maintenance of MAH facilities designed to provide a "defence in depth" approach to prevent major accidents or reducing the probability of their occurrence to a level that is as low as reasonably practicable [ALARP] via the Safety Case [SC] program.
- Instruction, training, role-definition and supervision of employees in preventive & control measures and an understanding of the consequences of major accidents by all employees.
- Preparedness for foreseeable emergencies, through maintenance and testing of emergency response procedures.
- Focus on MAHs during the management of change, wherever this occurs.
- Process safety performance indicators (both leading and lagging) and other HSE objectives and targets are set and performance monitored.
- Accidents, and near misses are reported, investigated and reviewed for lessons via lessons learned process.
- Regular audit and review of the above measures, taking account of abnormal, temporary or emergency situations, the presence of contractors and visitors and the employment of temporary, newly-recruited or part-time staff and young persons.
- Corrective and preventive action - and thereby continual improvement - in the control of major accident hazards on-site.
- Effective liaison with local authorities and emergency services as necessary.

Document No.:	Issue date: 12-08-2020	Page 1 of 1
Approved: Egyptian Process Safety Management Steering Committee		Revision No. [01]