





# Human Resources (HR) Manual

Policies & Procedures


	HR Manual. Policy & Procedures	Document No. HR01
Document Title: Human Resources Manual		Department: Human Resources
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## Key Definitions

<b>The Government</b>	The government of the Kingdom of Saudi Arabia.
<b>The Company</b>	ENERGY PROJECTS SUPPORT COMPANY (ENPRO) Company, established in 1994 A.D
<b>The Labor and Workman Law</b>	Labor and Workman Law of the Kingdom of Saudi Arabia, its modifications or additions from time to time and any Royal decrees or related regulations and decisions that interpret this system or complete it.
<b>GOSI</b>	General Organization for Social Insurance. It is GOSI system of the Kingdom of Saudi and any other related decrees, regulations, or decisions that complete the provisions of GOSI or interpret it.
<b>The Board</b>	The Board of Directors of ENPRO Company. It is the supreme authority in the Company.
<b>CEO</b>	It is the supreme executive authority which submits reports to the Board of Directors at the Company.
<b>Director</b>	Executive Manager, and reports directly to the CEO of the Company. He supervises a group of committees according to the hierarchy system if the Company
<b>Department Managers</b>	Superiors of regulatory groups called (Departments) in the hierarchy of the Company, often supervised by the Director of the Company.
<b>Section Manager</b>	Head of a regulatory groups called (Section) in the hierarchy of the Company, and he is supervised by the Manager of the Department
<b>Unit Supervisor</b>	Head of a regulatory groups called (unit) in the hierarchy of the Company, often supervised by Section Manager or Department Manager
<b>Departments/ Sections</b>	The main administrative unit at the Company, according to administrative hierarchy, which the employee belongs to according to the administrative terms.
<b>Work Regulation List</b>	Regulation that organizes work in the Company, approved by the Ministry of Labor and changes from time to time.
<b>List of Penalties and Violations</b>	Lists of penalties and violations, which are approved by the Ministry of Labor and the Company, and changes from time to time.
<b>The Manual</b>	The manual of human resources policies of the Company, subject to modifications and additions from time to time


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## INTRODUCTION

The distinctive achievements and high-performance levels adopted by ENPRO CO. and its affiliates have shown a model to be followed in the Kingdom of Saudi Arabia. It became true due to the effective policies and good planning which was based on reality and distinctive management. In addition, we are sure that this great success would not be achieved without effort, sincerity, and devotion at work from all of us.

Our vision at ENPRO CO is based on work to achieve more successes through reinforcing the statute of the Company and maintaining its portion in the market whether inside or outside the Kingdom. We can achieve this goal by providing a motivating work environment and achieving high effectiveness and efficacy for the employee in all Company activities. Thus, we had to improve and develop policies and procedures of our work by adopting and applying the best techniques in all fields of management and operation. This is the goal that made us seek to prepare and develop new manual of human resources policies.

The Company seeks to form policies of human resources that are characterized by trust and justice. These policies are intended to attract and motivate employees and to maintain the continuity of their work at the Company to perfectly perform all the works and activities of the Company. Human resources management will be responsible for interpreting and applying policies and procedures of this manual and answering any inquiries concerning its content. In addition to success in achieving the objectives for which this manual has been prepared, it requires all of our effort to carry out our responsibilities towards the application of its policies.

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## THE SCOPE OF MANUAL

This manual provision is complementary to the provisions of Saudi Labor and Workman Law, issued by the Royal Decree number (m/ 51) on 23/ 8/ 1426 AH, corresponding to 27/ 9/ 2005 AD, the recent modifications issued in Muharram 1437 AH, GOSI system, issued by the Royal Decree number (m/ 33) on 3/ 9/ 1421 AH., also completes all modified decisions and laws in all matters that are not provided with a text in this manual. In case there is a difference between the provisions of these policies and the valid modified laws, the best text in favor of the employee shall be applied.

The provisions of these policies are applied to all permanent employees of the Company and the hired or being under probation period. Once the employee is appointed, he will be considered familiar with all articles and items of these policies, agreeing to all mentioned terms, and subject to instructions and policies that are issued to apply them.


The provisions of these policies are not applied to individuals who are employed by the Company to carry out temporary, occasional, or seasonable works and tasks including the trainees. The provisions provided in their work contracts are applied to the employees working under special contracts concerning their employment, determining their salaries, achievements, resignations and end of service. The special provisions of the employee's duties, the instructions that are issued by their heads and other matters related to work relationships under this manual and that are not explicitly contradicted with the provisions of their designation will be applied during the period of their work at the Company. These policies, their modifications and the decisions that are issued by the Company management concerning its employees, are considered an integral part of the contract that is concluded between the Company and the employee.

The in-service employees maintain all their acquired rights at the Company from the date of approval of these policies. The Company management has the right at any time to make any modifications to the texts of these policies. This includes addition and omission of any provided articles, benefits, and rights according to the development of the Company policies and within the governmental laws and policies in force and any future modifications.

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## ABOUT HR MANUAL

Policies, procedures and instructions in this manual are valid until necessary changes arise due to internal growth, external competition, or imperative economic circumstances concerning our field of work. In all cases, any change in the policies and procedures of human resources will be made after putting mutual privileges and benefits into consideration. The responsibility of this change is attributed to managers, supervisors, and all the employees of the Company. In the case of the issuance and approval of these changes, concerned people will be informed instantly. They will be provided with the modified policies to put them in their suitable place, which is mentioned in memorandum articles regarding the change.

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## CEO WORD

From the basic principles of the company manual, and in recognition to the importance of organizing the work behavior between the company and its employees, the company aims to facilitate workflow and establish the framework that guides the administrative processes in implementing the policies, regulations, and work methodology.

By creating the Human Resources Manual, the basics and rules of the administrative policies and the implementation mechanisms are to be identified as a procedural step, rules and regulations that control all the Human Resources Operations.

Taking into consideration, the Rights & Obligations relationship between the company and its employees, this Manual will serve as the primary source for all the inquiries related to the employee's rights and obligations.


The Manual goals can be summarized into the following points:

- Establishing fixed policies and rules that cover all administrative and legal aspects, and minimizing self-individual efforts that create differences.
- Translating the company philosophy towards its employees in a clear and effective policies and procedures.
- Motivating the employees to extend more effort and therefore to increase the workplace productivity.
- Highlighting the possible violations to be avoided by the employees in order not to be exposed to penalties
- Clarifying the role and responsibilities for both the company and the employees in respect to the basic rules that need to be followed to accomplish the company goals
- Emphasizing clear policies and procedures that help achieve fairness and equality among the employees.

Finally, I would like to extend my thanks and appreciation for all Enpro team for your enormous contribution and all amazing work done, to prepare, design and review this successful HR Manual. Your diligence, self-motivation and dedication to go the extra mile to achieve the best results is really appreciated.

# ARTICLE (1) RECRUITMENT & SELECTION

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## 1.0 Purpose

This policy establishes the administrative procedure in planning, requesting, identifying and hiring the best fitting manpower for all levels of employment at (Enpro) referred to hereinafter as “Company”. Employment will be guided by the requirements of the job and candidate’s qualifications. It will consider factors such as education, training, experience, skills and other qualities as decided by Company Management. Priority in employment will be given to Saudi nationals. Employment of non-Saudi nationals, is subject to the Company requirements and limited availability of a suitable national. However, Enpro is committed to an equitable, systematic and consistent approach to recruitment and selection in order to attract, select, and retain the most capable staff through open competition on merit. The policy and procedures to be followed at each stage of the recruitment and selection process – vacancy, applications and shortlisting, selection and appointment have been developed accordingly.

## 2.0 Applicability & Definitions:


### ***All Enpro employees:***

**2.1 An Employee for the** purposes of this policy refers to an individual who has a valid employment contract and works full time in Enpro, temporary workers, consultants, and training contractors are not included in this definition.

**2.2 Authorized Signatory** - is the authorized manager who grants final approval of a document or process relating to transaction or operational issues.

**2.3 Hiring Committee:** A Committee that is assembled to perform the interviewing and hiring functions for new employees. Hiring Committee typically has at least two members, including a representative of the concerned department and an HR representative. For management positions, a representative from the Company’s Management is normally required to participate in interviews, in addition to the other two members.

**2.4 Manpower plan:** A report that will include all current jobs, suggested jobs, and changes if any. The Manpower Plan includes job title, qualifications, requirements, required experience, and a brief summary of the job, new jobs, planned cost of new employees, and their expected return (Manpower Plan Form -No. 1.03).

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2.5 *SME (Subject Matter Expert)*: a person who has special skills or knowledge on a particular job or topic.


2.6 *ID Card*: Identity card provided to the employee upon joining the company and containing the following: (Name, photos, employee number, National ID/ Iqama number, nationality, job, and section details)

## 1. Policy

The Enpro Company is committed to recruiting, supporting, developing and retaining staff of the right caliber, especially technical staff of international standing. This calls for an equitable, competitive and timely recruitment and staff selection process. The Company adheres:

- 1.1. To maintain the principle of open competition on the basis of merit to appoint the right candidates,
- 1.2. To provide equal employment opportunity (EEO) for all candidates regardless to race, creed, color, religious belief, sex, age, national origin, ancestry, physical or mental disability, or veteran status,
- 1.3. To encourage members of employment-disadvantaged groups to consider employment with the Enpro Company,
- 1.4. To all current employees are provided an equal opportunity to explore and seek other positions for career advancement;
- 1.5. To ensure that selection procedures are efficient and effective, and maintain applicant confidentiality.
- 1.6. To recognize the distinct advantage of qualified employees seeking job and career advancement within the Company. Therefore, every job opening in the Company will be posted for at least five workdays through a variety of media such as the internet, bulletin board postings and distribution to employees. All existing or former staff employees who are seeking job advancement or considering a job change are encouraged to use the job posting system as a method for seeking a suitable position within the Enpro community.
- 1.7. To encourage our employees to refer qualified candidates for employment as part of their contribution to Enpro success.

All stages of the recruitment and selection process must conform to the provisions of various Acts of Labor law of Saudi Arabia and its regulations.

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## 2. Job Analysis

The Company consists of jobs that have to be staffed. Job Analysis is the procedure through which you determine the duties of these positions and the characteristics of the people to hire for them.

2.1 Job Analysis Produces Job description a list of what job entails and job specifications which are the kind of people to hire for the job. It's conducted according to (Job Analysis Form -No. 1.01).

2.2 Job Analysis plays an important role in recruitment & selection, job evaluation, deciding compensation and benefits packages, performance appraisal, analyzing training and development needs, assessing the worth of a job and increasing personnel as well as organizational productivity (Refer to the Job Analysis and Job Description Procedure, item 4.5).

2.3 Job Analysis process should answer such questions:

- What are the duties of a particular job?
- What minimal knowledge, skills and abilities are necessary to be able to adequately perform this job?
- How do the requirements for a grade I of a Job, compare with a grade II of the same job?

