



Citrine Company Newsletter

Plugged-in

September 2013

Electrification for tomorrow's world.



Message from the CEO's desk

"Far and away the best prize that life offers is the chance to work hard at work worth doing"- Theodore Roosevelt

Dear Employee,

Our greatest aspiration is to be revered as an industry giant. At the beginning of this year we made a conscious decision to embark on a journey that would lead Citrine Construction into a world class organisation. We are transforming into an elite entity that is built upon a clear and precise vision, continuous innovation, exceptional leadership and above all an exceptional human resource base. In this quarter we channelled our energies in developing processes, standards and identifying areas of improvement. It has been a continuous learning curve and the change is very clear, we are beginning to exhibit elements of a first rate organisation.

We have been fortunate to realise exponential growth, however to be the best in our industry we need to actively invent our own future. We endeavour to outperform and continuously improve.

We identified quality as singularly the one trait that enables us to continuously exceed our client's expectation therefore we have become 'obsessed' with quality. Quality is a dynamic attribute that captures all facets of our organisation; it encompasses our workmanship, services, and processes. Under the guide of our QMS team we have created robust processes and reinvented ourselves to create an organisation that captures the very essence of dominance.

In our previous edition we stated that we were pursuing ISO 9001 accreditation, as a result in the last few months we have all been rigorously focusing our energies to meet the necessary requirements to become compliant. Change comes with its fair share of challenges however this whole process has taught us discipline, accountability and has opened the doors to greater opportunities. We are confident that we will succeed in attaining the desired result.



citrine
group of companies

Electrification for tomorrow's world.

New Sales & Marketing Department



Citrine Construction has always held on to notion that the status of an organisation depends on the calibre of its people, their expertise, experience and levels of professionalism. Through this process of improvement we have had to significantly relook at the way we conduct business. In this quarter we have therefore made significant efforts to empower our people and provide them with the tools they require to become more competent and successful in their designated profession. We recognize that greatness comes from within and we have begun investing considerable time and resources towards the individual professional development of our staff, not only to reflect the growing capacity of our organization but also as a way of nurturing the skills and talents of our existing employees. We have consciously started to mentor and coach our people in-house using our best minds and talents and all the employees have been participating in the learning process while they continue to put in a hundred percent in their day to day work.

We have also begun to bring in exceptionally talented resources that will place our company in strategic positions of growth and financial rewards. In this quarter we have been fortunate to recruit talented and highly skilled individuals who are regarded as great minds in our industry. I would like to officially welcome all our new employees who have joined the team. You are all exceptional resources. Some of you have been in our industry for over twenty years and are known by reputation. We are extremely thrilled that you are all a part of the Citrine team and we trust that your years of experience knowledge and expertise will enhance our ability to make waves within our industry.

In an effort to put Citrine Construction on the map I have always visualised a Research, Sales and Marketing department within Citrine. This vision is driven by a desire to build Citrine Construction into the core brand in our industry. We have envisaged this department driving our sales pipeline and make efforts to guarantee subsistence and revenue. I am excited that we have put together a core team to drive this vision. We have a young and resilient team that will enhance our organisational brand and ensure we are current and innovative in our offering.

Finally the success of any world class organisation is traced back to world class leadership. As your leader my objective is to provide direction, to create a company that works in synergy and to create a leadership team that understands that our fundamental success lies in our people.

To the managerial team I would like to urge you to be individuals of character who maintain ethical behaviour in your dealings, to be living examples of honesty and integrity. We need to take our teams and build them into high performance teams, take time to coach them and bring them together to create synergy. Be more attentive and compassionate to our people. We need to create an environment that is conducive for our people to work in and always provide them with the platform to communicate, add value and teach us. Our greatest asset is our people and on this note I want to take this opportunity to thank all the employees for the hard work you continue to put for the greater success of Citrine construction.

Nazeem Price
CEO



The Citrine Reticulations Services business unit has been built around our client Eskom. We have tailored the business unit to meet our client's needs and requirements. As the premier supplier of electricity in the African continent, Eskom demands only the best quality and workmanship from its service providers. In line with this, Citrine has assiduously worked to provide the highest quality of service.

In the last five years we have demonstrated our ability to perform consistently and provide a high level of service provision. We have successfully provided reticulation services to many informal settlements in the Western Cape and have been a major player in the transformation of many lives. We have gained a lot of experience over the years, experience that has equipped us to become the prime service provider in the reticulation sector.

