SCHEDULE S

SAUDIZATION TERMS AND CONDITIONS

1. MANDATORY SAUDIZATION LEVELS
   1. CONTRACTOR shall comply with the Saudization requirements regarding employment and training of Saudi Arab CONTRACTOR Personnel as set forth in this Schedule “S” for the entire duration of the Contract. CONTRACTOR shall cause its Subcontractors to comply with the Saudization requirements set out in this Schedule “S”. For the avoidance of doubt, CONTRACTOR’s obligations under this Schedule “S” shall apply to all CONTRACTOR Personnel. Further, CONTRACTOR shall not be entitled to rely on the failure of any Subcontractor as an excuse for a non-performance of any obligation hereunder.
   2. Definitions of Groups

## For purposes of recruitment, hiring, and training, Saudi Arab CONTRACTOR Personnel shall be categorized into the following groups:

* + 1. Group A shall be comprised of certified and/or degreed project management and administrative personnel including managers, field supervisors, and supervisors.
    2. Group B shall be comprised of professionals including engineers, architects, specialists, and construction field personnel who are certified and/or degreed.
    3. Group C shall be comprised of non-degreed certified technical or skilled labor including technicians, craftsman, headman, operators, drivers, and degreed or appropriately certified secretarial personnel including clerks, computer operators, and schedulers.
    4. Group D shall be comprised of unskilled labor including gardeners, janitors, and laborers.

In case of uncertainty as to the assignment of particular Saudi Arab CONTRACTOR Personnel to a group, the Company Representative shall make the final determination as to which group the Saudi Arab CONTRACTOR Personnel shall be assigned.

* 1. Required Minimum Saudization Levels
     1. CONTRACTOR shall ensure that the actual level of Saudization for the groups set forth in this Paragraph 1 shall not be less than the minimum Saudization level required for each group in Attachment I for the duration of the Contract. Only CONTRACTOR Personnel directly involved in the performance of the WORK under this Contract shall be considered for the purposes of determining the minimum Saudization level of each group.
     2. The minimum Saudization levels shall be computed including both man-hours of WORK performed and man-hours of training performed by Saudi Arab CONTRACTOR Personnel.

1. REPORTING TOTAL LEVELS OF SAUDIZATION
   1. In addition to the detailed reports required by Paragraph 5, the CONTRACTOR shall provide information on the actual and projected level of Saudization (man-hours worked and training hours completed by Saudi Arab CONTRACTOR Personnel and total man-hours worked by all CONTRACTOR Personnel) broken down into groups set forth in Paragraph 1. Such information shall be provided in a monthly basis as part of the CONTRACTOR’s regular status report or in a separate ad-hoc report as directed by the Company Representative.
   2. CONTRACTOR shall also provide the information required in Paragraph 2.1 in an electronic form. The format for the report and the electronic form shall be subject to acceptance by the Company Representative.
2. CALCULATIONS
   1. In order to consider any CONTRACTOR Personnel as a Saudi Arab national for purposes of Saudization calculations, CONTRACTOR shall provide acceptable supporting documentation for such personnel which shall include:
3. Valid GOSI Certification.
4. Copy of valid Government Identification card issued exclusively to Saudi Arabian nationals.

The total number of Saudi Arab CONTRACTOR Personnel will be reduced by the number of claimed Saudi Arab CONTRACTOR Personnel for which CONTRACTOR fails to submit all documentation listed above.

* 1. All calculations and any resulting deduction shall be applied separately to each group defined in Paragraph 1. Under no circumstances shall exceeding the specified minimum percentage for one group be used as the basis for eliminating or reducing a deduction for another group.
  2. For each specified group, the actual level of Saudization for a particular period shall be determined by dividing the total number of man-hours actually worked or in training by qualified Saudi Arab CONTRACTOR Personnel (who are either involved directly with performance of the WORK or identified by CONTRACTOR as undergoing training related to the WORK as set forth in the Saudization and Training Plan) by the total number of man-hours worked by all CONTRACTOR Personnel directly involved with performance of the WORK.
  3. In the event the actual level of Saudization for a period is less than the specified minimum level, the number of additional man-hours needed to meet the minimum shall be the number of man-hours that must be added to the number of hours of total combined work and training received by Saudi Arab personnel to achieve the specified minimum percentage(s) set forth in Attachment I.

*EXAMPLE: If total required Saudization for group A is 30%, and in a given period 1000 total hours of WORK and training are performed by personnel of all nationalities in the group A category, then:*

1. *30% of 1000 man-hours, or 300 total Saudized group A man-hours are required for Saudi employees.*
2. *If the actual total Saudized group A man-hours (including actual group A training hours) performed in the period is 250 man-hours, and the per man-hour deduction for group A total hours is XX SR, then the Saudization group A WORK deduction shall be 300-250, or 50 man-hours, multiplied by XX SR.*
3. DEDUCTIONS FOR INSUFFICIENT SAUDIZATION LEVELS
   1. When the actual level of Saudization is lower than the required minimum Saudization level for any group at any invoice period; the CONTRACTOR’s invoice for that period shall be reduced by an amount equal to the number of additional man-hours needed to meet the minimum Saudization level (calculated in accordance with Paragraph 3) multiplied by the corresponding deduction rate set forth in Attachment I.
   2. The Parties agree that these deduction amounts are not a penalty but reflect a premium for utilization of Saudi Arabian labor included in the Contract Price.
4. DISAGREEMENTS

In the event of any disagreements as to whether the actual level of Saudization for a particular period has been achieved for any group, the Company Representative’s determination shall prevail.

