

# ELSEWEDY ELECTRIC GROUP

## Promotion Policy

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### Purpose

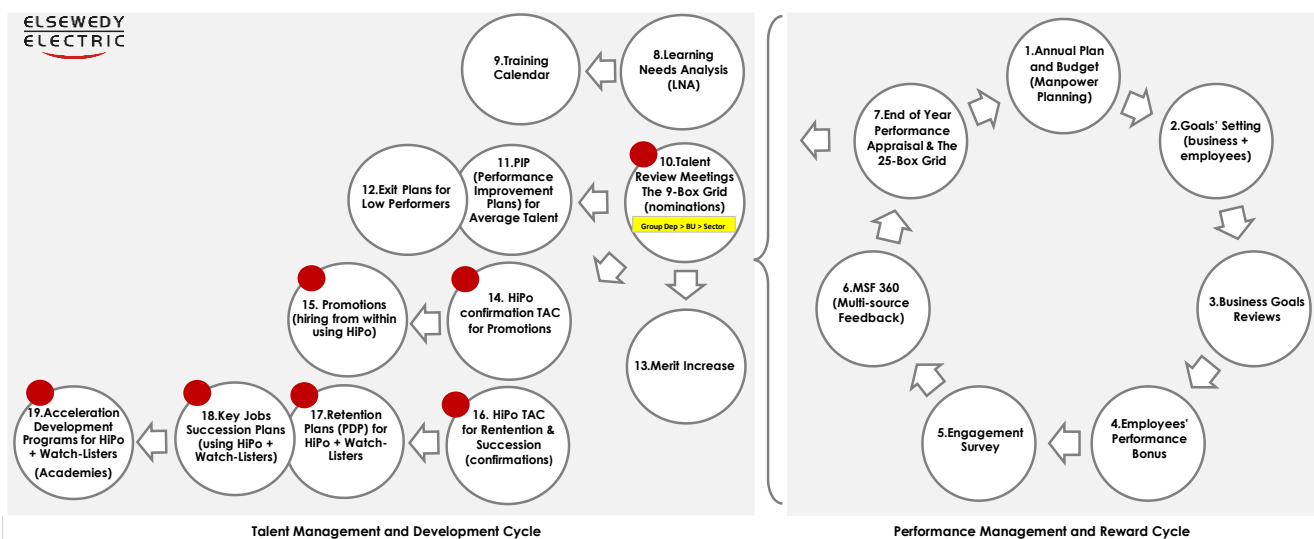
To set, define and communicate broadly Elsewedy Electric policy concerning promotions ensuring equal opportunity to all employees based on job evolution, performance, and business need.

*This Policy is a minimum standard; where local legislations define higher standards; the Group shall comply with them.*

### Applicability

This policy applies to all the operating companies and subsidiaries directly or indirectly controlled by Elsewedy Electric, and all the geographical regions where Elsewedy Electric companies and subsidiaries are operating.

