

GENERAL INSTRUCTION MANUAL

ISSUING ORG. ACCOUNTING POLICIES & SYSTEMS DEPARTMENT

ISSUE DATE

01/27/08

REPLACES

01-28-02

SUBJECT **DRIVING LICENSE AND RENEWAL OF COMPANY OWNED VEHICLES
REGISTRATION**

APPROVAL

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CONTENT: This Instruction outlines the procedures for obtaining **Saudi Arab Government** issued driving licenses for Saudi Aramco employees and their eligible dependents, the accounting treatment of costs related to the procurement of such driving licenses, and the procedures followed regarding the renewal of registration of all Company owned vehicles. The text of this Instruction includes:

1. Glossary
2. Company Assumed Responsibilities
3. Driving License Application
4. Driving License Fee Payroll Deduction
5. Driving License Fees
6. Fee Payment to SAG Monetary Agency/ Private Establishment
7. Accounting for Driving License Fees
8. Permanent Driving License Controls
9. Industrial Security and Personnel Responsibilities
10. Private Licenses Imprest Fund
11. Renewal of Company Owned Vehicle Registration Booklets

1. GLOSSARY**1.1 ABBREVIATIONS & ACRONYMS**

| | |
|-------|---|
| AISOD | Area Industrial Security Operations Department |
| DLO | Driving License Office |
| G/L | General Ledger |
| IPU | Invoice Processing Unit/ Payables Accounting Division/ Operations Accounting Department |
| LTA | Local Traffic Area Authority |
| SAG | Saudi Arab Government |
| TD | Transportation Department |

1.2 REFERENCE TO OTHER GIs

| | |
|---------|---|
| 53.006 | Custodianship of Company Funds (http://gi.aramco.com.sa/html/data/0053_006.PDF) |
| 211.070 | Saudi Aramco Forms Used for Check/Cash Disbursements (http://gi.aramco.com.sa/html/data/0211_070.PDF) |

1.3 FORMS USED

| | |
|---------|---|
| SA-60 | Payment Authorization (http://eforms.aramco.com.sa/data/60.PDF) |
| SA-2250 | Transmittal - Payment to SAG |
| SA-7268 | Driving License Request Form (http://eforms.aramco.com.sa/data/7268.PDF) |

2. COMPANY ASSUMED RESPONSIBILITIES

- 2.1 Respective AISOD's and DH Area Personnel Office are responsible for obtaining driving licenses (new/renewal) for Company employees whether they are driving Company

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vehicles to perform work related activities or not and for their eligible dependents.

- 2.2 The respective AISOD and DH Area Personnel Division budget for Costs of Company required driving license renewals. Individual departments account for the cost of the new Company required driving licenses. The licenses are processed in accordance with Section 3.3 below.

3. DRIVING LICENSE APPLICATION

- 3.1 Applicants should complete the driving license application form (SA-7268) and submit it with the relevant supporting documents which are driving license request form, a copy of Saudi Aramco ID, a copy of National Identity Card (for Saudis), the original or the expired driving license and three photos (4x6) to DH Area Personnel Office or the respective area DLO at one of the following locations:

3.1.1 Riyadh, Remote & East/West Pipeline - DLO of Riyadh AISOD

3.1.2 Ras Tanura & Tanajib – DLO of Ras Tanura AISOD

3.1.3 Abqaiq, Udhailiya & Mubarratz – DLO of Abqaiq AISOD, UDH

3.1.4 Jeddah, Rabigh & Yanbu – Area Personnel Offices in Jeddah, Rabigh and Yanbu

- 3.2 The respective area DLO or DH Area Personnel Office receives SA-7268 and other supporting documents. An eye test is required to obtain a driving license and can be done in Saudi Aramco designated hospital through the respective area DLO, a local Government Hospital on behalf of the LTAA or at the Dhahran Passport Office. The respective area DLO transcribes the information into the LTAA documentation for further processing.

3.3 DRIVING LICENSE AT COMPANY EXPENSE

3.3.1 The "**Certificate of Necessity**" (Section 3A) in SA-7268 must be completed and approved by the department head or higher in order to charge the driving license and the typing/laminating service fees to the Company. The Director of Personnel Department approves SA-7268 where driving licenses (new or renewal) are required for domestic helpers of Executive Management as defined in the management guide.