Our objective as a business unit is to be the leading contractor for Eskom. In order to attain that status there is a need to enlarge our scope of services and to meet our clients long term needs. The CRS business has begun to consciously position itself to be the leading contractor. Our strategy is to break into Eskom's medium to long term capital project plans and provide services for their three year programmes.

Such a programme would include securing a firm grip of the Khayelitsha Township. Khayelitsha is one of the biggest townships in the Western Cape and our aim is to provide long term turnkey electrification services in the area. Our services will include, but not be limited to: the replacement of underground networks with overhead networks; maintenance of failing networks in the area; service of all breakdowns and the provision of safe

temporary electrification measures for the residents of Khayelitsha.

In addition, we have ventured into substation work which includes optic fibre installation. This is a new area for our business unit therefore we have partnered with companies that have experience in this line of work. We are also fortunate to have been selected by Eskom to participate in one of their pilot programmes in Dunoon. This programme is designed to utilise rural technology in urban areas. This entails utilising steel poles constructed on concrete plinth instead of the wooden poles that are currently used in line construction. This will be the first time that Eskom embarks on a project that uses rural technology in urban areas. The success of this programme will see the development of such projects on a large scale.

In line with our vision we have started putting measures in place to create skilled and competent teams to carry out the works. We have put in place training and mentorship programmes, to ensure that our ground teams are fully equipped to meet the client's expectations. Further, our teams will receive Eskom training, which will furnish them with the necessary authorization and accreditation to work within substations and manage an array of works in a fast-growing area such as Khayelitsha.

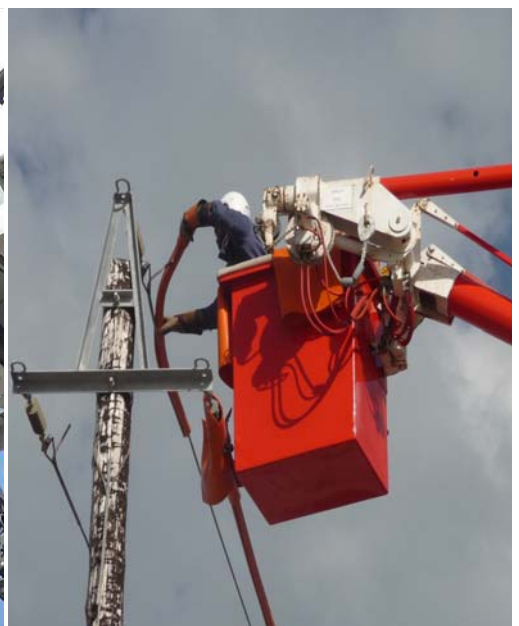


We have been fortunate enough to be awarded stage three of the Inkanini project. This project entails the Construction of LV& MV network and electrification of 1900 informal homes. We have also been awarded the Doornbaai project, which entails the refurbishment of the LV and MV network and the service connection of 74 homes.

Due to the nature of Client Eskom, one of the things that we have always put the greatest emphasis on is health and safety. We have not had any incidents in the last five years until the Happy Valley incident that happened recently. This incident was incited by industrial action and it resulted in the violent attack and injury

of three of our workers. Although this incident could not have been avoided, we would like to remind our teams on the ground to always be vigilant and take extra precautions to ensure their own immediate safety.

In closing, we are looking forward to the last quarter of the year, this would be a time to wrap up on all our works for 2013 and lay the foundations of the 2014 strategic plans. Like any organization, we have had our ups and downs but one thing remains constant our commitment to become a world class organization. The CRS business unit is dedicated to this vision and will strive to produce and maintain excellence.



Health & Safety



No operating conditions or urgency of service can ever justify endangering the life of members of Team Citrine

Health and Safety is and always will be a fundamental element of our business. The safety of our teams is of paramount importance and as a company we continue to learn and implement safer and better methods of doing work. Our goal is to constantly maintain the zero harm policy as the life of our people is of inestimable value. We are constantly inducting our teams on safety and preparing them for any incidents should they arise.

Awareness and preparation are the first steps to diffusing any imminent danger however there are instances where unlikely situations may prove to be dangerous should they arise. In particular reference is the incident that occurred on our Happy Valley site that resulted in injury and vandalism.

This unfortunate incident was a result of industrial action. A crowd of about 100 people who were participating in an industrial strike became violent and attacked our teams who were busy working onsite. This incident erupted with no forewarning. This is the first incident of this nature that we have ever been faced with and we are horrified by the serious acts of violence and vandalism. However under the circumstances we are grateful that we had no loss of life.

Although we have removed all teams from site it is imperative in such instances that teams evacuate the work area immediately as calmly and quickly as possible if a life threatening situation is evident. Teams are encouraged not to react to the crowd by showing aggression. Always ensure your safety first.