2.4 Each position will require a Job Description in order to be able to classify and evaluate the position and to recruit the persons with the right skill and qualification for carrying out the job expected out of that position (Job Description Form -No. 1.02).

2.4.1 The HR Department has the final responsibility of ensuring that JDs are prepared for each approved position in the approved JD format.

2.4.2 The Job Description is used when selecting employees for hire, performance evaluation, internal promotion and transfer


2.4.3 When preparing/reviewing the Job descriptions, the following guidelines are to be considered:

2.4.3.1 The name of the section and the department must be documented in full.

2.4.3.2 Job title relates to the job and reflects the actual function.

2.4.3.3 Essential functions shall be clear, identify the primary role of the employee in a particular position (these missions must align with the mission, vision, and values of the concerned department)

2.4.3.4 The JD defines the required knowledge, skills, and attitude to perform the job responsibilities

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2.4.3.5 The JD defines the required qualifications, education, training, experience and any other relevant certification required


2.4.3.6 The JD specifies the reporting relationship

## 2.5 Managing Job Descriptions

#	<i><b>Procedural Step</b></i>	<i><b>Responsibility</b></i>	<i><b>Required form</b></i>
<b>1.</b>	Conduct the Job Analysis for all approved jobs in the context of the company changing needs	HR Representative	(Job Analysis Form - No. 1.01)
<b>1.</b>	Initiate the process of preparing job descriptions for existing and/or new position is created	HR Representative	(Job Description Form -No. 1.02)
<b>2.</b>	Coordinate with the SME from the proponent side to develop a draft Job Description considering the previously mentioned guidelines	HR Representative / SME	
<b>3.</b>	Review and approve Job Description from the department manager and the Director, make any needed adjustments based on their inputs	HR Representative /dep. manager/ Director	
<b>4.</b>	Maintain the original form of the approved Job Description, and provide a concerned department with a hard copy	HR Representative	
<b>5.</b>	Ensure the employee reads and signs the approved JD, and keep a copy in his personal file.	HR Representative	

\*Job Descriptions shall be developed or updated whenever significant changes in the structure or position duties and responsibilities occur; and whenever new positions are created.


\* All Job Descriptions shall be revised at least every three years or as needed.

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### 3. Planning of Workforce:

- 3.1 Position deletion and recruitment requests for new and/or replacement positions shall be in accordance with the approved departmental Manpower Plan.
- 3.2 All procedures concerning preparation and approval of the plan will be completed in the middle of December each year
- 3.3 Ad hoc recruitment may be required to overcome unforeseen staff requirements such as, replacements for sudden resignations, new projects, etc.
- 3.4 Ad hoc recruitment requirements shall be approved as per the established signing authority and communicated to HR as early as possible. Where approved, such ad hoc recruitment will in turn feed into the workforce plan for future planning purposes.
- 3.5 Workforce Planning Process:

#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
<b>1.</b>	Circulate the Manpower Plan Form to the department directors.	HR Representative	(Manpower Plan Form -No. 1.03).
<b>2.</b>	Carry out a thorough analysis of the positions needs within the department taking into consideration the allocated approved budget plan	Department Director	
<b>3.</b>	Receive the completed forms for revision, make sure it aligns with: <ul style="list-style-type: none"> <li>- The strategic and operational plan of the concerned department.</li> <li>- The approved budget plans.</li> </ul>	HR Representative	
<b>4.</b>	Finalize and approve the Manpower Plan	CEO	
<b>5.</b>	Circulate the approved Manpower Plan to the department directors.	HR Director	
<b>6.</b>	Review Job Description for existing jobs.  Develop and sign of Job Descriptions for newly created jobs.	HR Representative / Department Director	
<b>7.</b>	Update the Organization Structure whenever new positions are created	HR Director	

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<b>8.</b>	<b>Review and approve the plan every <u>One Year</u></b>	<b>CEO</b>	
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\* The Planning Process will take place during August each year, (except in case the situation requires a different time)

\* In case a need occurs to update the Recruitment Plan, the HR representative shall update the plan and submit it to the HR Director for revision and approval.

## 4. Recruitment:


### 4.1 General Instructions

- 4.1.1 The Company will employ Saudis to the fullest extent possible, consistent with business needs, rules and regulations of the Kingdom of Saudi Arabia (Refer to the Recruitment and Hiring Procedure).
- 4.1.2 The Company shall adopt fair and consistent methods of recruitment and selection so as to select the most suitable candidate to meet the requirements of the job.
- 4.1.3 Any employee that has provided the Company with incorrect data, certificates or representations or did not present correct information will be terminated without any compensation or notification as per Article (80) of the Saudi Labor Law (Termination Letter Form -No. 1.04).

### 4.2 Vacancy & Advertisement

#### **Prior to the employment of any person, it must be confirmed that:**

- 4.2.1 A vacancy exists, either through the promotion, transfer, resignation, dismissal, retirement or death of a current employee or through the creation of a new position to meet the development of the Company.
- 4.2.2 The compensation and benefits of the individual, are appropriately set.
- 4.2.3 A position description, including a statement of duties and selection criteria must be developed or updated for any vacant position that is authorized to be filled. This is essential to inform candidates about the company expectations and is the key to making an equitable selection based on merit against clearly defined requirements.


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- 4.2.4 An Employee Requisition (Job Requisition Form -No. 1.05) is completed and approved prior to position announcements.
- 4.2.5 Recruitment advertisement might be, at first, done internally, and then externally through available channels.
- 4.2.6 All external job advertisements are to be published as a minimum on the company websites. Advertisements must include the statement “The Company is an equal employment opportunity (EEO)”.

Nevertheless, the company reserves the right to invite candidates to apply for a position without advertising. This may occur, with approval from the Human Resources Director, where candidates are to be sourced through a search conducted by a recruitment and selection consultant. It might also be necessary where the nature of the funding for the position or research to be undertaken necessitates the appointment of a person with particular and specific skills or capabilities.

#### 4.3 Applications & Shortlisting

- 4.3.1 The Enpro seeks to treat all candidates equitably, with respect and courtesy. This includes acknowledging receipt of job applications and advising unsuccessful candidates as soon as possible once a shortlist of candidates has been decided. Duly constituted Selection Committees include two categorizes: Managers Selection Committee (MSC) for Middle and Top Management Levels and Staff Selection Committee (SSC) for Supervisory and Operative Levels. MSC consists of Chairman, COO, HR Director and Heads of organizational units. Otherwise, SSC consist of HR Director and Heads of organizational units.
- 4.3.2 The HR Specialist will assess applicants against established selection criteria (screening) to ensure objectivity and avoid bias in all stages of the recruitment process.
- 4.3.3 Heads of organizational units should seek to attract a pool of applicants with an appropriate gender balance.
- 4.3.4 While preference is for face-to-face interviews, video-conferencing and phone interviews may be used.


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- 4.3.5 Where the candidate is asked to travel to the Company from within or outside the country, the company shall bear the travel fees to join the work including travel tickets, fees, etc.
- 4.3.6 The HR Director will normally conduct an initial selection of applicants after consideration of written applications (Employment Application Form No. 1.06). This expedites the work of the full committee in deciding on a shortlist of candidates to be interviewed.
- 4.3.7 Written referee reports will normally be sought for candidates shortlisted for management positions where time permits, otherwise a report may be obtained by telephone. Telephone reference checks must be conducted, at a minimum whenever possible with the preferred candidate's current and immediate past supervisor, before the final selection decision is made. Reference checks should be conducted on a confidential basis.
- 4.3.8 The Applicants shall be required to take one or more test(s) in related areas of knowledge, skills and attitudes in order that an accurate assessment of the proficiency level can be determined.
- 4.3.9 Recruitment agencies should only be engaged, with the approval of the Human Resources Director, when the Enpro advertising and shortlisting procedure has failed to produce an acceptable shortlist of candidates. It may also be necessary to source candidates for management roles or specialized roles that are expected to be difficult to fill through normal advertising.

## 5. Selection and Placement

### 5.1 Strategies

- 5.1.1 The CEO determines the Salary Scale and other benefits granted to the candidate, according to the compensation & benefits policies.
- 5.1.2 New appointments will be made at the minimum salary for the grade unless the applicant's qualifications for the position are exceptional. The salary offered will normally be at the base of the range for the position. And in certain instances, following discussion between the hiring Department and HR, an exception to this norm may be made. All offers must be supported by relevant Departmental budgets.
- 5.1.3 The CEO must approve a recommendation for appointment by a Selection Committee before an offer of appointment can be made. The Human Resources Manager,

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normally sign an Employment Offer (Job Offer Letter Form -No. 1.07). Heads of organizational units are not authorized to make or vary offers of appointment, orally or in writing.

- 5.1.4 The signature of the candidate accepting the job offer letter and receipt by the Company is considered to be enough to follow up employment process.
- 5.1.5 Unsuccessful shortlisted candidates should be dealt with courteously and sensitively. They should receive written notification via email/phone. The HR Specialist is responsible for providing feedback to unsuccessful candidates.
- 5.1.6 The company retains the right to employ non-Saudi citizens when it is deemed necessary for position-related reasons. The HR Department will help secure the necessary entry visas, work and residence permits for non-Saudi citizens from the labor office in accordance with the labor law. If a candidate fails to secure this visa and work permit, the contract is automatically cancelled.
- 5.1.7 The candidate must undergo a full medical examination to ensure that he or she is physically capable of performing the duties of the position. The Group clinic is responsible for overseeing and evaluating the results of the examination as well as send a recommendation letter to HR department.
- 5.1.8 A former employee may be re-hired provided that he/she has a satisfactory record and a vacancy is available inside the Company. It is at the discretion of the Management to approve or disapprove such re-engagement.
- 5.1.9 After accepting the employment offer, the candidate selected for appointment should provide the Human Resources department with the following pertinent identification and personal papers before the appointment is processed. Moreover, new employees should be complying and maintaining all statements in Labor law of Saudi Arabia and Enpro policies as well as code of conduct and professional practice.

## 5.2 Orientation & Onboarding

- 5.2.1 For employees who are joining from abroad, HR should send the onboarding information at least one week before the candidates booked travel arrangements. Onboarding information should include, but not limited to: Travel arrangement details, visa, and transportation to and from the airport.
- 5.2.2 The orientation program is the responsibility of the HR Department, in coordination with other Departments, whenever applicable. The employee should join the orientation program within the first two (2) weeks after joining the Company.

## 5.3 Orientation guidelines:

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5.3.1 The orientation program should include all the Companies information which should cover, but not limited to:

- An overview of the vision, mission and values of Enpro.
- Organizational structure.
- Company culture, legislations and company policies and internal instructions applied in the Company.
- General idea about the Company and its activities.

5.3.2 Line Manager will be accountable for the development of the Department and job specific component of employee orientation. This information should include:


- Overview of the Company & Department's vision, mission, strategies, values, goals and business plan.
- Information about the Company & Department's structure.
- Information about all Company policies and procedures and the job special programs.
- Overview of the Department organizational chart.
- Overview of the job description and work assignments.
- Tour of workspace and introduction to key contacts and team members.
- Equipment orientation and training.
- Occupational Health & Safety information.
- Review of security procedures.