### The Performance and Talent Cycle

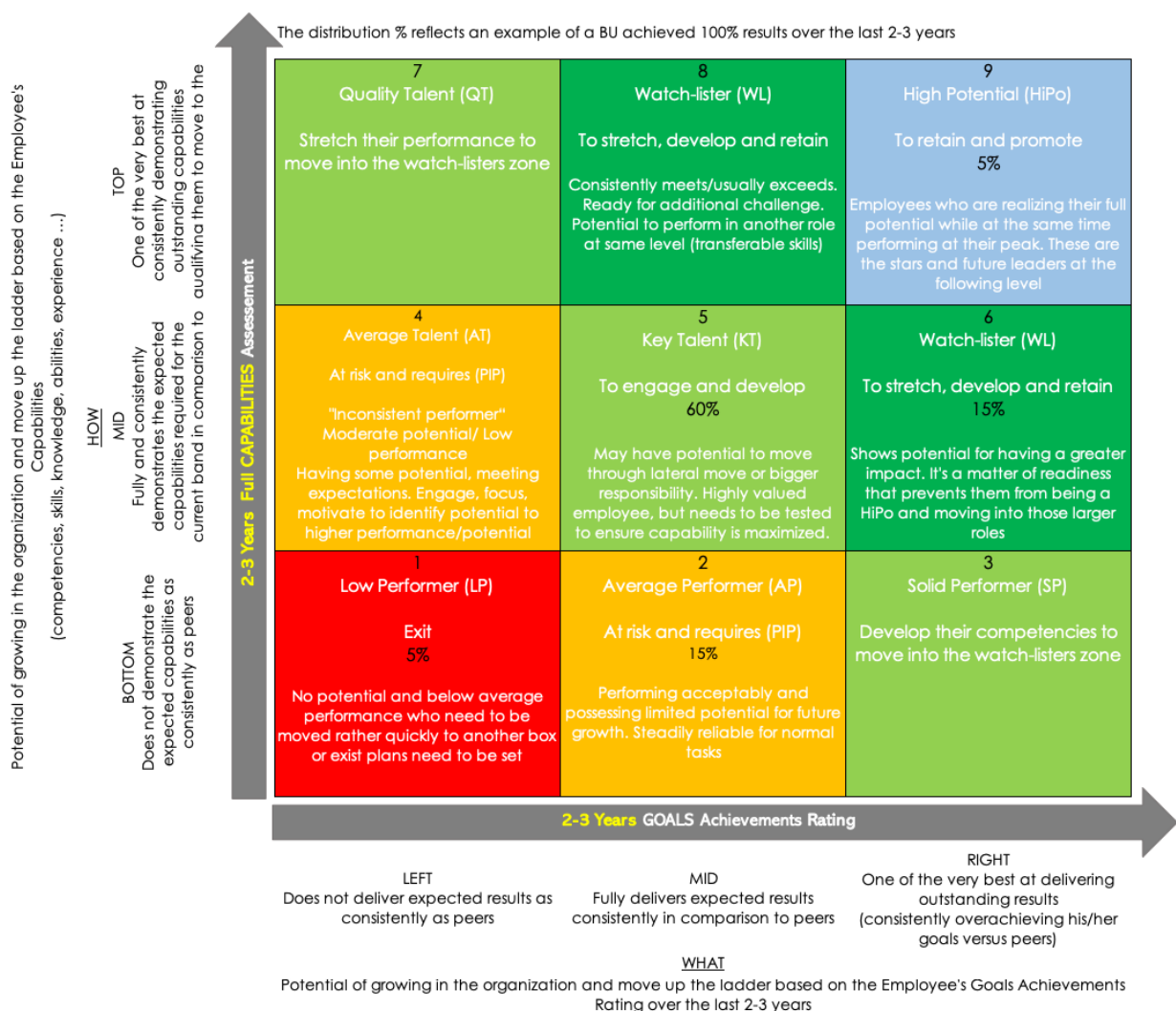


## The 9-Box Grid of Talent Differentiation

The 9-Box Grid of Talent Differentiation is a tool used during the **TRM** (Talent Review Meeting) to measure the **(potentiality)** of the employees in comparisons to each other (within the same band) based on the 3 last year's **performance and capabilities** scores.

The output of the grid is used to take the Talent Management decisions and design the relevant programs.

The Talent Review Meetings (TRM) are led by **the Sector/BU HRBP** with the Sector/BU **Head** and the Sector/BU **Management Team**. A TRM for a specific band is expected to last for 60-90 mins for each of the 4 Bands.



## Definitions

**Promotion** is any upward movement of an eligible employee to a higher role that requires more responsibilities and consequently additional competencies. There are two types of promotions:

**Grade Promotion** is an upward move within the same band. Please refer to the grading and titling matrix.

**Band Promotion** is an upward move from one band to another. Please refer to the grading and titling matrix.

### A nominated High Potential (HiPo)

- Is an employee who is identified by the Sector/BU TRM to have a high **possibility** to move up the grading ladder.
- A nominated HiPo employee is entitled to be enrolled into the Group **TAC** (Talent Assessment Center) for confirmation.
- The nominated HiPo employee who successfully passes the Group TAC is considered as a **confirmed HiPo (ready now)** and is entitled for a **band promotion** subject to job availability and budget.
- If the nominated HiPo fails to pass the TAC, the employee moves to the Watch-Listers boxes.

### Group Talent Assessment Center (TAC)

- The objective of the TAC is to make sure that the employee meets the requirement for the next role in terms of:
  1. Core and Leadership Competencies.
  2. Abilities.
  3. Work preferences and values.
  4. Aspiration and willingness for new responsibilities.
- While the following attributes are measured and confirmed prior to the TAC by the Sector/BU HRBP and Department's Head post the TRM.
 

1. Cross-functional knowledge.	By the business
2. Technical know-how and skillset.	By the business
3. Education.	By the business
4. Depth and breadth of experience.	By the business

- The **results** of the TAC are communicated through the Group Organization Design Team to the Sector/BU HRBP.
- The **brief** of the TAC for the (Senior Management) and (Leadership) bands, are communicated through the Group Talent Management Team directly to the employee in the presence of the Sector/BU HRBP and the Sector Talent Management.
- For the rest of the bands, the **brief** of the TAC is communicated to the employee through the Sector/BU HRBP and the Sector Talent Management.