1. DAILY ROSTERS, TIMESHEETS AND TRAINING REPORTS
   1. CONTRACTOR shall provide the Company Representative with a daily roster listing all CONTRACTOR Personnel for each specified group , their work or training location, whether they are present for the day, and whether they are Saudi Arabs or not. The rosters shall be provided to the Company Representative by noon of each regularly scheduled workday for the personnel working that day.
   2. In order to determine the number of man-hours for Saudi Arab and non-Saudi Arab personnel, the CONTRACTOR shall prepare daily timesheets for actual worked hours for each group with reference to the provided daily rosters. Copies of these timesheets and a summary in an electronic format (worksheet or database) of all man-hours worked during the previous month including a calculation of the actual level of Saudization shall be provided to the Company Representative no later than ten (10) working days from the beginning of the following month.
   3. Training reports, including attendance sheets and supporting training documents (such as training certificates or registrations), indicating the total man-hours training completed by Saudi Arab personnel, shall be submitted monthly for the preceding month in an electronic format such as a spreadsheet, worksheet or database. These shall include a calculation of the actual level of Saudization training and shall be submitted to the Company Representative no later than ten (10) working days from the beginning of the following month.
   4. The formats for the daily roster, daily timesheets, and monthly summary shall be subject to acceptance by the Company Representative. Such acceptance shall not be unreasonably withheld.
2. OVERSTATEMENTS ON DAILY TIMESHEETS

If a verification performed by SAUDI ARAMCO shows a CONTRACTOR’s daily rosters, timesheet and/or training report to have substantially overstated the actual level of Saudization (for example, by reporting overstated work hours for Saudi personnel or underreporting the number of non-Saudi personnel), SAUDI ARAMCO may further deduct an amount equivalent to the number of man-hours by which the rosters, timesheets or training report were overstated, multiplied by the corresponding rate from the table in Paragraph 2 and the number of working days in the current invoice period.

1. VERIFICATION

The CONTRACTOR shall, and shall cause its Subcontractors to, assist the Company Representative or his designated representative in performing any verifications of presence, nationality, and/or job qualifications of any employees listed for each specific group, through such actions as, but not limited to, arranging for unique markings on hardhats or uniforms, providing copies of documents demonstrating nationality and/or job qualifications, and providing assistance on the Job Sites or training locations to identify and/or communicate with the CONTRACTOR Personnel.

1. PROFESSIONS RESERVED FOR SAUDI NATIONALS
   1. Human Resources Manager And Saudization Representative

CONTRACTOR shall appoint one (1) Human Resources Manager and one (1) Saudization Representative, who must be Saudi Arab nationals, and who shall be responsible for CONTRACTOR’s compliance of the provisions of this Schedule “S” at the WORK Site.

* 1. Cybersecurity Manager
     1. When CONTRACTOR has Information Technology Infrastructure in Saudi Arabia, CONTRACTOR shall appoint one (1) Cybersecurity Manager who must be Saudi Arab national.
     2. The Cybersecurity Manager shall have a Bachelor’s degree in Cybersecurity, Computer Science or such equivalent acceptable to SAUDI ARAMCO, with a minimum of one (1) year of experience in Cybersecurity. The one (1) year of experience is only required when the CONTRACTOR Personnel does not have a degree in Cybersecurity.
     3. For the purpose of this Schedule “S”, Information Technology Infrastructure means physical and virtual resources including hardware, software, communication and other facilities that support the flow, storage, processing, and analysis of data. Information Technology Infrastructure may be decentralized and spread across several data centers or it may be centralized within a data center.
     4. For avoidance of doubt, the provisions of this Paragraph 8.2 shall not apply to CONTRACTORS that do not have a corporate network and relies only on standalone workstations.