3.3.2 Employees are directed to pay the driving license on line and the typing/laminating service fees and will be reimbursed by the Company. Reimbursement is recommended on SA-60 and SA-7268. These forms will be supported by a copy of a processed driving license and receipt from the private establishment, if applicable, for the typing/laminating service fees. Employee's department head or higher recommends payment through SA-60 and forwards it to the respective area DLO for approval by the Manager of Personnel and the respective AISOD. The approved SA-60 is forwarded to the IPU where it is scanned and forwarded to the processor through SAP workflow.

3.3.3 In some instances, department heads or higher may approve payment of unusual

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costs associated with requiring the employee to obtain a Company driving license. In this case, fees will be charged to the employee department's expense account. An example of such an unusual cost is when an employee did not renew his license after expiration as he believes that he would not need it anymore. By being required to drive a company vehicle or equipment, the employee's department should accept to absorb the additional cost for the fine that may be encountered.

- 3.3.4 During a vacation or a business assignment, if an employee wishes to obtain a Company required driving license, he should contact the nearest area DLO for proper submittal of the driving license documents to the SAG Traffic Police Department.

3.4 TRAINING AND TEST AT COMPANY EXPENSE

If an employee is required to drive a Company vehicle, but requires training and the taking of tests, it is the employee's responsibility to complete these requirements and to pay for such training and testing. Employees are reimbursed for these expenses after submitting relevant supporting documents.

3.5 DRIVING LICENSE AT EMPLOYEE EXPENSE

Any employee or eligible dependent(s) applying for a driving license for personal use through Saudi Aramco must complete Section 3B of SA-7268 authorizing the Company to deduct the driving license and typing/laminating service fees, if applicable, from the employee's salary. Respective area DLO or DH Area Personnel Office (Contractor) should ensure that the employee has signed section 3B for proper deduction.

3.6 OTHER CHARGES AT EMPLOYEE EXPENSE

Employees must pay the following charges regardless of whether or not the driving license is required by the Company:

- 3.6.1 Fines for late renewal and/or traffic violations must be paid by the employee to LTAA. All employees must apply for renewal of private/public driving licenses at least two weeks for light vehicles and four weeks for heavy equipment vehicles prior to the expiration date to avoid charges.
- 3.6.2 If the LTAA rejects a driving license application because of outstanding fines, the concerned Area DLO or DH Area Personnel shall instruct the employee to pay the fine before LTAA can accept the application again.
- 3.6.3 Fees for damaged/lost/stolen driving licenses are treated as an employee expense and the employee should pay it directly to LTAA.
- 3.6.4 Contractor Service charges.

4. DRIVING LICENSE FEE PAYROLL DEDUCTION

- 4.1 The area DLO and DH Area Personnel Division are responsible for deducting driving license

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and typing/laminating service fees, if applicable, for the personal-use driving license paid from the concerned employee's salary, through SAP Payroll.

4.2 The area DLO, Personnel Division or Contractors shall not accept checks or cash from any applicant.

4.3 The following monthly-computerized reports are automatically generated except as indicated:

4.3.1 "SAP Payroll – Transaction" No. ZH0755: This report shows driving license deductions from employees grouped by area; namely, Dhahran, Ras Tanura, Abqaiq, Riyadh, Jeddah and Mubarraze. It also summarizes deductions by expense type.

4.3.2 SAP Transactions - Payroll Compensation Elements List: This list shows distribution of the gross deduction for driving licenses by Area Industrial Security Operations Department expense account. This report is produced on request.

5. DRIVING LICENSE FEES

The LTAA charges the applicable driving license fees. The following is the current list of these fees:

| <u>TYPE OF LICENSE</u> | <u>DRIVING LICENSE FEE</u> | <u>REPLACEMENT FEE (LOST/DAMAGED)</u> |
|-------------------------|--------------------------------|---|
| Private License | SR 75 | SR 100 |
| Public License | SR 75 | SR 100 |
| Heavy Equipment License | SR 300 | SR 300 |

Private establishment (e.g. Al-Fifa General Services Company in the eastern province) charge typing and laminating fees (e.g. SR45 through SR375 based on the type of the license).