Our teams will be undergoing trauma counselling and will be re-inducted to the site once it is deemed safe to return. Our health and safety team with the assistance of Eskom is putting together measures to ensure that the teams on the ground are protected and in the event of a reoccurrence our response time is faster and safer.

After this incident we received reports that this was not an isolated incident. We were informed about intimidation and violence in different areas. Due to the unforeseen nature of such incidences we advise all our employees to constantly take precaution and ensure that their safety comes first.



Supervisor and Employee Responsibilities in case of Unrest/Industrial action:

Responsibility of Supervisor

- The Supervisor will activate the **horn** of his / her vehicle / **acoustic device** 2 times for 3 seconds to indicate to employees of any CIVIL DISTURBANCE
- Evacuate the work area immediately towards the designated assembly area as calmly and quickly as possible if a life threatening situation is evident
- Account for all employees by means of a Row Call at the assembly point
- Inform Emergency Services if there has been any injuries
- Inform SAPS if there is any hostility from the crowd
- Inform SAPS if threats of injury to persons has been indicated
- Inform SAPS if threats of damage to property has been indicated
- Inform SAPS of the direction in which the crowd is moving in order for the SAPS to track them
- Inform the SAPS if the crowd is armed



Responsibility of employees

- Report to the supervisor if you are alerted of a life threatening situation
- Do not panic
- Do not react to the crowd by showing aggression
- If the site has been evacuated, do so immediately as calmly and quickly as possible
- Go to the assembly point
- Do not loiter
- Gather equipment which will not affect health and safety
- Only return to site upon instruction from the Supervisor who has been informed by the Client / Site Manager



Our business model demands that we continuously modify consumer demand for energy by providing innovative solutions that encourages the consumer to use less energy during peak hours. We are constantly inventing and reinventing ways and methods of improvement to address the constant demand for energy. We are constantly reviewing the market and its needs and working closely with our clients to meet our customer's needs. We have aligned our business unit with that of the organization hence we are driven to be leaders in our discipline.

We have always anticipated Energy Efficient Programme's to become the primary trend in the electrification industry. We have participated successfully in a number of Eskom Residential Mass Rollout initiatives and we have gained significant experience and knowledge on managing projects of that nature. We are therefore proud to be launching the Residential Energy Audit Project (REAP), which is the first of many projects of this nature to be launched by Citrine Construction under the Demand Side Management business unit.

This is an internally designed project tailored to meet peak demand in residential areas of the Western Cape. Citrine Construction will render a service to the general public to supply and install an array of energy efficient technologies. REAP is designed to cater for people from all walks of life therefore our offering has been divided into different baskets of energy efficient products to meet individual household requirements.

The packages comprise of the Platinum Elite package, Platinum package, Gold package,

Silver package and Flexi package. An individual household has the option to select an array of products to meet their specific needs. Packages will be advised to homeowners based on their current electricity expenditure and the rate at which they are looking to save.

We have professionally trained energy audit teams designated to visit residential homes on request to conduct energy audits and provide in-depth calculations on potential savings. The energy auditors will advise on the best suited package for each household, but ultimately the decision rests with the homeowner on which package they want to choose. The Flexi package in particular, provides each homeowner with the option to mix and match which energy saving products they want to install, thus each homeowner can essentially decide how much electricity and money he/she is looking to save.

To ensure communication between our company and the public we have established a call centre facility that enables customers to call in for information on the products and to request installations. We are excited to be drivers of this great initiative and we are confident that we will be able to deliver on our mandate.

With the launch of REAP and the current works that are underway on our sites we have become fixated with quality in our offering. We have devised ways to improve our offering by placing systems and processes in place to ensure great workmanship. The intention is to allow our work to speak for itself and create a brand for ourselves in the demand side management industry.



Our Business unit is continuously evolving and we are making every effort to ensure sustainability and continuity. Our sales pipeline is piling up with projects recently awarded and projects that we anticipate will be awarded to Citrine Construction. We are happy to report that we have been awarded the Harmony Village Solar Project which involves the installation of 850 solar geysers. We have completed 50 units to date. We have also been awarded the second phase of the Johannesburg City Power Project which is for 1500 solar geyser installations. We have completed

100 installations to date. We will be commencing with the Joe Slovo Phase 3B project at the end of September which entails the Supply & Installation of 62 Low Pressure SWH.

The Demand Side Management Business unit will have its hands full in the final quarter of this year. We anticipate the DSM team to grow to meet the demand of our business. We are excited to be venturing into more facets of our sector and we can only anticipate growth from here on.