5.3.3 It is the responsibility of the HRD to ensure that the Departmental orientation has been efficiently completed as per the schedule, through a documented letter from the Department Manager or the Line Manager.


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#### 5.4 Recruitment & Placement Process

#	<i><b>Procedural Step</b></i>	<i><b>Responsibility</b></i>	<i><b>Required Forms</b></i>
1.	Fill and submit the Recruitment Acquisition Form to fill a vacancy.	Department Manager	Job Requisition Form–No. 1.05
2.	Receive Recruitment Requests, make sure it aligns with the approved <i>Manpower Plan</i> .	HR Representative	(Manpower Plan Form -No. 1.03)
3.	Prepare and approve a Vacancy Advertisement covering all required job details based on the provided Job Description. Advertise through available channels.	HR Director	
4.	Receive and examine applicants' CVs and Prepare an initial <u>List of Candidates</u> to be sent to the Hiring Committee to select the final shortlisted candidates (3 as a Minimum).	HR representative	Employment Application Form No. 1.06
5.	Schedule interviews in coordination with the Hiring Committee and inform the candidates of the date and place of the interview.  *All shortlisted candidate shall be contacted and notified at least three days prior to the interview by phone and a written e-mail.	HR representative	
6.	Prepare for the interview, make sure all forms and required documents are in place to be provided for the selection committee prior to the interview.	HR representative	
7.	Conduct interviews, assess the candidates using the <u>Candidate Assessment Form</u> , take notes and provide feedback to be considered for further processing	Selection Committee	Candidate Assessment Form -No.1.08)
8.	After the interview, classify the candidates as: (Accepted / Backup / Rejected) Recommend the candidate who is best suited for the job based on performance in the interview, organizational fit, and the requirements of the job	Selection Committee	
9.	Conduct reference checks for the selected candidate.	HR Representative	

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<b>10.</b>	The file and recommendation shall be forwarded to candidate's head for a final decision.	HR Representative	
<b>11.</b>	Determines the salary and other benefits granted to the candidate, according to the policies of the Company.	CEO	
<b>12.</b>	Prepare and sign of Job Offer, Determine the candidate basic salary, according to the organizational Salary Scale along with the accommodations (if any).	HR Director	(Job Offer Letter Form -No. 1.07)
<b>13.</b>	Send Job Offer to selected candidates, the offer letter should be accepted before a full contract is prepared.	HR Representative	
<b>14.</b>	After signing of Job Offer, the candidate is notified to fix a date for commencing employment and signing the contract and provide the following: <ul style="list-style-type: none"> <li>▪ Six recent photographs.</li> <li>▪ Identity card or passport (four photocopies).</li> <li>▪ Educational certificates.</li> <li>▪ Certificates from previous employers.</li> <li>▪ Fingerprint identification.</li> <li>▪ Other credentials required.</li> </ul>	HR Representative	
<b>15.</b>	Unsuccessful candidates shall be notified through telephone or written email about the result of the selection process.	HR Representative	
<b>16.</b>	Inform the employee if a medical examination is mandatory.  *medical examination procedures and tests are to be performed at a Company designated or approved medical facility.	HR Representative	
<b>17.</b>	Address Relevant Support Departments, (Administrative Services, IT, and employee's department) to provide a new employee's office with necessary furniture and equipment such as telephone, computer, e-mail, etc.	HR Representative	

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<b>18.</b>	Prepares the orientation program for the new employees in accordance with the orientation program guidelines.	HR Representative	
<b>19.</b>	Prepare and send off A letter of employment welcoming the employee to the Organization.	HR Representative	
<b>20.</b>	Welcome the new employee the at Head office and completes all outstanding documentation: <ul style="list-style-type: none"> <li>- Employment contract.</li> <li>- Undertaking.</li> <li>- Personal and Contact Information.</li> </ul>	HR Director	Employment Contract FormNo.1.09 A&B
<b>21.</b>	Conduct the orientation program as explained in the guidelines	HR Representative / Employee Supervisor	-
<b>22.</b>	Issue the employee Identity card	HR Representative	


\* A second round of interviews may be, if necessary, conducted for the best candidates.

\* Copies of the invitation e-mail, interview assessment, and acceptance letter shall be retained in the Employee's personal file, together with properly authenticated copies of certificates.

## 6. General Employment Instructions:

### 6.1. Basic Employment Conditions:

- Candidate must be of age 18 years or above.
- Saudi candidates must possess a valid Saudi National ID and expatriates must possess a valid Passport or other official documents as applicable.
- An applicant will be considered for recruitment when he/she satisfies the criteria stated in the Job Description, including the minimum requirements (educational attainment, years of related experience, certifications, etc.) stated in the ENPRO Regular Recruitment & Selection Policy.
- Possess appropriate educational and job qualification certifications.
- Be of good behavior, meeting background check requirements.
- Pass all required pre-employment tests, medical exams and personal interviews.
- Meet all employment requirements with authentic documents.
- Obtain the required visas and government permits for non-Saudis.

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- Possess good health and fitness for the job as supported by a certified medical report.

## 6.2. Employment Contracts

**6.2.1. Fixed-term contract:** An agreement in which the period of the contract is determined.

The fixed-term contract is terminated with the end date at the end of the specified period. If the contract is renewed as desired by both parties for 3 successive times or renewal period reaches 4 years, whichever is less; this contract will be converted into the indefinite contract.

**6.2.2 Indefinite term contract:** is an agreement in which the validity of the contract period is not determined. If the contract term is indefinite, each party can terminate it for an acceptable reason after notifying the other party in writing before 60 or 90 days before leaving the work or according to what is stated in the work contract.

\*Note that all non-Saudi employee contracts must be a fixed-term contract.


## 6.3. Employment Documents:

**6.3.1 Anyone wishing to work with the Company should provide the following documents:**

- A photocopy of his/her national identity card if he/she is a Saudi citizen.
- A photocopy of residence permits and passport if he/she is a non-Saudi citizen.
- A certified photocopy of his/her academic qualifications and practical experiences.
- A recent personal photo.
- A medical certificate that proves he/she is medically fit from a hospital specified by the Company.

**6.3.2 Females wishing to work with the Company should provide the previously mentioned documents in addition to the following:**

- Personal photo, if required, by governmental authority.

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6.3.3 These documents are reserved in the employee personnel file.

#### 6.4. The Employee's Identity Card

6.4.1 All new employees upon joining the work in the Company will get an identity card the employee maintains his ID card all working hours and shows it for checking when security or human resources official in the Company asks for that.

6.4.2 The ID card is considered to be an official permit to enter the Company sites.

6.4.3 In the case of losing ID card, the employee should inform HRD immediately. A fine of certain amount of money will be imposed to re-issue the card as the following:

- A. For the first time: 250 Saudi Riyal.
- B. For the second time: 500 Saudi Riyal.

6.4.4 In the case of leaving work at the Company, the card will be delivered to the HRD at the Company. The code of entry in the devices will be cancelled by the HRD.


6.4.5 HRD is responsible for informing all concerned departments formally in case any employee leaves work at the Company.

## 7. Probation Period

7.1 Each new employee is subjected to a three-month probation period from his joining date, to perform the work assigned. Completing the required training courses in the probation period will be essential for the employee to be officially assigned.

7.2 The Company shall evaluate the employee's performance and efficiency. It is the direct manager's responsibility to inform the new employee with the evaluation standards that he will be subjected to during probation period work (Probationary Period Evaluation Form - No. 1.10).

7.3 Based on the employee's direct supervisor reports, the concerned department manager can request terminating the services of an employee under training before the end of the

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specified probation period, in this case, the employee will not be eligible for any reward or compensation.

7.4 Each party has the right to terminate the contract during this period unless the contract contains an article that gives one party the right to terminate it (Termination Letter Form - No. 1.04). If the terminated party was the employee, he bears all fees of his travel from and to his country of origin.

7.5 The probationary period may be extended to up to one-hundred eighty (180) days by mutual written consent per the terms and conditions mentioned in the Saudi Labor Law.

7.6 If an employee worked for the Company previously and is appointed after an interval period (one year), the Company may subject him to a new probation period.


7.7 The employee can be subjected to another probationary period for another job or other tasks, provided that there is a written agreement between the two parties.

7.8 In exceptional cases and due to work requirements, it is allowed to partially or fully exempt any candidate for top positions from the probation period, after getting the approval of the CEO.

7.9 In exceptional cases and based on a recommendation of the concerned department manager, the CEO can appoint an employee before the end of the specified probation period.


7.10 If the probation period has ended and the employee has not received an official Termination of Services Letter, then he considered to be officially appointed.

7.11 The employee is not applicable for annual leave during the probation period. In the case of his designation, the probation period is considered an indivisible part of the service period for the purpose of calculating the annual leave period due.

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## 7.12 Probation Period Evaluation Process

#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Send evaluation form of new employee during probation period to the line manager along with the agreed on Joining date and the previously signed Job offer.	HR Representative	(Probationary Period Evaluation Form-No. 1.10).
2.	Follow up with the concerned department to issue a performance evaluation of the new employee <u>3 weeks</u> before the end of probation period.	HR Representative	
3.	Send the evaluation form <u>2 weeks</u> at least before the end of probation period to the HRD with a recommendation.	Line Manager	
4.	Receive the completed forms & recommendations for revision.	HR Representative	
5.	Follow up for necessary action according to evaluation results.	HR Representative	
6.	In case, an employee <i>earns more than 60% as an overall evaluation, he shall inform the employees with the results of the evaluation to sign the Performance Evaluation Form</i> , otherwise, the case is investigated by all concerned parties to make a suitable decision.	HR Representative	
7.	In case, an employee earns less than 60% as an overall evaluation, informs the employees with the results of the evaluation to sign the Performance Evaluation Form, the case is investigated by all concerned parties to make a suitable decision that could be (termination of services).	HR Representative	Termination Letter Form-No. 1.04
8.	Make photocopies of all correspondences to be sent to the employee's file.	HR Representative	

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## 8. Settlement (Saudization):

### 8.1 General Instructions:

The policy of the Company is to work according to the Saudization policy, which is adopted by the government of the Kingdom of Saudi Arabia. It includes providing work opportunities, support, and training for Saudi workers of the Company to achieve (maximum limit) of settlement level specified by the Ministry of Labor regarding the required rates of settlement programs (percentage), for each activity and according to the size of the organization.

Our programs of employment and training will work in many directions to reach settlement goal by first employing Saudi citizens, then to achieve career development for Saudi employees of the Company.

### 8.2 Employment (Saudization)

#### 8.2.1 Saudization as per the governmental policies:


The maximum limit of Saudization percentage specified by the Ministry of Labor should be maintained and applied at all times and over time. The HRD shall work on giving Saudi citizens the opportunity to work at the Company. By this, the Company undertakes its social responsibility. The Company always seeks the Saudization of jobs after providing appropriate competencies.

