

JANUARY 01ST , 2022

KSA LEAVE OF ABSENCE & VACATION PLANNING

HR Manager	Country Manager	Operations Director	CEO

Leave of Absence Policy

Company Intent / Purpose

The Company recognizes that employees are in need to attend to personal matters outside of working hours, therefore the Personal Leave of Absence, when possible enables employees to fulfill work needs in order to be able to take personal time off from work "Paid Leave of Absence".

However, personal circumstances may require an absence from work that extends beyond paid leave; therefore, an unpaid leave of absence is available for eligible employees.

This policy shall provide the outlines of leaves and the guidelines for each Paid/Unpaid Leave of absence

Eligibility

All employees employed by **Arete Global in Saudi Arabia**.

Section#1 Paid Leave of absence "LOA"

1- Annual Leave

Annual Leave includes Planned Vacations and Emergency Leaves.

All employees are eligible for annual leaves (Vacation) = 30 Calendar days per year.

Entitled vacation days for newly hired employees is prorated based on the number of working months in a year, New Hires are entitled to start using their vacation balance after they pass the 6 months' probation period. (i.e. *New hire on 01 June.2021, then he/she is entitled for 17.5 vacation days*)

Vacation Days Planning

At the beginning of each year, HR will send the employees an email as a reminder to start planning their vacations days throughout the year "i.e. *employee to add the planned/ potential vacation days he/she would like to take during the year after alignment with his/her direct manager in order to consume the full vacation balance he/she has at the beginning of the year.*"

Working during Weekends/ Public Holidays

Since the business requirements may dictate for an employee to work during weekends or public holidays "for example during a Project Go Live, Hypercare period,...etc", the project manager and Direct manager of the employee will request from him/her to work during a weekend and/or public holiday, and in return the employee can take a substitute vacation for the worked days/hours. The Substitute vacation should be aligned with the employee's direct manager and project manager to ensure there is no business disruption and a replacement resource can support during this time.

Substitute Vacation should be tracked separately from the annual leaves balance and needs to be consumed within the same year, employees should consume their substitute vacations before their annual leaves.

Approved hours/days worked should be shared by Project manager / direct manager with HR team for tracking per employee.

Substitute vacation can be consumed via "early leave from work, late arrival to work and/or taking a full day off".

Important Notes:

- Employees needs to consume all their vacation balance within the same calendar year.
- No Vacation Encashment/ compensation is allowed.
- In case an employee doesn't consume the vacation days he/she planned, then the days will be forfeited by the end of the year.
- The only case when annual leave days are maintained is when an employee request a leave but due to business needs, his/her direct manager or project manager rejects / doesn't approve on the leave – *this is handled on case by case basis depending on the need for the resource and if he/she can take substitute vacation days within the same year.*

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- Only 6 Vacation Days are allowed to be transferred to next year for a period of 90 days and it will expire at the end of March. given that the following conditions are met:
 - a) Employee has requested to take his/her annual leave as planned but due to business need, his/her direct manager or project manager couldn't approve.
 - b) No replacement resource was available to substitute for the employee.
 - c) Approved email is sent to HR by Direct manager and Project manager on the vacation carry forward/ transfer to next year.

2- Emergency Leave

In Emergency cases, absence of employees is allowed for a period not exceeding 6 days. Emergency Vacations to be **deducted from the employee's annual leave**, noting that their direct manager/project Manager and/or Admin assistant is informed in the first day of their absence.

Only 2 consecutive days (out of the total 6 days/year) could be taken at a time.

3- Marriage Leave

The Company gives 3 working days as paid Leave of absence for employees who are getting married.

Employee should request for approval from his/her direct manager and project managers before leave by at least 1 month.

4- Hajj Leave

10 to 15 Calendar Days maximum including Eid Al Adha's Public Holiday is granted one time during the entire employment period (**after spending two years in the company**) and the company is entitled to list the employees who will be granted this Leave each year.

If the employee goes on Omra they will not be entitled to any additional vacation and it will be deducted from his annual vacation

Employee Should request for approval from his/her direct manager and project managers before the Hijj leave by at least 2 months.

Supporting document is required "i.e. Hajj Approved Visa" and employee should notify his/her direct manager

5- New Baby/Paternity Leave

1 paid day are given for fathers of new born babies.

Supporting document is required "baby birth certificate"

6- Death in the family

In the event of a death in the **immediate family member** of an employee, a grief leave of absence with pay will be given up to maximum of three days.

Immediate family is defined as the employee's husband, wife, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, child, stepchild, as well as any other relative living in the same household.

Grief leave of 1 day only is granted, if necessary, to an employee on the death of other family members. Other family members are defined as the employee's grandparent, grandchild, uncle, aunt, nephew, niece, cousin, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, and daughter-in-law.

7- Sick Leave

The Company provides paid sick leave to employees who are absent from work because of personal illness or injury. Sick leave is granted with pay and without a loss of credit for the employee's length of service with the company.

