

# SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

## GENERAL INSTRUCTION MANUAL

GI NUMBER **Approved**

155.006

ISSUING ORG. PERSONNEL DEPARTMENT

ISSUE DATE

05/01/2011

REPLACES

07/02/2006

SUBJECT PROCEDURE FOR HANDLING REQUESTS FOR SPECIAL BENEFITS

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**Content:** This Instruction outlines the functions of the Special Benefits Committee (SBC) and the procedure for the initiation, processing and approval of requests for Special Benefits.

The text includes:

1. Objective
2. Scope of Work
3. Special Benefits Committee
4. Initiation of a Request for Special Benefits
5. Processing of a Request for Special Benefits
6. Home Ownership Cases
7. Extension of Short Term Disability Benefits
8. Ex-Gratia PTD and Death Benefits for Apprentices and CDP-NEs
9. Children of Special needs
10. Other Information

### 1.0 Objective:

The objective of the Special Benefits Program is to provide assistance when an employee or ex-employee is facing unusual or unexpected hardship, due to circumstances beyond his/her control, which cannot be adequately met by the existing Company plans or policies.

### 2.0 Scope of Work:

- \* Reviews, investigates and approves recommendations on individual cases concerning employee benefits that are not covered under the Company plans and policies, such review covers financial assistance, unusual medical cases not handled by Medical Organization, home loan hardship, extension of disability leave ("M" time) and convert the authorized leave without pay ("X" time) to paid leave ("P" time) and termination indemnities.

### 3.0 Special Benefits Committee (SBC):

#### 3.1 Membership

The SBC is a business committee constituted by the Business Line Head of Industrial Relations. Effective January 1999, the functions of the former Home Ownership Committee have been merged with this Committee.

The Membership of the Committee is indicated in Section 3, page 22 of the Management Guide, which is currently as follows:

Executive Head	– Employee Relations & Training (Chairman)
Director	– Personnel Department (Vice Chairman)
General Manager	– Pipelines (Member)
Manager	– ER/CR Distribution (Member)
Director	– Clinical Medicine (Member)
Manager	– Treasurer's Operations (Member)
Administrator	– Home Ownership & Community Development (Member)
Corporate Advisor	– Benefits (Member)
The Supervisor	– Personnel Support Services Unit (Secretary)

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The General Counsel will assign a Legal Advisor to the Committee

### 3.2 Functions:

- 3.2.1** The Committee investigates reviews and makes recommendations on individual cases concerning employee benefits matters that are not covered by established plans and policies, such as cases of home loan hardship, extension of disability pay, termination indemnities and unusual medical cases involving treatment not handled by the Medical Organization, special needs.
- 3.2.2** The Committee meets in Dhahran when there are at least ten cases for review, deliberates on each case and makes decisions by a majority vote. In case of a tie, the decision of the Chairman is final.
- 3.2.3** The Committee will not review cases rejected by it earlier unless significant new evidence has been produced, nor will it review requests for increase in benefits where a lump sum award has once been made.
- 3.2.4** In case of urgency when a case cannot be kept pending for the next scheduled meeting of the Committee, the Secretary will prepare a brief summary of the case and send it to each member for polling. A decision on such a case will be made based on a majority vote.
- 3.2.5** In the absence of a member, the person acting in that position can attend the meeting as a voting member. However, members cannot send substitutes to attend the SBC meetings when they are on duty.

### 4.0 Initiation of a Request for Special Benefits:

- 4.1** A request for special benefits may be initiated by any employee who meets the special benefits criteria, by addressing a detailed letter to the Chairman.
- 4.2** A request for special benefits may also be initiated by an ex-employee or dependent of a deceased employee, by directly addressing a detailed letter to the Chairman along with supporting documents.
- 4.3** All requests for special benefits should have the supporting documents, such as medical summary and invoices in medical cases, report from the Civil Defense or Police and photographs in case of house or property damage due to fire or natural calamity, letter from local Government Authorities validating request for assistance due to financial hardship, etc.

### 5.0 Processing of a Request for Special Benefits:

Upon receipt of a request for special benefits, the Secretary will take the following action:

- 5.1** Have the request recorded in a log, open a file and conduct the preliminary review.
- 5.2** Obtain necessary information from other organizations, i.e. Medical, Personnel, Payroll, Treasurer, Home Ownership, etc.; and review the case with the Vice Chairman to decide

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whether the request meets the special benefits criteria and can be included in the agenda for the SBC meeting.

\* **5.3** If the request does not meet the criteria for special benefits consideration, inform the initiator of the request accordingly and close the case file.

\* **5.4** Compile case summaries of all cases to be referred to the SBC, review them with the Chairman and Vice Chairman, and schedule a meeting of the Committee when there are at least ten cases for review.

**5.5** Inform SBC Members at least two weeks in advance, of the date, time and place of the meeting and send the agenda and case summaries to each member.

**5.6** Prepare minutes of the meeting and place them in individual case files after obtaining the approval signature of the Vice Chairman.

\* **5.7** Prepare Payment Authorizations (MPS), when applicable, for the approval of the Vice Chairman and process them through the concerned Accounting Department.

**5.8** Inform the claimants directly if they are ex-employees or legal heirs and inform the department heads in cases of active employees, of the SBC decision.

**5.9** The payment will be deposited into active employees' bank accounts, collect checks from Payroll Unit for ex-employees and deliver them to those whose financial grants have been approved, after obtaining necessary acknowledgment, and close the case file.

### 6.0 Home Ownership Cases:

#### 6.1 Delinquent Home Loan Write-off:

**6.1.1** Requests for write-off of delinquent home loans may be initiated by an ex-employee declared PTD by GOSI, or dependents of a deceased ex-employee or Treasurer's Operations Department.