#### 8.2.2 The Requirements of Saudization in Current Manpower:

In the light of Saudization and job settlement objectives, HRD will analyze Saudization levels in all departments regularly. In the case of discovering a gap between what is required and the current level of Saudization, the concerned department will be notified to take necessary actions to correct this situation to at least the required maximum limit of Saudization percentage.

#### 8.2.3 Saudization Analysis and Planning


#	<i><b>Procedural Step</b></i>	<i><b>Responsibility</b></i>	<i><b>Required Forms</b></i>
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<b>1.</b>	Conduct continuance analyses and calculate settlement percentage according to Nitaqat program (or any official program), and training requirements of Saudi citizens in the Company.	HR Representative	
<b>2.</b>	Prepare a dynamic plan for Saudization including employment and training, based on the evaluation of annual performance and in coordination with the concerned departments.	HR Representative	
<b>3.</b>	Communicate with the departments regarding all news about the current situation and the required level of Saudization.	HR Representative	
<b>4.</b>	Abide by the Saudization percentage according to the required settlement rates to achieve the maximum limit.	GR Department.	
<b>5.</b>	Present and discuss strategies with the Company departments to achieve the specified settlement percentage and training programs (if any)	HR Representative	
<b>6.</b>	When needed, prepare the required training programs for Saudi employees in coordination with the concerned Department and based on an annual performance evaluation for each employee.	HR Representative	
<b>7.</b>	Conduct continuous follow-up with departments concerning the Saudization plan.	HR Representative	

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## **ARTICLE (2) COMPENSATION & BENEFITS**

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## 1.0 Purpose

This policy establishes the framework to


- Attract and maintain qualified employees at all levels of responsibility to perform in a manner that permits the company to achieve its objectives and goals;
- Reflect the relative value of jobs;
- Be externally competitive and internally consistent and fair;
- Foster good understanding and cooperative relationships among employees;
- Comply with all Saudi Laws and regulations; and
- Compensate the employees based on their performance to be linked with employee's motivation, performance, feedback and satisfaction.

## 2.0 Applicability

Includes all Enpro employees.

## 3.0 Definitions:

- 3.1 Compensation** - compensation/salary and other monetary and non-monetary benefits granted by the company to its employees.
- 3.2 JOB Evaluation (JE)** - a process for sizing jobs logically and fairly by comparing them to predetermined factors and scales to meet the relative values of each position in the company.
- 3.3 Progression Promotion** - One Grade level - Promotional upgrades such as progression movements within a job family or grouping.
- 3.4 Managerial Promotion** - Complete change in job function with increased responsibility or movement from non-supervisory to supervisory level.
- 3.5 Basic Salary** - The wage given to the employee for his/her work under the work contract Irrespective of this wage or the method of its calculation, without any increases, including allowances, overtime compensation, remunerations or others and before any deductions including taxes and health insurance.
- 3.6 Annual Increase** - The cash increase to the basic salary of an employee on the date determined by the Company management.
- 3.7 Authorized Signatory** - is the authorized manager who grants the final approval of a document or a process related to transactions or operational issues.
- 3.8 Regular Working Hours** - Daily shift hours: from 8:00 am to 5:00 pm, including an hour for lunch.
- 3.9 Regular Hourly Rate** - is obtained by dividing a monthly basic salary by the number of regular/normal working hours in each month.

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- 3.10 **Overtime (OT)** - refers to the time consumed by an eligible employee who is actually assigned to work or called for duty at any time beyond his regular working hours. Usually this is applicable on national holidays. Weekends and after-duty hours; may also be paid as overtime, based on the nature of the employee's work.
- 3.11 **Overtime Form Request** - is a form filled out by the concerned department and signed by the **Authorized Signatory**, in advance, forecasting the needed overtime hours required by the concerned department.
- 3.12 **On Call Employee**- refers to an eligible employee who may be either inside or outside the worksite and readily available to perform duty as per shift rotation.

## 1. Policy

The policy of the company is to achieve a competitive Levels of Pay by:

- Maintaining levels of pay and benefits that are competitive with the average compensation of employers offering similar employment and competing in the same labor market.
- establishing such pay levels based on regular surveys of pay rates, benefits, other components of compensation and all aspects of Human Resource administration; and
- Making external comparison on the basis of basic salary and other compensation components.


## 2. Job Groups & Grades:

2.1 For the purpose of promotion and employee classification, in addition to facilitating the process of granting increments, allowances and rewards, the employees of the Company are classified into several grades. Each employee in the Company, is granted a specific grade, where the wages and benefits are related to a grade (a classification) of the employee, whether a newly hired or a long-serving employee, as a result the following grades have been categorized by the Company for the purpose of classification:

2.2 Grading Scale: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,14,15. All Enpro employees are included in **Grades 1- 15** (1 The Lowest and 15 The Highest).

2.2.1 Enpro jobs have been classified into 4 major Job Groups:

The salary structure is divided into 15 pay grades (Grades 1- 15). The “non-officers grades” (Grades 1-4) and “officers grades” (Grades 5-9). However, the mandatory requirement of “officer’s grades” is a Bachelor’s degree in a relevant field.

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- **Administration & Support Services** - Administrative Assistants, Clerks, Secretary, Receptionists, General Office Clerks, Staff Assistants, Typist, Invoice/billing processors, Archive Service officers, Data Entry officers. (Grades 1- 7).
- **Technical Support** - Engineering Technicians, Lab Technicians, Maintenance Planners, Purchasing Officers, Inspectors, Craftsmen, Operations Trainers, Safety Coordinators, Buyers, etc. (Grades 2-8)
- **Professional support** - Engineers, Chemists, Finance/Accountants, Human Resources, Purchasing, Contracts, Computer/Systems Analysts, Marketing and other business disciplines. (Grades 5-9)
- **Management Group** - Supervisor, Senior Supervisor, Section Head, Department Manager, Director, CFO, CEO (Grades 10-15)


- 2.2.2 Each major job group identifies a series of salary grade levels, allowing employees to advance within their chosen career field within the Company. This simple hierarchical approach allows the majority of employees to progress through multiple classification levels to reach their Fully Qualified Level.
- 2.2.3 Job descriptions will be established as required, which incorporate the criteria to validate the placement of jobs in the grading system.
- 2.2.4 Placement of new-experienced hires is easily accomplished through direct reference to the grading system.
- 2.2.5 The Company has the right to modify or develop them for the interest of work, including modifying and classifying jobs and their mentioned grades without any notification.

The employees can get promotions and change in grades depending on the evaluation system of their actual performance, the approved budget of the same year, and the recommendations of the management. The promotion and increment policy depends on the employee's actual performance evaluation during a period not less than one year.

### 3. Salary Range Structure and Exceptions

#### 3.1. Salary Ranges

- A- Minimum:** The minimum of the pay grade represents the lowest salary that the Company would be expected to pay to have the job performed. The area between the minimum and midpoint includes the salaries normally paid to:
  - individuals who are hired or promoted into a position and still learning the job, and

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- The employees who are moving towards midpoint based on length of service and performance appraisal results.

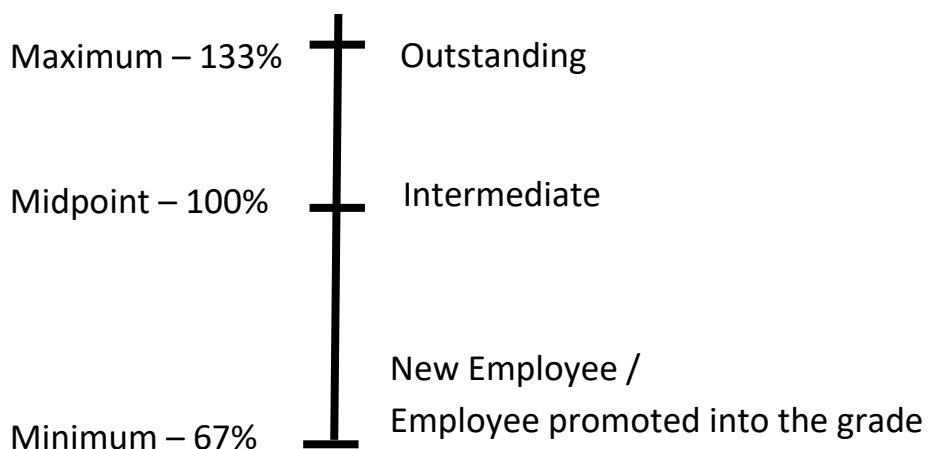
**B- Midpoint:** The midpoint of the pay grade represents the salary level paid for a competent employee with considerable years of experience who performs all duties of the job at a satisfactory level. This level of pay is considered the "going rate" in the marketplace for training experienced people. The midpoint is the salary level used for comparison when a competitive analysis of Company pay levels is performed.

**C- Maximum:** The maximum of the pay grade represents the highest amount that the Company will generally pay to have the job performed. The area between the midpoint and the maximum includes salaries paid to employees whose demonstrated performance is above average or at a consistently superior level according to their position level.

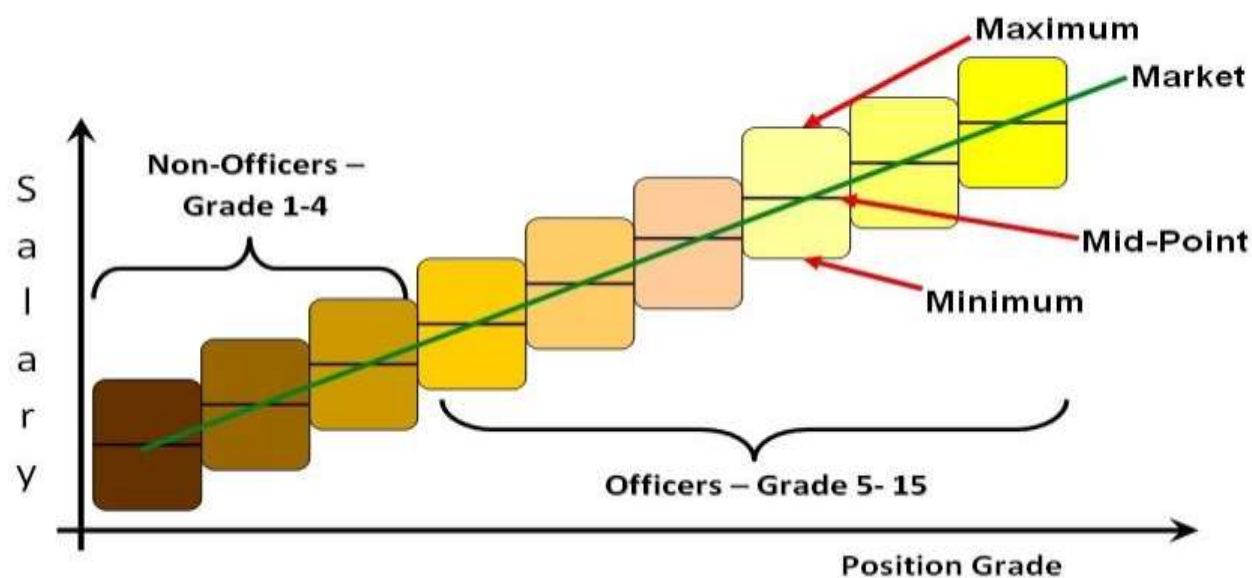
Employees whose salaries are at the maximum of the pay grade will generally not be eligible for increases based on performance appraisal results. Any exceptions shall be approved by the chairman/CEO.