In the refrigerator

- Don't open the fridge door unnecessarily and make sure the seal is intact to avoid letting out cooled air and having the inside light operating unnecessarily
- Turn off an empty refrigerator when going on holiday if it is not attached to the freezer or lower the degree of cooling
- Let hot foods cool down before placing them in the refrigerator
- Defrost fridges regularly. A build-up of ice reduces operating efficiency and increases running costs





The Citrine Electrical Solutions business unit has undergone a significant overhaul in this quarter. We have recreated our structure and established ways to improve our processes. We recognize that Citrine Construction is aligning itself to be a world class organisation therefore we are putting in tremendous effort to align ourselves with this vision. Driven by this quest, the CES business unit has had to scrutinise the way it has been conducting business and consciously shift its approach and methods to assume that of a leading organisation.

Based on our self-assessment, we have revised our strategy and set out new goals that are in line with the organisational requirements. We have changed our entire operating model in a significant way. We have reinvented our business model from the subcontractor model to creating in-house teams.

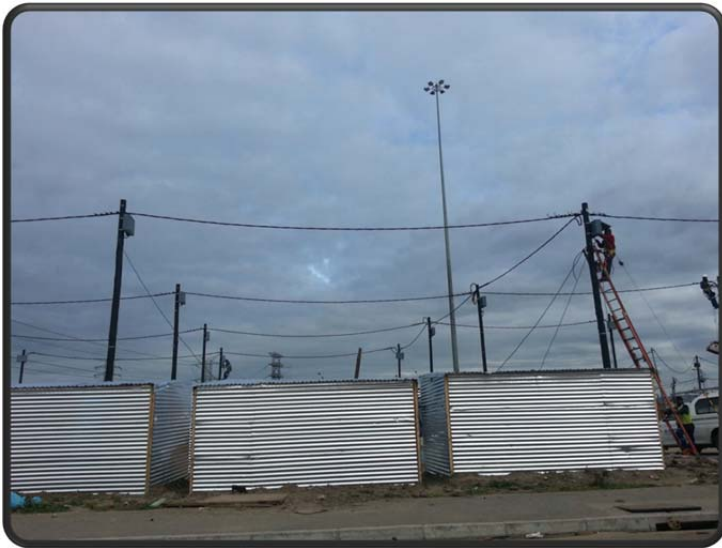
We realise that we need to put together a highly skilled and competent workforce to take up the challenge head on therefore we have started placing a formidable team that can drive this initiative. We have recruited two industry specialists, Charles Marchant and Desmond Elliot who have over twenty years' experience in the internals and reticulations space respectively. The strategy is to place the right resources to lead and direct the business unit into specialised areas of our business.

We have always been major players in the internals sector and we have done very well however in the last few years we have taken up a lot of projects in reticulation and we are realising great opportunities within the reticulations sector. As a result of this we have divided the business unit into two specialised units, the internals unit and the reticulations unit.

Having made this distinction, the vision has started to materialise. Under the guide and mentorship of Mr Marchant, a small in-house team has been formed for the internals space. This team encompasses our current employees who are being up-skilled and trained to manage their re-defined roles and responsibilities. The same will be realised for the reticulations space under the guide of Mr Elliot. A team will be put together to execute all reticulations work going forward. We have created the foundation and taken the initial steps to where we want the CES business unit to advance.

Further our revised strategy requires us to continuously be innovative and daring. It requires us to increase our scope and venture into other segments of our industry. Our business unit has always been associated with electrification of BNG and GAP Housing however we are ready to break into the commercial space.

We have already officially commenced on the Kovacs project which entails the internal electrical installation of 160 student rooms in residential blocks, the external electrical reticulation to the blocks and the internal streetlighting for all blocks. This is the stepping stone to the commercial space and we are confident that we will be working on more projects of this nature. We have been undergoing a lot of audits on our site in preparation for the SABS Audit and the team has done exceptionally well in this regard.



I would like to thank the team that has been working so hard for the last couple of months to put in processes and systems in place and adhering to them. The entire team has also been very open minded and supportive to the changes that have been going on in the division. Every member of the team has held

their own and have pulled together to ensure that the Business unit operates smoothly. We look forward to the last quarter which promises to be very exciting.



Notice Board



Rookies



Desmond Elliot
Technical Project Manager



Kelvin Paul
Warehouse Manager



Jared Naidoo
Junior Project Coordinator



Mario Garces
Sales & Marketing Coordinator



Clint Petersen
Health and Safety Officer