**6.1.2** The Secretary, SBC will review these requests, discuss them with the Administrator, Home Ownership & Community Development Division, if necessary, prepare case summaries and include them in the agenda for the SBC meeting.

**6.1.3** After the Committee's review, the Secretary, SBC, will consolidate all cases recommended for write-off and prepare a memo for the President & CEO's approval.

**6.1.4** Upon obtaining the President & CEO's approval for the write-off, the Secretary will send the original memo to the Treasurer's Operations Department and a copy to the Administrator, Home Ownership & Community Development Division for further handling.

#### 6.2 Other Home Loan Hardship Cases:

**6.2.1** When an employee fails to meet the established criteria of the Home Ownership Plan due to unavoidable circumstances, which causes a personal hardship to him, he may write to the

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Chairman, Special Benefits Committee through his department head, to alleviate such hardship.

**6.2.2** Cases of Home Loan hardships are referred to the Administrator, Home Ownership & Community Development Division, who will review these cases, prepare brief summaries and send them to the Secretary, SBC, for inclusion in the SBC agenda.

**6.2.3** After the SBC review, the Secretary will inform the concerned employee of the Committee's decision and coordinate with the Administrator, Home Ownership & Community Development Division, necessary action as recommended by the SBC.

### 7.0 Extension of Short Term Disability Benefits:

**7.1** When an employee who is placed on indefinite off-duty in preparation for his PTD processing has exhausted his disability benefit days, or when an employee has exhausted his short term disability benefits and is without pay, he can write to the Chairman through his department head, requesting extension of disability days at 75% of pay for a specific period of time.

**7.2** The Secretary will review such cases and if appropriate, recommend extension of disability days at 75% of the pay.

\* **7.3** The Vice Chairman may approve such routine extension of disability days ('M' time) and conversion of "X" time to "P" time without going through the Committee as he has a delegated authority.

### 8.0 Ex-Gratia PTD and Death Benefits for Apprentices and CDP-NEs:

In case of PTD or death of a non-employee Apprentice or a College Degree Program participant (CDP-NE), the SBC can grant an ex-gratia benefits equivalent to 12 months stipend to the concerned non-employee or his legal heirs in case of death. The procedure followed in such cases is as follows:

**8.1** General Manager, Training & Career Development, initiates request for ex-gratia payment to the legal heirs of a deceased Apprentice or CDP-NE, or ex-gratia payment to a PTD Apprentice or CDP-NE by addressing a memo to the Chairman recommending payment.

**8.2** The memo recommending ex-gratia death benefit should accompany all necessary documents, e.g. death certificate, succession certificate and power of attorney from the legal heirs.

**8.3** The memo recommending ex-gratia payment to a PTD Apprentice/CDP-NE should provide details of employee's disability and request for an evaluation of the disabled non-employee by the Company's Medical Review Board if the disabled non-employee is in the Kingdom.

**8.4** The Secretary will arrange for an evaluation of the PTD Apprentice or CDP-NE, as the case may be, obtain Medical Review Board report and initiate Payment Authorization (MPS) for the approval of the Vice Chairman.

**8.5** In case of ex-gratia death benefit to the legal heirs, the Secretary will review the legal documents (succession certificate, power of attorney, etc) with the Law Department and obtain their concurrence before initiating Payment Authorization.

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- \* **8.6** When the check is ready for non-employee, the Secretary will arrange to obtain it from the Payroll Unit and deliver it to the non-employee after obtaining necessary acknowledgment.

### 9.0 Children of Special Needs:

Children with special health care need are those who have or are at increased risk for a chronic physical, developmental, behavioral, or emotional and who also require health and related services of a type or amount beyond that required generally. The objective of the assistance is to rehabilitate and train disabled children on how to conduct daily living activities without assistance from adults. It is not the intension to provide long term care for children with chronic disabilities. The following requirements must be met to be eligible for the special assistance:

- 9.1** A maximum of two children per family with special needs must be dependents of regular Saudi employees between the ages of 3-18 years old.
- 9.2** A child with Special Needs must be registered at an institution for rehabilitation and attending the program for the whole year. In order to receive reimbursement, the family must provide a proof of registration at an appropriate institution and a proof of tuition payment.
- 9.4** Special needs cases pass SAMSO screening and SAMSO provides the committee with medical evaluation indicating the type of disability and the benefits desired from the special institution that cannot be provided by the medical organization, Government schools, and at home.
- 9.3** Special needs cases must be reviewed and approved by the SBC on a case by case basis.
- 9.5** Special needs case financial assistance is limited to the financial hardship situations. In other words, it is for an employee, who is facing financial hardship as determined by the Committee.

### 10.0 Other Information:

- 10.1** The funds for Special Benefits are budgeted annually by the Human Resource Policy & Planning Department and are charged to respective Benefits Accounts except for home loan funds (e.g. 709-361 Saudi Arabs, Apprentices and CDP-NEs, 709-371 Foreign Contract employees, 709-372, Far Eastern employees, 709-373 Other Arab employees, 709-381 Pound Sterling employees, 709-391 Canadian Employees and 709-351 U.S. Dollar Employees).
- \* **10.2** The Secretary is responsible for maintaining proper records of all amounts awarded by the SBC.
- 10.3** The special benefits grants, except for home loan funds, are ex-gratia payments and cannot be considered as legal entitlements nor can they be considered as precedents for future claims.

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**Recommended:**

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**S. A. AL-DOUIHI**, Director  
Personnel Department

**Approved:**

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**S. A. AL-TUBAYYEB**, Vice President  
Employee Relations and Training

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