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## Employees' life cycle within a salary range



## Salary Structure Layout




### 3.2. Hierarchical Salary Range Grading:

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**Hierarchical Salary Range Grading of the Company is as following:**

Grade	Professional support	Technical support	Administration and Support Services	Managerial Position
15				CEO
14				Executive Dir.
13				Sen. Director
12				Director
11				Sen. Manager
10				Manager
9	Chief Eng.			Section Head
8	Senior Eng.	Senior Specialist		Senior Supervisor
7	Engineer I	Specialist I	Senior Analyst	Supervisor
6	Engineer II	Specialist II	Analyst I	Senior Leader
5	Engineer III	Senior Tech	Analyst II	Leader
4		Tech I	Senior Assist	
3		Tech II	Assistant I	
2		Tech III	Assistant II	
1			Assistant III	

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### 3.3. Grades Description

Grade	Job titles
1	Unskilled workers, office service workers, ordinary workers, and sanitation workers
2	Skilled workers, clerks, drivers, and non-Saudi security men, equipment drivers, storekeepers (3), governmental representatives (3), and receptionist.
3	Drivers of heavy vehicles, purchase employees, operatives, storekeepers (2), labs technician, production workers, industrial workforce, packaging worker, supervisors of workers, salespersons (3), Saudi security men.
4	Sales coordinator, coordinators, Safety Coordinator, keeper of sales store, shift officer, specialist of clearance, representatives of relations-banks-treasurers, data entry, quality inspectors, technicians, sales representatives (2), salespersons, and designers.
5	Production supervisor, senior technician, production manager assistant, production, research, and specific quality specialists, network technicians, accountants, purchase representatives, logistic services and store specialists, inventory planners, senior treasurer, executive secretary, store supervisor, and graphic designer.
6	Specialists, professionals, engineers, planners, specialists of purchase, registration, clearance, and specific quality, network engineers, senior coordinator, quality analysts, quality controller.
7	Supervisors, senior sales representatives, coordinators, senior accountant, assistants of research, development, purchases, production, and registration, and managers of branches.


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8	Managers of business development, branches, production, and support and technical services, managers of quality, planning, and registration, Networks engineers (1), operative employees in production and logistics, quality control, specific quality, marketing, research, and development.
9	Managers of departments
10	Managers of department and counselors.
11-15	Senior Manager, Executive Director – Director - Deputy Director– Chief Executive Officers (CEOs).

### 3.4. Hierarchical Grading Overview

The Grade Hierarchy promotes a basic hierarchical grading levels by major job groups for employees to progress:

- **CAREER LEVELS** – Most employees can achieve progression to fully qualified level within each job group, giving that their jobs progressively increase in responsibility within a chosen career path. This allows for salary progression over time as the individuals develop and become more competent in their job fields. This is sometimes referred to as the “Fully Qualified Level”.
- **SPECIALIST LEVELS** – Employees in specialist positions can advance beyond the fully qualified Level. Promotion to such upper levels will require a certain nomination and will be dependent upon the needs of the company.
- **SUPERVISORY & MANAGERIAL LEVELS** – The advancement to Supervisory and Managerial levels is achieved through promotion to a vacant position. The movement to higher levels of supervision/management is determined by job evaluation.

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#### 4. Jobs Evaluation (JE):


4.1. JE is not used to review the specific performance of individuals doing the jobs. JE reviews the position, not the person to determine the effect of the job comparing to others (**Job Evaluation Form -No. 1.12**).

4.2. Each job is evaluated according to the following standards and it is classified according to the points that it achieves in the evaluation:

- **Effect of the Job** - the role of the job or position in the department, section or the company as a whole.
- **Qualifications** - The qualifications required to perform this job efficiently.
- **Supervisory Responsibility** - the supervisory authority that the job has and the number of individuals who are supervised and monitored through this job.
- **Analysis Capability** - The skills required for the job to handle the problems resulting from the nature of the job.
- **Work Conditions** - the levels of stress and pressure whether, mental or physical that result from performing the job.

4.3. The Process to Manage Job Evaluation:

#	<i><b>Procedural Steps</b></i>	<i><b>Responsibility</b></i>	<i><b>Required form</b></i>
<i><b>Newly Developed Jobs</b></i>			
1.	Once the job description has been finalized after a creation of a new position, the job evaluation process shall be conducted.	HR Director	<b>Job Evaluation Form No. 1.12</b>
<i><b>Current Jobs</b></i>			
2.	Request to conduct a new job evaluation for a revised job role	Department Manager	
3.	carry out an evaluation considering the previously mentioned JE standards & form	HR Representative	


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<b>4.</b>	Determine suitable Job Grade based on the job evaluation results, and advise the department manager accordingly.	HR Representative	
<b>5.</b>	Inform the employee of his job grade and its changes if any.	Department Manager	

\* Each department shall inform the HRD to review the job when there is a significant change in the content of the job.

## 5. Employee's Salary:


- 5.1. The salary is determined from the salary scale according to the employee's experience, suitable educational qualifications, and sustained performance level.
- 5.2. The manager or the supervisor of the employee checks his performance each year. The General performance level will be the basis for job path and career progression of the employee in the Company. In addition, individual performance level, promotion to higher levels and the increase in job responsibilities will have a great effect on the progress and development of the employee at the Company.
- 5.3. The basic determinants and rules of wages include the followings:
  - 5.4. The worker is employed on the job with certain titles and specifications while getting the wage agreed on, in the employment contract.
  - 5.5. The workers' wages are paid in the national currency of the country. They are paid during the formal working hours at the workplace or they are deposited into their bank accounts according to the following terms:
    - The worker with a monthly wage is paid his wage at the end of the month.
    - The worker whom the company terminates his service, his wage, and all dues are paid during one week at most, from the date of contract termination.
    - The worker who leaves work on his own is paid his wage and all dues during a period that does not exceed more than two weeks from the date of leaving work.
    - Overtime wages are paid on the maximum date of 3 days by the end of overtime, if it is not included in the normal wage of the worker.
  - 5.6. If payment day is on the weekend or official vacation, payment will be done on the previous working day.

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- 5.7. On receiving his wage or any due amount of money, the employee signs a receipt or the record that is set for this purpose.
- 5.8. The employee can authorize another person to get his wage or dues under a legal authorization or written accreditation signed and approved by the manager.
- 5.9. In the case of the detention or arrest of the employee by the official authorities in issues related to or because of work, Enpro should continue to pay 50% of the wage of the worker until his case is resolved provided that the duration of the arrest and detention does not exceed more than 180 days. If the duration exceeds more than this period, Enpro does not have to pay any part of wages for the increased period. If the worker is proven innocent or pending investigation, the employer should return what has been deducted from the worker's wage. But if he is sentenced to be guilty, the spent money is not refunded unless the sentence states otherwise.

5.10. Managing employees Salary:


#	<b>Procedural Steps</b>	<b>Responsibility</b>	<b>Required form</b>
<b>New employee Salary</b>			
1.	The Basic salary is determined by the company approved salary scale.	HR Director	
2.	Preparing financial procedures, including all salary details plus the first day of commencing work, and referring the same to the finance department.  <b>(Feed into the system)</b>	HR Representative	
3.	Sign-off financial procedure and keep documents in employee's file.	HR Representative/ Director	
<b>Employee's Salary</b>			

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<b>4.</b>	Receiving all salary adjustment applications (deductions / increases / suspension)	HR Representative	
<b>5.</b>	Preparing the following reports:  <ul style="list-style-type: none"> <li>- Absent &amp; Late</li> <li>- Penalties</li> <li>- Leaves</li> </ul> <b>(Extract Reports from the system)</b>	HR Representative	
<b>6.</b>	Ensuring correctness of data and compliance with decisions and supporting documents.	HR Representative	
<b>7.</b>	Sign-off Financial procedure by HR Department officials.  <b>(Approve Financial Procedures according to the system)</b>	HR Representative	
<b>8.</b>	Refer to the concerned authority at the Finance Department for auditing and approval and further processing. <b>(Approve Financial Procedures according to the system)</b>	HR Representative	
<b>9.</b>	Upon final approval, a copy is sent to the Finance Department and the documents are kept in employee's file.	HR Representative	

## 6. Wages Protection Program:

The Company is committed to the application of all Labor and Workman Laws concerning the wages protection program, uploading it on its specified times on the site of the ministry according to Labor and Workman Law, and non-payment of monthly salaries in cash for any regular employee at the Company, shall be carried out according to the instructions of the Ministry of Labor. The Company is committed to any modifications or changes issued by the Ministry concerning this program.

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## 7. Annual Increase:

Employees' salary is adjusted annually, according to the results of their performance review in December of each year. Periodically performance reviews are carried out to ensure adequate understanding and feedback on the employee's performance, identification of areas needed to be developed and their improvement plans and to agree on training needs. The annual increase rate is determined by CEO and Board Members every year.

## 8. Lateral Transfer

8.1 An Employee shall be laterally transferred when:

- A- The employee is moved to a position with the same classification or to a position with another classification having the same pay range.
- B- The employee's position is reclassified to a different classification having the same pay range.

8.2 Pay Policy:

An employee shall not be eligible for a salary increase at the time of a lateral transfer.

8.3 Extra Pay for Interim Assignment


When an employee is requested by the Chairman/CEO or his designee, to serve in an "ACTING" role or in a position of a higher pay grade for a period estimated at more than six weeks, a supplement may be paid after the written approval of the CEO.

## 9. Promotion:

9.1 Criteria used to determine when a promotion is appropriate may vary based on job family, but usually have the following common promotional factors:

- Expanding job duties and responsibilities
- Increasing job knowledge and experience
- Sustaining high level of performance

9.2 Promotions should not be based solely on the time spent in a job, but based on the abovementioned common promotional factors **(Refer to the Promotion Procedure)**.

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9.3 Priority to promotion is given to the employee who sustain a (very good) evaluation result during the years in his current grade, when two employees' results are equal, the time spent in a job is considered (Job Promotion Form -No. 1.10)

9.4 Progression promotions will be considered and administered on the common date of (1st January), given that it should not be considered prior to the employee completion of 2 years at least in his current grade, and there is no penalty issued against him that may obstruct his promotion.


9.5 Managerial Promotion will occur throughout the calendar year to coincide with the timing of a formal change in responsibility.