#### **A Watch-lister**

- Is an employee who is identified by the Sector/BU TRM to be (ready within 1-2 years) for a band promotion and therefore for being nominated HiPo in 1-2 years.
- A Watch-lister readiness can be **accelerated** through the Leadership Academy, Functional Academies, ... and other development programs.
- A Watch-lister is entitled for a **grade promotion** within the same band, but not a band promotion which is exclusively offered for confirmed HiPo employees only.

#### **A Key Talent**

- Is an employee who is **meeting** expectations for his/her current job.
- Key Talent, box 5, at any band can be promoted to higher grade within the same band.

### **The Promotion Process**

#### **The band promotion**

TAC is **required** in promotion from band to another.

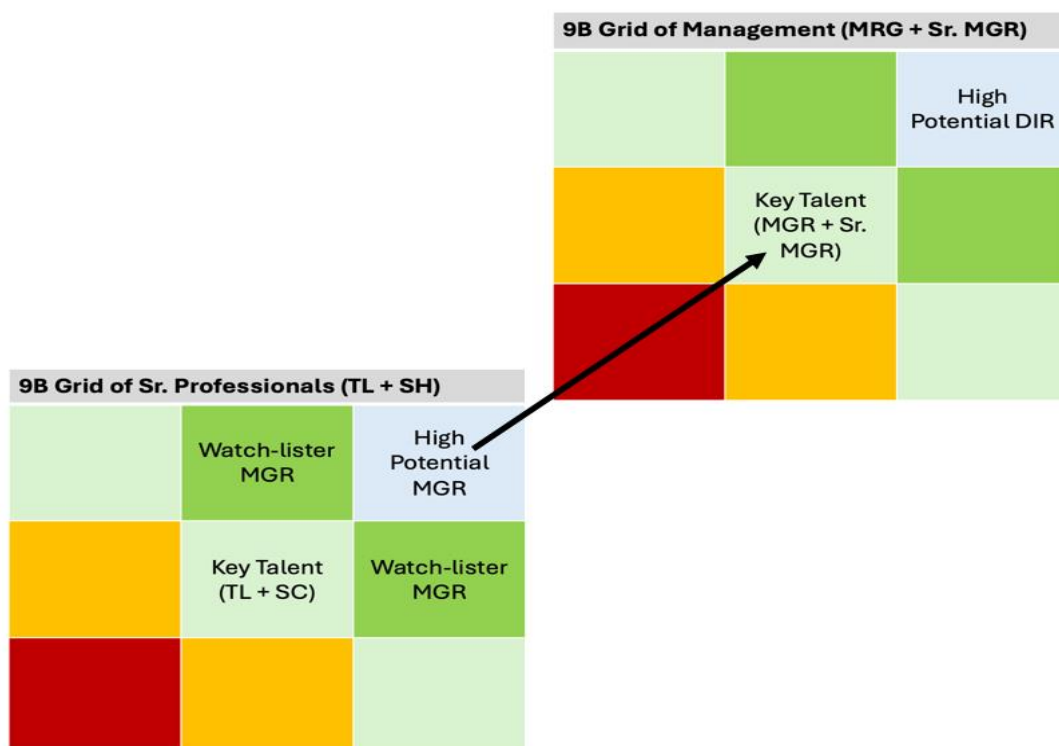
1. **The Line Manager** nominates and submits the promotion requests for Department's Head approval using the (Promotion Request Form).
2. **The Department Head** approves and submits the form to the Sector/BU HRBP.
3. **The Sector/BU HRBP** reviews and approves the promotion requests based on the following 5 promotion criteria:
  - ✓ Approved organization **structure**. The organization structure, to be approved by the Group Organization Design Team prior the promotion round start date.
  - ✓ Available **job** at the requested **grade**. The jobs to be evaluated by the Group

Total Rewards Team.