Sick leaves are processed as follows:

From Day 1 sick leave, the employee should provide the supporting documents "i.e. Doctor's Prescription from Medical Insurance Network" shared with direct manager and Admin. assistant. If not provided, then sickness

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absence will be deducted from his/her vacation days or salary (if exceeds vacation entitlement) according to the number of absent days.

All sickness absence exceeding one month should have the supporting documents of the case "Doctor's prescription & approval from HR and Management team"

Work related injuries and/or chronic diseases should be paid full sickness absence period till he/she is cured, his/her health status allows him/her to return back to work.

Medical cases that continuously exceed the first 30 days of absence will follow the following rules after discussion with HR and Top Management:

- First 30 days will be fully paid by the company
- The 2nd and 3rd month of Sick Leave, employee receives 75% of his/her monthly salary.
- The 4th month of Sick leave will be unpaid, whether its consecutive leave or non-consecutive during one year.

Notes:

- Sick Leaves must be approved by HR Manager.
- If the sick leave is not approved directly, then HR will revert to Medical insurance company, with the objective of helping the employee/confirming the case
- Any deductions from employee will happen on his/her actual salary and NOT on the government insured salary

8- Pregnancy/Maternity Leave Policy

The Company provides paid pregnancy leave for a period of 10 weeks (4 weeks before delivery and 6 weeks after delivery) for a maximum of 2 times during the entire employment period.

While an employee is on Maternity paid leave of absence, she is entitled to all benefits as per law (i.e. for employees working for 1 or more years in the company 50% pay of Salary, while for employees working for 3 year or more with the company will be entitled to 100% pay of her Salary.

The company will try to return the employee to the same or equal job she had before taking pregnancy leave, yet it's not guaranteed to return to the exact assignment and Employee's seniority shall be counted as well throughout this paid leave of absence.

The employee may use any vacation days to extend her pregnancy leave beyond the paid leave period.

When a working mother is back to work, she is entitled to take an hour/day for breastfeeding till the child is 2 years old, for a maximum of 2 times during the entire employment period (Social Insurance period).

Employee should send an Unpaid Leave request via email to her direct manager and submit it to HR.

Section# 2: Unpaid leave of absence/Sabbatical leave

Entitlement

All permanent employees who have completed 5 years seniority in the company can request a Personal Leave of Absence for any reason unrelated to work if they are demonstrating satisfactory performance, employee can only request unpaid leave of absence every seven years.

Policy guidelines

The Personal Leave of Absence will preferably be taken between 2 projects, in order to minimize business/organizational disruption.

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Granting or rejecting of such a leave depends on the business needs and the effect the employee's absence will have on the workload of the other employees. The leave should be approved by the direct manager and Top management as well as HR to ensure consistently in handling as well as business continuity.

If employees do pay personally for their social insurance within this Leave of absence, their total seniority will not be affected from a social security standpoint. **However the unpaid leave period isn't covered by company benefits.**

Employees cannot engage in any activity that violates Conflict of Interest guidelines during their Personal Leave of Absence, nor can they be employed by someone else. Also they are not expected to productively contribute to the Company while on leave and are not to perform compensable activities for the Company during their leave.

It is the employee's responsibility to return to work on the date the leave of absence expires. Should the employee fail to return and fail to notify HR of a request for an extension, the company will assume that the employee does not intend to rejoin the company and will consider the employee to have resigned from employment.

If employees are leaving the organization (i.e., retirement, resignation), they cannot use this leave to extend employment for the purpose of qualifying for additional benefits such as service year, vacation, stock options, etc.

Duration:

Employee may have up to three months personal leave of absence and another three months every seven years thereafter. PLOA cannot be "banked" (i.e., not taken for 15 years and then expect to take six or nine months), nor can it be split (i.e., three weeks this year, seven weeks next year, etc.). Ideally, the leave of absence would be taken between Projects.

This arrangement may be combined with regular vacation, providing the direct manager/top management agrees that this can be managed within the business and organizational needs.

Payment arrangement/Benefits

- This shall be an unpaid leave of absence and no salary increases will be given within this period.
- Salary planning will be managed according to local guidelines, provided that the period that the employee is on PLOA is not covered in the overall salary plans.

Procedures

- The employee is expected to give at least 6 months notice to the immediate manager to facilitate business and Project planning.
- Employees and their manager will develop a coverage plan for their absence, if required.
- The next project/job needs to be planned and agreed upon before the employee leaves on their Personal Leave of Absence to ensure continuity of career growth and development and at the same time in line with the business needs.
- Both the direct manager and the top management are responsible for mentoring /contacting the employee while on leave.

Payroll Process:

Steps:

1. Employee to send a request for Leave Of Absence (Paid/ Unpaid) and submit it his/her Direct

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Manager via email.

2. Direct Manager, Top Management and HR to approve the Leave Of Absence (Paid/ Unpaid) Request.
3. HR team to save the Leave Of Absence (Paid/ Unpaid) on Payroll system
4. HR is to communicate the effective date of employee Return to Direct manager.

If Unpaid leave of absence is for one whole month or above:

HR to close employee account on the payroll system.

Frequency:

With each Leave of Absence (Paid/ Unpaid).

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