<b><i>All Positions</i></b>	
<i>Progression Promotion - One Grade level</i>	The increase will be up to 5% of the basic salary, based on appraisal evaluation and CEO approval.
<i>Managerial Promotion</i>	The increase will be up to 5% of the basic salary, based on appraisal evaluation and CEO approval.

\* Special salary consideration may be granted, if the applied promotional percentage does not provide the employee with the minimum of the new salary range.

#### 9.6 Managing Promotion Process

#	<b><i>Procedural Steps</i></b>	<b><i>Responsibility</i></b>	<b><i>Required form</i></b>
1.	Filling a promotion request identifying the type of promotion and recommendation and the required details and submit it to the HR	Department Manager	<b>Promotion Request Form -No. 1.11</b>

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2.	<u>For Managerial promotions</u>  Attaching a copy of the job description for the new position with the promotion request.	Department Manager	
3.	Reviewing the request along with the supporting documents (JD, Employee Performance Evaluation, etc.)	HR Representative	
4.	Taking the request to the <i>Authorized Signatory</i> to obtain approval for promotion of <u>eligible employees</u> (CEO approval should be granted before proceeding with the procedures)	HR Representative	
5.	Upon initial approval of the management, finalize the promotion procedures	HR Representative	
6.	Notifying concerned employee of the promotion decision through his line manager	HR Representative	
7.	Preparing financial procedure for employee promotion,  <b>(Enter promotional data into the system)</b>	HR Representative	
8.	referring financial procedures to the Finance Department along with the supporting documents	HR Representative	


## 10.Over-Time (OT) Allowance:

As it is costly to the company and burdensome to employees, overtime should be avoided through careful planning and scheduling. However, management may authorize overtime when it is the most practical and economical method to accomplish necessary work.

### 10.1 General Instructions

10.1.1 Enpro shall provide staff coverage during **off-duty** hours for emergency situations and compensate employees accordingly.

10.1.2 Employees who are eligible for overtime shall be compensated only after they have worked beyond the required regular working hours or on a scheduled day off or on an officially recognized holiday **(Overtime Request Form -No. 1.13)**.

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10.1.3 Overtime is paid for actual hours worked with prior management approval in excess of **Regular Working Hours** in the established workweek.


10.1.4 Enpro policy is to reduce overtime to the minimum range, according to the business needs. Every effort shall be made to avoid employees having to work overtime on a continual basis or more than 40 working hours during any given month.

10.1.5 The time worked at the employee's own discretion, shall be deemed ineligible for overtime compensation. This includes accumulating hours during lunch time, missing rest periods, early arrival or late departures, annual leave, or emergency leave.

## 10.2 Over Time Calculations:

<b>Calculations</b>	
<b>First Hour Rate</b>	$\frac{\text{Monthly Full Package Salary}}{(8 \text{ hours} \times 30 \text{ days})}$
<b>Half an hour Rate</b>	$\frac{\text{Monthly Basic Salary}}{(8 \text{ hours} \times 30 \text{ days})}$
<b>Over Time</b>	$\text{First hour} + \text{half an hour} \times \text{number of extra-time working hours}$


- Each OT hour is equal 1.5 hours.
- First hour is calculated based on the total package and the half hour is calculated based on the basic salary.
- 1 hour OT = (Total Package /30 /8)\*1 + (Basic salary /30 /8 /2)\*1
- Calculation Formula shall be as the following:
  - An hour rate based on the total package: Full Salary/30/8= A
  - An hour rate based on the basic salary: Basic Salary/30/8= B
  - Over time rate for an hour: (A+ (B/ 50%))= C

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### 10.3 Managing Over Time:

#	<i><b>Procedural Steps</b></i>	<i><b>Responsibility</b></i>	<i><b>Required form</b></i>
1.	Filling and Submitting the Request for Over Time Form and having it approved by the Department Manager	Line Manager/Supervisor	<b>Overtime Request Form -No. 1.13.</b>
2.	Communicating the work assigning order to concerned employees upon the approval.	Line Manager/Supervisor	
3.	Recording the actual overtime hours immediately after assigning order upon the completion of the Job	Concerned Employee	
4.	Determining the final overtime hours that will be used for the <i>Overtime calculations</i> . In case it exceeds the previously approved hours, proper justifications need to be offered	Line Manager/Supervisor	
5.	Sign-off the final approved Overtime hours before sending it to the HR for further processing	Department Manager	
7.	Sign-off the final approved Overtime hours before sending it to the HR for further processing	HR Representative	
8.	Receiving the Final approved overtime by 10th of the month to be added to the employee's monthly salary. Any requests for overtime after the 10th will be paid in the following month.	Payroll In-Charge	

\* All overtime shall be pre-approved by management. Employees shall not be paid for overtime without prior management approval

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## 11.Allowances:

### 11.1 Saudi Employees:

11.1.1 All married Saudi employees are eligible for *married employment contract status and are entitled to family status privileges* such as medical treatment for themselves and eligible dependents.

11.1.2 All single Saudi employees are eligible for *single employment contract status*.

11.1.3 Saudi employees' contract status may be changed from single to married if the employee married. The marriage contract shall be required for documentation, and the housing allowance shall be adjusted accordingly.


11.1.4 Saudi employees shall be entitled to obtain Air tickets upon joining Enpro from the point of hire with a maximum of One (1) economy class air tickets with the CEO approval.

### 11.2 Non-Saudi Employees

11.2.1 Contract status of non-Saudi employees is single status with the exception of Managerial Level (Grades 11 and above).

11.2.2 Managerial Levels, regardless of nationality, are entitled to marital status and family status privileges with the CEO approval, which include family housing, medical treatment for themselves and eligible dependents, tickets for the employee, spouse, and up to two children, and the issuance of exit/re-entry visas.

### 11.3 General Instructions:

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11.3.1 HR will analyze the need for providing allowances and make appropriate recommendations to the management whenever required. Additionally, HR will interpret policies in regard to allowances and will advise managers and supervisors on the application of the policies and ensure that employees receive the allowances to which they are entitled.

11.3.2 Managers and supervisors should have an understanding of all the various allowances to ensure that any change in the status of an employee, which affects his allowance eligibility, is promptly reported to Human Resources for necessary action.


11.3.3 For purposes of collecting benefits related to dependents, employees need to have an attested and certified Marriage Certificate and/or Birth Certificates. Dependents should be in the KSA to be eligible for benefits.

11.3.4 No allowance will be paid to the employee is for unpaid leaves; the allowance will be paid only for days when the employee is entitled to a compensation (including weekly days of rest, holidays, vacation, and special paid leaves).

#### 11.4 Transportation Allowance:

11.4.1 All employees are entitled to a monthly transportation allowance, if they are not provided by the Company with means of transport from their residency to work. The amount of transport allowance is (10%) of the basic salary provided that it is not less than 400 Riyals and not more than 2000 Riyals for all employees according to grade and job as follows:

Employee Category	Allowance Amount (SAR)


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<b>Sales Employees</b>	<i>10% of the basic salary to a maximum of 2,000</i>
<b>Operations Employees</b>	<i>10% of the basic salary to a maximum of 1,500</i>
<b>Administrative and All Other</b>	<i>10% of the basic salary to a minimum of a 400 and with a maximum of 1,000</i>

11.4.2 The CEO is the only authorized one to identify entitled employees to have Company transport (Vehicle).

11.4.3 In case the Company provides a means of transport to the employee, the employee is not entitled to request transfer allowance or gasoline allowance while the company provides necessary maintenance for the car; however, the employee bears the cost of reforming any breakdown that may result due to the misuse.

11.4.4 The Company provides cars for some employees whose nature of work requires heavy transport such as drivers and sales representatives. The Company provides the necessary gasoline for operating their cars in addition to providing all periodic services including maintenance, reform, and other spare parts for the car.

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## 11.5 Housing

11.5.1 Employees will either be provided with furnished housing or be paid an annual housing allowance based on the basic salary. Allowance amounts shall be as the followings:

- A. Directors/GM – 60,000 SAR Maximum annually.
- B. Managers – 50,000 SAR Maximum annually.
- C. Staff – 40,000 SAR Maximum annually.
- D. Based on employment status:

- Family Status: equals three months basic salary.
- Single Status: equals two months basic salary.


Housing Minimum:

- Family Status: not less than 15,000 SAR annually.
- Single Status: not less than 10000 SAR Annually.

11.5.2 Newly Hired Non-Saudi employees will be accommodated in a camp or hotel as arranged by HR for a period of one month. During this month, employees are expected to find their own accommodation. The period of their stay in the company arranged accommodation, could be extended with HR approval subject to circumstances. The housing allowance will start after departing the company provided housing.

### 11.5.3 Housing Allowance Advance

In order to help the employees to pay lease expenses that may be required in advance, the employee may submit **(Housing Allowance Request-No. 1.14)** for his annually allowance. Normally, the employee should complete three-month probationary period prior to receiving the advance. However, exceptions can be made if necessary. Repayment is made through monthly deductions in the employee's pay slip. Two housing advance payments can be made per year as the housing advance is for 6 months.

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#### 11.5.4 Request House Allowance Advance:


#	<i><b>Procedural Steps</b></i>	<i><b>Responsibility</b></i>	<i><b>Required form</b></i>
1.	Filling and Submitting the Request for Housing Allowance Advance Form.	Concerned Employee	<b>Housing Allowance Request-No 1.14</b>
2.	Receiving the request, make a recommendation considering the employee commitment, attitude, continuity in work for the advance period etc. and forwarding it to the HRD.	Line Manager/Supervisor	
3.	Calculating the employee entitlements of the housing allowance, along with the period included for the advance payment.	CEO HR Rep.	
4.	The request is approved by the Director	HR Rep.	
5.	Registering the payment details in the employee's housing allowance record in the employee's file, forwarding all the needed documents to the Payroll in-Charge for further processing	HR Rep.	

#### 11.6 Telephone Allowance:

11.6.1 All Allowances mentioned here are subject to the CEO approval (and his decision to change based on the business requirements and position status).

11.6.2 Employees shall be entitled to a telephone allowance as outlined below ( Upon the CEO approval):

A. Executive positions of grade 13 and above shall receive a monthly allowance of 300 SR.

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B. Other employees, who by the nature of their positions require the use of a mobile phone, may be eligible for a monthly allowance between 100 SR and 200 SR upon approval of the CEO.

## 11.7 Air Ticket


11.7.1 The Company shall provide travel tickets from the point of departure to the Kingdom at the start of employment for employees hired from outside the country.

11.7.2 The class of ticket and whether or not eligible dependents will be included will be economic (unless the CEO decides to upgrade).

11.7.3 For Saudi Employee who has been recruited recently and came from outside Eastern Region, after signing the contract with Enpro, the Company will give him/her a one-time tickets to report to work at the assigned branch with the CEO approval.