- ✓ Available **budget**. The Sector/BU HRBP to make sure not to exceed the personnel cost versus the sales revenue ratio budget set for the year.
  - ✓ The **readiness** of the nominated employee. Employees entitled for a band promotion are only the confirmed HiPo employees **and Watch-listers in case there are no HiPos.**
  - ✓ Approval of the **Sector/BU Head**.
4. **The Sector/BU HRBP** submits the promotion list to the **Group Organization Design** [Group.OD@elsewedy.com](mailto:Group.OD@elsewedy.com) for validation and final confirmation.
- In case of a support function job**, the Group Organization Design submits the promotion nominations to **the Group Support Departments HRBP to grant the confirmation from** the Group Support Department's Head. Group Support Departments in scope are Finance, Human Resources, Information Technology, Legal, Audit & Compliance, and the Marketing.
- In case of Leadership band jobs**, the approval must be granted from the Group **CHRO** followed by the Group **CEO**.
5. Once validated and confirmed, the **Sector/BU HRBP** shares the confirmed promotions' list with the Sector/BU Head and **announces** the promotions to the Head of Departments, promoted employees and their Line Managers. Approved promotions are effective **April** payroll for cycle 1 and **October** payroll for cycle 2.

Note:

- If the business has a vacancy and does not have a confirmed HiPo for the job within the Sector/BU, it is highly recommended to look for a **confirmed HiPo in a sister company** within Elsewedy electric Group. The Sector/BU HRBP and the Sector Talent Management to reach out to the Group Internal Mobility Team [group.im@elsewedy.com](mailto:group.im@elsewedy.com) to advise the availability of suitable talent(s).
- In case there is no suitable talent(s) outside, it is accepted that the business looks for a **Watch-Lister** inside the Sector/BU. The Sector/BU HRBP nominates the candidate for a TAC.
- The promoted HIPO, **in case of a band promotion**, will be placed in the Key Talent Box for his new role as illustrated in the below figure.



### The grade promotion within the same band

1. **The Line Manager** nominates and submits the promotion requests for Department's Head approval using the (Promotion Request Form).
2. **The Department Head** approves and submits the form to the Sector/BU HRBP.
3. **The Sector/BU HRBP** reviews and approves the promotion requests based on the following 5 promotion criteria:
  - ✓ Approved organization **structure**. The organization structure, to be approved by the Group Organization Design Team.
  - ✓ Available **job** at the requested **grade**. The jobs to be evaluated by the Group Total Rewards Team.
  - ✓ Available **budget**. The Sector/BU HRBP to make sure not to exceed the personnel cost versus the sales revenue ratio budget set for the year.
  - ✓ The readiness of the nominated employee. Confirmed HiPo has the priority, Nominated HiPo, Watch-Listers and key talents are entitled for a grade promotion within the same band.
  - ✓ Approval of the **Sector/BU Head**.
4. **The Sector/BU HRBP** submits the promotion list to the **Group Organization Design** [Group.OD@elsewedy.com](mailto:Group.OD@elsewedy.com) for validation and final confirmation.

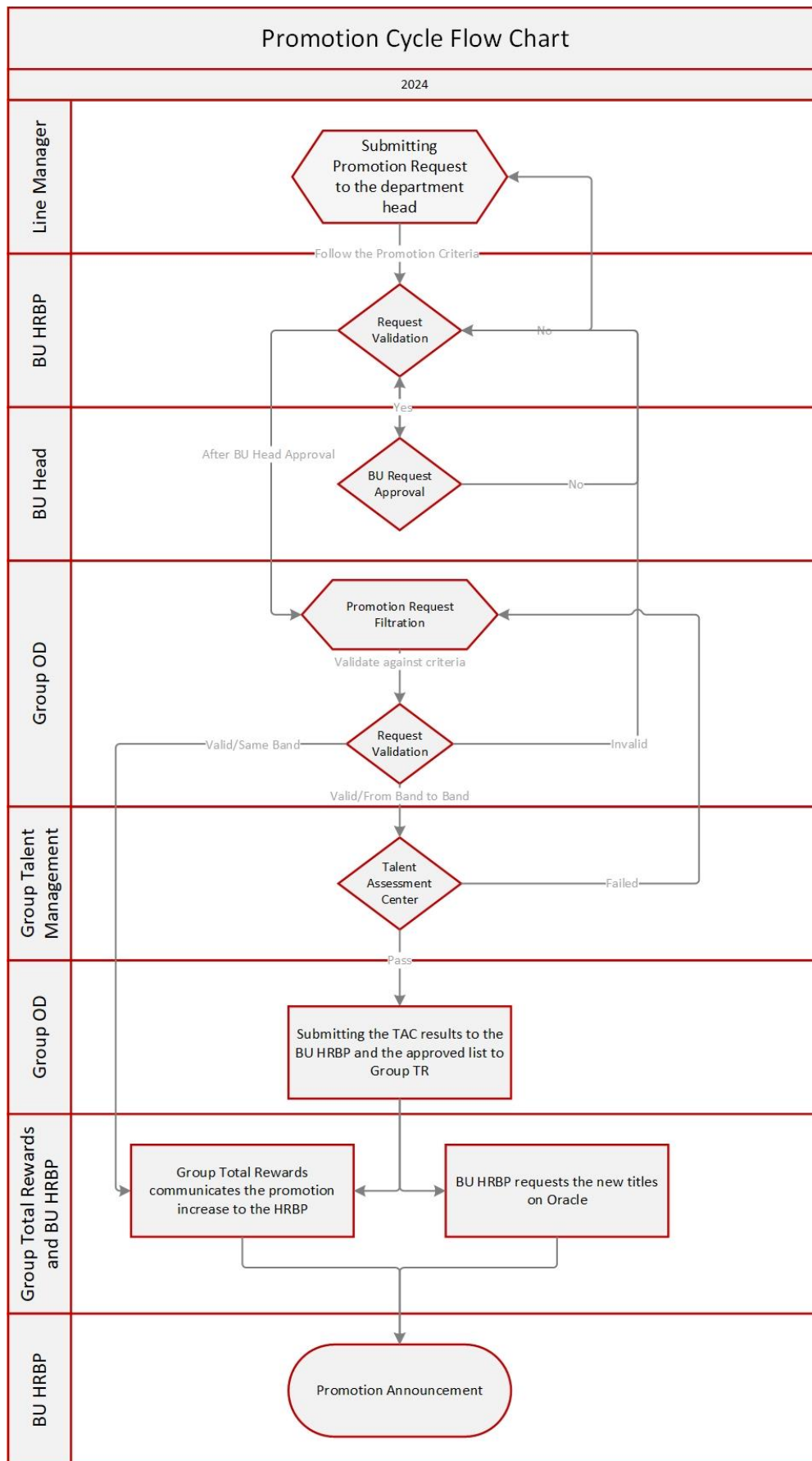
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## Basic Principles