Note: Driving License fees are subject to change as announced by the SAG. Appropriate guidelines frequently issued by LTAA for driving licenses are available through area DLOs.

6. FEE PAYMENT TO SAG MONETARY AGENCY/PRIVATE ESTABLISHMENT

6.1 The area DLO accumulates applications in batches and processes them in accordance with its normal operating procedures (on line).

6.2 Company-required driving license applications (new/renewal) are segregated and batched separately from employee personal use driving license applications. Driving licenses and typing/laminating service fees for new company required driving licenses will be charged to the employee's department expense account. Fees for renewal of Company required driving licenses will be charged to the department.

6.3 Employees' personal driving licenses fees will be deducted from the employee's salary.

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5 OF 6**7. ACCOUNTING FOR DRIVING LICENSE FEES**

- 7.1 When the SA-60 is prepared, the fees for driving licenses (new/renewal) are debited to G/L 7408023 for company expense or G/L 7408028 for employee expense using one of the following cost centers:

462620 Security Administration Unit/ Ras Tanura Community Industrial Support Security Operations Division/ Ras Tanura AISOD
 463230 Abqaiq Security Operations Administration Unit/ Abqaiq Security Operations Division/ ABQAIQ AISOD
 464260 Driving License Sticker & Passport Unit/ Security Access Control Operations Division
 467320 Security Administration Unit/ Security Operations Division #1 Yanbu Area/ Jeddah AISOD
 467430 Driver License/Vehicle Sticker/ Security Operations Division #2 Jeddah Area/ Jeddah AISOD
 467550 Security Administration Support Services Unit/ Security Operations Division #3 Rabigh Area/ Jeddah AISOD
 468220 ID & Vehicle Sticker Unit/ Riyadh AISOD

For Payroll deduction, G/L Account 2800039 is credited (where applicable).

8. PERMANENT DRIVING LICENSE CONTROLS

- 8.1 The applicant must sign on the register acknowledging receipt of the processed driving license.
- 8.2 A temporary license issued to the applicant must be surrendered upon receipt of the permanent license.

9. INDUSTRIAL SECURITY AND PERSONNEL RESPONSIBILITIES

- 9.1 For control purposes, the operational, administrative, and accountability responsibilities are vested in the appropriate AISOD.
- 9.2 Area DLO retains copies of all documents pertaining to driving license applications and payment authorizations for Industrial Security. It may publish reports and statistics based upon those records at Industrial Security Management discretion.
- 9.3 DH Area Personnel is responsible for deducting service fees and retaining copies.

10. PRIVATE LICENSES IMPREST FUND

- 10.1 Personnel maintains an Imprest fund in the form of checks payable to the LTAA which are used to buy new licenses for issuance to Dhahran area employees as requested in accordance with the provisions outlined in Section 3 of this Instruction.

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- 10.2 As licenses are assigned to employees from the Imprest fund, Dhahran Area DLO will utilize the employees approved SA-7268s, SA-60 and SA-2250 to request payment in accordance with the provisions outlined in Section 6 of this instruction.
- 10.3 Once checks are received from Accounting, the custodian will be responsible for keeping these checks for later use to buy new licenses as per 10.1. These checks will also serve as support for replenishment of the fund under the custodian responsibility. Refer to GI 53.006 for detailed information and internal control procedures of Imprest fund.

11. RENEWAL OF COMPANY OWNED VEHICLE REGISTRATION BOOKLETS:

- 11.1 It is the responsibility of TD to maintain records of vehicle registration booklets expiration dates in order to renew booklets on time in order to avoid fines.
- 11.2 TD is responsible for the control and maintenance of vehicle registration records relating to all Company owned vehicles. TD processes SA-60's for vehicle registration, approved by TD Manager, and submits them, supported by copies of registration booklets to the IPU for payment processing. After obtaining the checks, TD submits them along with registration booklets and other relevant documents through transmittals to the respective AISOD. AISOD will submit the checks, registration booklets and other relevant documents to the LTAA for renewal. When the registration booklets are renewed and collected from LTAA, the AISOD prepares and retains copies of all renewed registration booklets and returns the original Booklets to TD.

Approved: Original Approved by R. A. KRYGSMAN
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Accounting Policies & Systems Department

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