### 11.7.4 Annual air ticket

- Unless stated otherwise in their contracts, all Non-Saudi National employees senior staff grade 5 and above, and their eligible dependents (Spouse and two children up to the age of 18 years old), shall be entitled annually to air tickets. Labor staff are eligible for ticket every two years
- Unless otherwise approved by the Director, the *city of residence* shall be specified at the start of employment with reference to the citizenship of the employee.
- HRD Annually obtains corporate airfare rates from travel agencies. Employees are paid the rate applicable to their *city of residence*.

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- Employees who leave the Kingdom, either due to the end of the employment or non-disciplinary dismissal, and where eligible, their dependents, shall be entitled to a *repatriation ticket* as part of their final settlement included in their contract or, where the contract is silent, at the discretion of the Company.

## 12. Health Insurance Coverage:


- 12.1 Employees shall be eligible for Health Insurance Plan coverage. Spouse and up to two children shall be enrolled in this coverage (based on the Insurance Manual of The Council of Cooperative Health Insurance: the policy covers spouse and single female children, and up to 18 years old for male and female).
- 12.2 The employee is responsible for keeping HR informed of any changes in the residency status of his/ her family members.

## 13. Managing Deferent Types of Allowances:

#	<i>Procedural Steps</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Requesting for a <i>new allowance</i> or <i>review of an existing allowance</i> and referring it to the HRD.	Department Manager	<b>Miscellaneous Allowance Request–No 1.15</b>

### The request for a new/review allowance should include:


- Amount of allowance being recommended.
- Justification for the need to pay/review an allowance.
- Estimated number of employees who will benefit from the proposed allowance, their grade/scale.

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2.	Studying the request, making sure all required supporting documents are available for the manager's final approval.	HR Director	
3.	Upon the approval, updating the allowances details in the employee file and forwarding all the needed documents to the Payroll in-Charge for further processing.	HR Rep.	

## ARTICLE (3) PERFORMANCE MANAGEMENT

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### 1.0 Purpose:

The aim of this policy is to provide a uniform and consistent method to develop and evaluate the employee performance, identify areas for improvement, give financial incentives based on performance, and where necessary, take corrective action.

### 2.0 Applicability

**All Enpro employees**

### 3.0 Definitions:

3.1 Performance Management is the continuous process of improving performance by setting individual and team goals which are aligned to the strategic goals of the organization, planning performance to achieve the goals, reviewing and assessing progress, and developing the knowledge, skills and abilities of people.”


3.2 Performance Appraisal is a systematic process, which assesses an individual employee’s job performance and productivity in relation to pre-established criteria, departmental and organizational objectives.

3.3 Evaluator is the employee’s immediate supervisor who conducts the employee’s performance evaluation.

3.4 Annual Performance Appraisal - Asses performance for a one-year period

3.5 Probationary Performance Appraisal - Assess performance for a period of time (3 months) at the beginning of an individual’s appointment, and it is used to review performance prior to granting the employee permanent status.

3.6 Trainee Performance Evaluation - Trainee (Fresh Graduate) Performance Evaluation is a performance evaluation conducted for employees who are hired on a 6-month training contract.

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3.7 Employee Performance Evaluation Form - consists of essential job functions and related standards. Completion of this form is the responsibility of the employee's immediate supervisor and must be approved by the Department Director.

3.8 Job Description - refers to an individual's key roles and responsibilities and the skills that are required.

3.9 SMART Goals - refer to Specific, Measurable, Attainable, Relevant, and Timeline.

3.10 Performance Management Plan - defines an employee's key performance outcomes/objectives, work behaviors and work requirements

## 1. Performance Management System (PMS)

The company has a Performance Management System including the annual Performance Plan and Appraisal system for each specific job description, which provides the Board of Directors, CEO and line managers with the opportunity to review each employee's performance. This will provide a mutual opportunity for developing objectives and agreeing targets in order to enhance personal performance and create training and development plans as well as encourages positive relationships between employees and management. The Chairman and CEO will periodically review the success of any training and development plans according to the time frame agreed during an appraisal meeting.

## 2. General Instructions:

2.1 The company shall support every employee in achieving his personal, departmental, and organizational goals.

2.2 All supervisors (evaluators) shall be trained in the evaluation process. Supervisors shall discuss specific goals, job responsibilities, developmental/project plan that is critical for success with their employee as part of their developmental plan.

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2.3 All supervisors shall prepare SMART goals for the development of employees based on the evaluation results, and monitor the established SMART goals and developmental plans and provide support to their employees in implementing these plans throughout the year.

### 3. The Performance Management Process

There are 5 phases of the Performance Management process as following:




#### 3.1 Planning

This phase of Performance Management process includes establishing job descriptions and identifying the employee's essential functions as well as defining the goals and Performance Management Plan using Performance Management Plan Form No 1.16

#### 3.2 Developing

This phase of Performance Management process includes developing performance standards, which offers a scale that describes how a specific job should be performed in

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order to meet (or exceed) expectations. They are explained to newly hired employees and are later used to evaluate work performance. Performance standards are generally outlined with the help of the employees who actually perform the tasks or functions. There are a number of advantages to this approach:

- The standards should be suitable to the requirements of the job
- The standards will be applicable to actual work conditions
- The standards will be easily understood by the employee (and performance manager as well)
- The standards will be acknowledged (and received) by the employee and the performance manager

### 3.3 Monitoring

This phase of the Performance Management process includes monitoring employees' work performances and giving feedback about them.

As the basis of feedback, observations should be verifiable: they should involve noticeable and work related facts, events, behaviors, actions, statements, and results. Feedback of this type is called behavioral feedback, and they help employees improve and/or sustain good performance by precisely identifying the areas that the employee needs to improve without judging his or her character or motives.


### 3.4 Rating

This phase includes conducting performance evaluations. This is the critical aspect of the

Performance Management process, especially because it is important for performance managers to arrive at an unbiased assessment.

A performance appraisal form has the following features:

- Employee information
- Performance standards

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- Rating scale
- Signatures
- Employee performance development recommendations
- Employee comments
- Employee's Self-appraisal

The performance appraisals provide an opportunity to improve performance in the future not only for employees, but for managers as well. Performance appraisals enable managers to acquire information from employees that will help them make employees' jobs more productive.

### 3.5 Development Planning

This phase includes establishing plans for improved employee performance and development goals. These advances the overall goal of the company and at the same time increase the quality of work by employees by:


- Encouraging constant learning and professional growth.
- Helping employees maintain the level of performance that meets (and exceeds) expectations.
- Improving job - or career-related skills and experience.

In brief, Performance Management is a process that, when executed fairly and effectively, can improve the quality of the company's workforce, raise standards, increase job satisfaction, and develop professionalism and expertise that would benefit not only the employees but the entire organization as well.

## 4. Employee's Performance Appraisals

### 4.1 Annual Performance Appraisal

- 4.1.1 Before evaluation, prepare the Employees Performance Management Plan according to Performance Management Plan Form No 1.16
- 4.1.2 The *Annual Performance Evaluation* will be completed using the calendar year from January 1st through December 31st, unless otherwise specified.

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4.1.3 The evaluator shall submit the Annual Performance Evaluation to the Human Resources Department as follows (Performance Evaluation Form -No. 1.17A for Managers and No. 1.17B & 1.17C for Non-Managers):

- For all employees (Saudi and non-Saudi): by the end of October each year.
- For Non-Saudi employees: another evaluation 60 days before the end of contract.

4.1.4 An annual evaluation is to be completed within a 15 working day period, following the annual evaluation date


4.1.5 All employees who joined the Company before 1<sup>st</sup> of July in the year are qualified to undergo their annual evaluation, which does not necessarily mean that there is an increase in the salary until the end of two years of the first contract.

4.1.6 For employees who have completed a *probationary period* during the year, the annual evaluation will cover the period of time from their joining date through the day before their annual evaluation date, with the consideration of their probationary evaluation. This means the annual evaluation will cover a period of time that is exactly 12 months, whether or not a probationary period evaluation was included

4.1.7 HRD is responsible to make sure that the forms are received by the department managers on time and that supervisors get the necessary training to accomplish evaluation process, as well as: facilitates and follows up the process of determining objectives for individuals and teams.

## 4.2 Probationary/Trainee Performance Evaluation

4.2.1 Staff will receive a Probationary Evaluation at the end of their probationary period. The evaluator shall submit the Probationary Performance Evaluation to the Human Resources Department

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maximum before five days of completing the probationary period (Probationary Period Evaluation Form No. 1.10)

- 4.2.2 Staff will receive a Trainee Evaluation at the end of their training period. The evaluator shall submit the Trainee Performance Evaluation to the Human Resources Department before two weeks from the employee's date of renewal/end of contract.
- 4.2.3 Supervisors are responsible for tracking probationary/Trainee evaluation dates and for completing the written evaluation in a timely manner

#### 4.3 Special Performance Evaluation (Mid-Year/Re-evaluation)


##### 4.3.1 A special evaluation may be conducted for the following reasons:

- At any time, the supervisor determines the employee's overall performance has changed from the level addressed on the most recent evaluation.
- During the initial probationary period to address substandard performance.
- At the end of completing a task or a project
- For other reasons, such as when the employee or employee's supervisor leaves a position, or when the employee request for re-evaluation (some cases)

**4.3.2** The beginning date reflected on a special evaluation should not overlap with a previous evaluation period. (e.g., if an employee's annual evaluation period ended on June 30th, the beginning date on the special evaluation should not be any earlier than July 1st of that same year)

#### 4.4 Re-evaluation

- 4.4.1 In some special cases – and only once in a year - the employee can ask for a *reevaluation* the re-evaluation will be the result of the employee disagreement for his last evaluation, supported by accepted evidence.
- 4.4.2 The approval for the re-evaluation will be taken from the Director.

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#### 4.5 Mid-year Evaluation

Mid-year evaluation will be applied to assess the employee Development Plan accomplishments for two quarters. The mid-year evaluation date is after six months from the beginning of the calendar year.

#### 4.6 Evaluation Rating

##### 4.6.1 employee's performance for Managers & Staff is evaluated and scored as follows:


- *Outstanding (Excellent)* - Contributions and excellent work are widely recognized. Performance consistently exceeds all defined expectations, producing important and impactful results through superior planning, executing, and creativity (95-100%).
- *Exceeds Expectations (Very Good)* - Most performance objectives exceed expectations. Projects and objectives are completed in a manner that expands the scope and impact of the assignment and increases the impact on the business. The employee is viewed as having made notable contributions to the department (76-94 %).
- *Meets Expectations (Good)* - Performance is competent and effective along established expectations; initiative, resourcefulness and good judgment are consistently exercised. Employee makes a solid, reliable and meaningful contribution to the department (60-75%).
- *Below Expectations (Satisfactory)* - Performance falls below expectations on one or two job requirements and responsibilities. A performance improvement plan should be created (50-59%).

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- *Deficient (Unsatisfactory)* - Performance falls below expectations on several critical job requirements and responsibilities. Without significant improvement reassignment or separation are indicated. A performance improvement plan must be in place ( $\leq 50\%$ ).