1. SAUDIZATION AND TRAINING PLAN
   1. Within thirty (30) days of the Effective Date of this Contract, the CONTRACTOR shall submit for acceptance by the Company Representative a Saudization and Training Plan for Saudi Arab CONTRACTOR Personnel directly involved in the performance of the WORK. This plan shall include, but is not limited to, the following:
      1. Strategy for meeting the minimum level of Saudization required in Attachment I for each group for the duration of the Contract.
      2. Long-term career development plan to prepare Saudi Arab CONTRACTOR Personnel under groups A and B for handling and leading CONTRACTOR projects. The plan shall identify how Saudi Arab CONTRACTOR Personnel will be developed in their technical area of expertise.
      3. Plan for providing technical training, certification courses, workplace training, seminars, and workshops to all Saudi Arab CONTRACTOR Personnel broken down by the groups set forth in Paragraph 1.
      4. Detailed plan for providing cybersecurity training and certification courses to Saudi Arab CONTRACTOR Personnel working at CONTRACTOR’s Cybersecurity function or organization.
      5. Detailed plan for providing technical training and certification courses to all Saudi Arab CONTRACTOR Personnel under group C.
      6. Plan for hiring and/or training Saudi Arab CONTRACTOR Personnel in positions not covered by the groups set forth in Paragraph 1.
   2. SAUDI ARAMCO reserves the right to withhold all or part of the Contract progress payments (other than for an Advance Payment if provided for by the Contract) until the Saudization and Training Plan has been accepted by the Company Representative. Such acceptance shall not be unreasonably withheld.
   3. If CONTRACTOR makes any revisions or updates to its Saudization and Training Plan, the revised Plan shall be submitted to SAUDI ARAMCO for acceptance. Such acceptance shall not be unreasonably withheld.
   4. CONTRACTOR shall comply with the requirements of the accepted Saudization and Training Plan and shall provide progress updates on the implementation of the Saudization and Training Plan in special monthly meetings or in regularly schedule progress review meetings, or as directed by the Company Representative.
2. TRAINING OF SAUDI ARAB CONTRACTOR PERSONNEL
   1. “Training man-hours” are defined as the actual man-hours spent in attending courses, seminars, and forums at schools, training centers, and institutes approved by Saudi Arab Government or SAUDI ARAMCO but excluding travel time and any other related time spent in connection with the training. CONTRACTOR shall submit satisfactory proof to SAUDI ARAMCO that Saudi Arab CONTRACTOR Personnel have attended and passed the relevant courses, seminars, or forums.
   2. Training in the workplace or at the Job Site may be considered “Training man-hours”, at SAUDI ARAMCO’s sole discretion, if meets the following requirements:
      1. The training is delivered by a qualified instructor, who shall be certified as such for the skills being taught.
      2. The workplace or Job Site (as applicable) is equipped with the equipment and tools required for the skills being taught.
      3. The workplace or Job Site (as applicable) training hours are part of a specific training leading to a recognized certification in a particular job skill. Supervised apprentice work hours required for such certification may be also considered.
3. COMPREHENSIVE MEDICAL INSURANCE FOR SAUDI ARAB CONTRACTOR PERSONNEL

CONTRACTOR shall provide comprehensive medical insurance (minimum Class B) to all Saudi Arab CONTRACTOR Personnel including the employees’ spouse(s), children, and parents.

1. CAMP ACCOMMODATION FOR SAUDI ARAB CONTRACTOR PERSONNEL

CONTRACTOR shall provide camp accommodation, recreation facilities, meals, and laundry services to all Saudi Arab CONTRACTOR Personnel working at the Job Site when their permanent residence is located more than 100 kilometers from the Job Site.

1. REDEPLOYMENT OF SAUDI ARAB CONTRACTOR PERSONNEL

CONTRACTOR shall make every reasonable effort to provide redeployment opportunities to Saudi Arab CONTRACTOR Personnel facing employment termination due to the completion of the WORK. Should CONTRACTOR be unable to provide redeployment opportunities to Saudi Arab CONTRACTOR Personnel, CONTRACTOR shall provide to SAUDI ARAMCO, three (3) months before the completion of the WORK, the list of all Saudi Arab employees facing employment termination, including the employee’s name, trade or discipline, and reasons for inability to redeploy these Saudi Arab employees.

1. OTHER OBLIGATIONS AND COMPLIANCE AUDIT RIGHTS
   1. Compliance with the requirement of this Schedule “S” shall not relieve the CONTRACTOR of any other obligations, including, but not limited to, those to the Government of Saudi Arabia.
   2. CONTRACTOR shall maintain, and shall cause its Subcontractors to maintain, records, correspondence, instructions, plans, receipts, memoranda, and other evidence (the foregoing constitute "records" for the purpose of this Paragraph) sufficient to accurately and properly reflect CONTRACTOR’s and Subcontractors’ compliance of the provisions of this Schedule “S”. SAUDI ARAMCO, or any firm appointed by SAUDI ARAMCO, shall have access, at all reasonable times, to all such records for the purpose of auditing and verifying compliance, and shall have the right to reproduce any such records. CONTRACTOR shall preserve and make available, and shall cause its Subcontractors to preserve and make available, all such records for a period of two (2) years after the completion of the WORK or termination of this Contract.
2. ADDITIONAL SAUDI ARAMCO REMEDIES

CONTRACTOR’s failure to comply with the requirements of this Schedule “S”, or failure to provide requested documentation or support to verify presence or qualification of CONTRACTOR Personnel, or evidence of falsified records shall constitute a substantial breach of this Contract and in addition to the other remedies included in the Contract may result in the CONTRACTOR being suspended from consideration for future contracts for a period to be determined solely by SAUDI ARAMCO.

END OF SCHEDULE S