- **Eligibility** for promotion is not by any means related to spending several years in a specific job.
- **An increase in job duties** within a job level does not normally necessitate a promotion at an individual's level.
- The **Sector/BU HRBP** to make sure not to exceed the personnel cost versus the sales revenue ratio budget set for the year.
- Fast track for the confirmed HiPos allow them to be promoted either band to band or grade to grade after 1 year from the last promotion date.
- Employees on the **Senior Professional band and above** shall not be considered for another promotion for a period of two years from the last promotion date/joining date. However; from M3 to M2, the employee can be promoted after 1 year conditioning his talent review is Key Talent or above.
- Employees on the **Professional band** shall be considered for another promotion for a period of one year from the last promotion date/joining date on condition to being identified as **HiPo or watch lister**, otherwise will be eligible after 2 years from last promotion date.
- The **GDP employees** shall be promoted after passing the GDP year during the nearest promotion cycle (from P3 to P2) in condition to being identified as a key Talent/(Performance appraisal at least Meeting expectations).
- It is highly recommended to allocate 1% extra budget in the payroll to accommodate the **promotions' cost**.
- In case of annual **contract renewal**, if the promotion request is approved, then the new job title should be included in the new contract upon annual renewal.
- Employees who are on **unpaid leave** are not eligible for promotion.
- Employees who have submitted their **resignation** and on notice period are **not eligible** for promotions. This means that promotion cannot be used as a retention tool for reigned employees.
- Employees under **formal investigation** through an official committee are not eligible for promotion.
- Employees who have received **warning letters or any disciplinary action** during the previous 24 months are not eligible for promotion.

## Grading and Titling Matrix

Bands, Grades and Job Titles Matrix							
Manpower Positions	Bands		Grades		Job Level		
	CEO				Group CEO		
Senior Positions (SP)	Leadership		L1		Group Vice President		
			L2		Sector CEO Group C Level A		
			L3		Managing Director Group C Level B		
	Senior Management		D1		General Manager Group Director Sector Director		
			D2		Director A		
			D3		Director B		
Mid-Career Recruit (MCR)	Management			M1		Senior Manager	
				M2		Manager A	
				M3		Manager B	
	Senior Professionals	Assistant		S1		Section Head	
				S2	A1	Team Leader	Executive Assistant A
	Professionals			P1	A2	Senior Engineer Senior Specialist	Executive Assistant B
			P2	A3	Engineer Specialist	Department Assistant	
			P3		Junior Engineer GDP Specialist Coordinator		
				T1			Supervisor Foreman
Labor	Technicians & Workers			T2	A4	Assistant	Senior Technician Driver G1
				T3			Technician Driver G2
				T4		Assistant Technician	
						Worker	

Approved by  
Group Chief HR Officer  
Walid Tayel

*Walid Tayel*