

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

GI NUMBER Approved

59.002

ISSUING ORG. *TREASURER'S BANKING, CREDIT & CASH MANAGEMENT DEPT.

ISSUE DATE
* 03/21/2005REPLACES
02/07/2001

SUBJECT PAYMENT AUTHENTICATION

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CONTENT:

This instruction outlines the procedures to be followed in sending requests for payment to ASC, AOC offices, company agents and company bankers. The text hereof includes:

1. General
2. Handling of payment authorization letters and authenticated cables
3. Disposition of payment documents
4. Establishment, revisions and cancellations of test keys
5. Custody and security of test keys
6. Cable office action

1.0 GENERAL:

Treasurer's organization has standing instructions with ASC office, AOC offices, company agents and company bankers not to honor or act on any payment instruction sent by the Treasurer's organization whether via authorization letter or telex, unless such instructions are authenticated using agreed upon authentication codes.

2.0 HANDLING OF AUTHENTICATED PAYMENT AUTHORIZATION LETTERS AND/OR CABLES (TELEX):

Departments initiating letters r cables requesting payments on behalf of Saudi Aramco shall, after being properly approved, forward such payment instructions to the Treasurer's organization for authentication before dispatch to the bank or the cable office.

- 2.1 Treasurer's organization shall either issue a payment instruction letter to the bank, signed by an authorized person and fully authenticated, or as in the case of cables, assign an authentication number to the approved cable (telex)
- 2.2 Treasurer's organization shall not be responsible for review or confirmation of the contents of a payment authorization letter or a cable initiated by another department except for the responsibility of making sure that any request for payment bears the proponent's approval and the necessary controller's verification including attestation by the authorized Financial Accounting Department personnel.
- 2.3 Cables and payment authorization letters shall be authenticated where the subject matter requires proof of authenticity, in order that the recipient may act without hesitation as to the genuineness of the instructions.
 - 2.3.1 Cables and payment letters must be authenticated when authorizing:
 - 2.3.1.1 Payments
 - 2.3.1.2 Deletions or addition of signatories on company bank accounts (cables only).

* CHANGE

** ADDITION

NEW INSTRUCTION ☐COMPLETE REVISION ☐

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2.3.1.3 Changes involving powers of attorney or delegation of authority.

2.3.14 Addition or deletion of personnel granted inter-company approval authority.

2.3.2 Cable may be authenticated when it is desired to:

2.3.2.1 Authenticate a policy matter message

2.3.2.2 Authenticate a message of unusual significance where the recipient may have some doubt as to the authenticity of its contents.

2.3.2.4 To insure against possible garbling in transit of numbers, quantities and amounts.

2.4 All company cables and payment letters not originating from the Treasurer's organization, but requiring a test key number, shall be prepared in final form, signed, and delivered to the Treasurer's organization for authentication.

2.4.1 Treasurer's organization shall authenticate the cable(s) or payment letter(s) by entering a test key number on it, signing, and forwarding directly to the cable office for dispatch or delivery to the intended destinations.

2.5 If a cable or payment letter has been dispatched or delivered to a destination unauthenticated and it is later desired to authenticate it, the Treasurer's organization shall dispatch an authenticated cable or deliver an authenticated letter to the recipient referring to the number of the unauthenticated cable or payment letter verifying its authenticity.

2.6 All incoming authenticated cables should be addressed jointly to the Treasurer's organization and the department directly involved so that the treasurers can verify the test number before any action is taken. This will avoid the possibility of paying incorrect amounts or other discrepancies.

2.6.1 If a tested cable is not for action by the Treasurer's organization, it shall then be routed to the applicable department for action.

3.0 DISPOSITION OF PAYMENT DOCUMENTS:

3.1 The original payment documents shall be marked as paid by cable or letter showing number and date of message.

3.2 Treasurer's organization shall forward the payment documents to Voucher Processing and Control Unit for insertion in the cash voucher as support of the disbursements authorized by cable or letter.

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4.0 ESTABLISHMENT, REVISIONS AND CANCELLATIONS OF TEST KEYS:

Treasurer's organization will establish, revise or discontinue cable and letter test keys with banks, agents or offices as deemed unnecessary.

- 4.1 Test keys shall be revised immediately whenever the possibility exists that they have been accessible to unauthorized persons or that security has been jeopardized in any manner. Revisions shall also be made at any time upon the specific request of the correspondents concerned.

5.0 CUSTODY AND SECURITY OF TEST KEYS:

Treasurer's organization shall be responsible for insuring that:

- 5.1 Test keys are kept in a safe under dual custody at all times when not in use by authorized personnel in testing cables and payment letters.
- 5.2 Only the prime custodian has access to storage facilities of test keys.

6.0 CABLE OFFICE ACTION:

The cable office shall not dispatch a cable bearing a test key number unless it has been signed by an authorized representative of the Treasurer's organization.

- 6.1 The cable office shall route incoming cables bearing test key numbers to the Treasurer's organization for verification and delivery to the department concerned (see Paragraph 2.6).

Approved:

Manager,
* Treasurer's Banking, Credit & Cash Management Dept.