#### 4.6 Managing Evaluation Process:

#	Procedural Step	Responsibility	Required form
1.	distribute the Performance Management Plan forms for all the company's departments at the beginning of each year	HR Representative	Performance Management Plan Form -No. 1.16
2.	distribute the evaluation forms for all the company's departments	HR Representative	(Performance Evaluation Form -No. 1.17.A – 1.17.B- 1.17.C
3.	Assign an evaluator who will be responsible to communicate and guide the staff during the appraisal process. (usually the direct supervisor)	Department Manager	
4.	point out the performance evaluation process to the employee and then fills in the form	Supervisor	
5.	Conduct the evaluation performance process as follows: <ul style="list-style-type: none"> <li>▪ Evaluator (superior) will rate the performance of his subordinates.</li> <li>▪ The <i>employee</i> (self) will evaluate himself in the provided area.</li> </ul>	Supervisor/ Concerned Employee	
6.	support the evaluation with comments for each category. Comments should be specific (including examples, evidence, and explanatory)	Supervisor/ Concerned Employee	
7.	Sign-off evaluation, evaluator, employee and department manager signatures are required	Supervisor/ Concerned Employee	
<b>The employee agree to sign-off evaluation</b>			
8.	Sign-off the evaluation. Meet with the employee and discuss the appraisal if required	Department Manager	

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<b>9.</b>	Receive complete evaluation forms for further processing and approvals	HR Rep.	
<b>10.</b>	Upon completion of the performance appraisal meeting & approvals, all documents and attachments with original signatures should kept in the employee's personnel file	HR Rep.	
<b>11.</b>	Calculates the annual increment based on the results of the employee performance evaluation.	HR Rep.	
<b>The employee refuses to sign-off evaluation</b>			
<b>12.</b>	Submits a grievance to the Human Resources Department within 15 days from the receiving of the evaluation result	Concerned Employee	
<b>13.</b>	reply with the final decision within 30 Days from the submission of the grievance	HR Rep.	

\*The appraised employee is entitled to receive a copy of the evaluation form


## 5 Training & Awareness

The Enpro Company shall attempt to create a learning environment where employees' will be prepared to accept change, develop new skills and take responsibility for their own continuous learning, in partnership with their immediate manager and Vice Chairman, to ensure their effective contribution to the successful achievement of both business and personal goals. The company's success will depend on the professionalism, skill and commitment of all its employee's.

### 5.1 Orientation

All new employees will undergo a company induction plan to include the following topics. ■ Health & Safety

- Fire Fighting
- Quality Management System & Quality Policy
- Skills Needs Assessment
- Terms & Conditions of Employment
- Job & Place of work details

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New starters will undergo an initial 3-month probationary period. During this time, they must demonstrate a sufficient level of productivity and quality of workmanship. At the end of the probation period a formal review will take place involving the Employee, his/her immediate Manager and the CEO. A training needs assessment (TNA) will be carried out and relevant action plans agreed and implemented. Furthermore, the existing people who change jobs within the company must receive an appropriate induction.

## 5.2 Training Records

The HR Director will be responsible for updating and maintaining the Training Records that will hold the following documentation.

- Company training & development policy
- Skills & Competency Matrix
- Training & Development Plans
- Personnel Training Record Sheets
- Certificates of External Training

## 5.3 Training Budget


The budget is developed and managed annually by the CEO.

## 5.4 Training Roles & Responsibilities

The responsibility for training and development lies with individual employees and their supervisor/manager. The Company responsibility is to ensure the effective implementation, coordination and monitoring of this Policy.

### 5.4.1 Board of Directors Responsibilities

- Ensure the Training & Development Policy reflects the goals and directions of the Company.
- Ensure equity in Training and Development.
- Ensure allocation of sufficient funds.
- Review Annual reports.

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#### 5.4.2 Manager/Supervisor Responsibilities

When considering training and development options and activities for staff, managers are responsible for:

- identifying the knowledge and skills base for a position;
- preparing, in conjunction with the staff member, a Training Plan through the Performance Management system;
- identifying appropriate training objectives for the section/department and individuals within the section/ department;
- identifying appropriate development activities, both on the job and formal training;
- providing direction and learning opportunities to ensure staff members achieve their objectives;
- coaching and supporting staff members in training and development activities;
- following up and evaluating the effectiveness of all training and development activities;
- ensuring fairness and equity in the management of training and development, and
- supporting training attendance.

#### 5.4.3 Individual Responsibilities

- Actively participating in the Training Plan process.
- Identifying and communicating their training and development needs.
- Participating in agreed training and development activities.
- Providing feedback to their supervisor/manager on learning outcomes from training and development activities.
- Applying new learning to the workplace.
- Evaluating their learning.

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#### 5.4.4 HR Department Responsibilities

HR Department will assist employees with identifying & managing appropriate training and development options.

**The HR Director is responsible for:**

- an orientation Program for all new staff;
- ensuring that an appropriate in house Training Program is made available to all employees (the Program should reflect the reasonable needs of the organization and generally will be based on outcomes identified in regular Training Needs Analyses and through the Performance Management process).
- providing reports to the Executive, including summary information on training provided, funds expended, and how the off-job training objectives have been met.
- developing the annual appraisal system.


**The HR Officers are responsible for:**

- identifying general training and development needs and designing, implementing and evaluating relevant in house training and development activities;
- providing a consultancy service for identifying and coordinating external training courses;
- advertising, training and development activities;
- training supervisors in how to determine the development needs of staff;
- advising on the implementation of the Training and Development Policy and procedures;
- preparing training statistics/reports and maintaining employee records, and
- developing and implementing Training Needs Analyses.
- Implementing the annual appraisal system

### 5.5 Training Procedures

#### 5.5.1 Identifying Needs

- Each individual is responsible for the identification of their current development needs, career plans and development needs for the next 2-3 years, in liaison with their manager.
- The manager, in conjunction with HR department is responsible for assessing the training and development needs of their employees by guiding and coaching them in determining appropriate training or development activities.

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- The Competency Matrix covers those people that are employed in the factory or warehouse. This matrix identifies the qualifications and training needs for all identified jobs and levels.
- On an annual basis, employees meet with their manager to discuss training and development needs for the next year. This assessment will focus on development needs in relation to enhancing the job currently performed and secondly, a career plan. It is both the employees and the managers' responsibility to ensure that this training plan is carried out.

### 5.5.2 Obtaining Approval


Where the program has been identified to meet a training need, the line manager must obtain approval from the CEO (CEO is accountable for determining the training budget) prior to registration.

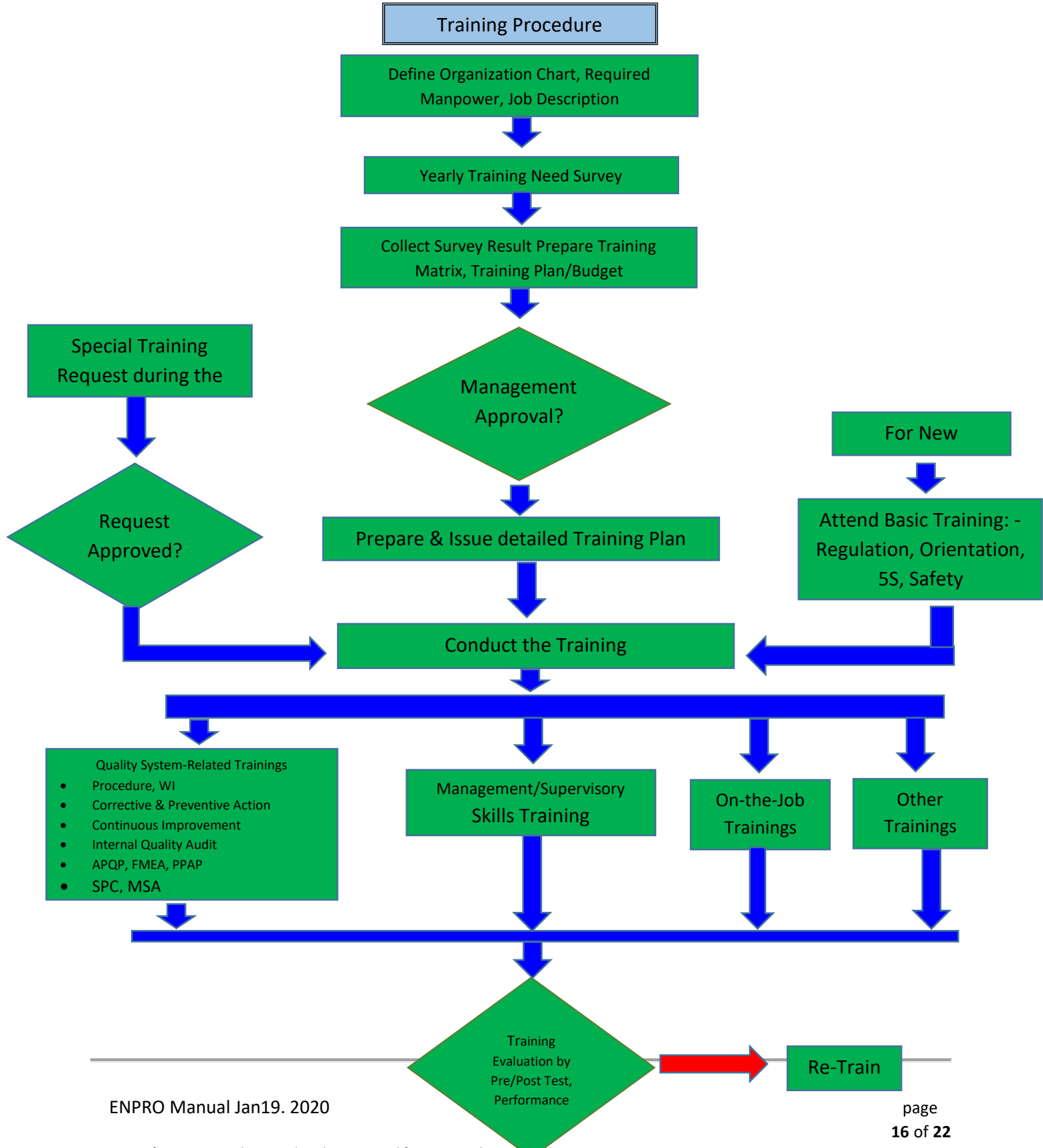
### 5.5.3 Organizing Course Attendance


- The employee arranges to attend the course in liaison with HR. All invoices are sent to HR for payment.
- HR Department will ensure that all training details are recorded on the individuals training record, that they have attended the course.

### 5.5.4 Evaluation

Learning must contribute to both business success and personal development and overarching this is the need to ensure that the Company achieves value for money. For these reasons, there must a robust process of evaluation in place (Training ROI).

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## 6 PERFORMANCE INDICATORS POLICY

### 6.0 OVERVIEW

In keeping with our mission statement and our business plan, it is important to track the company's performance as it relates to the objectives set by the board of Directors at the beginning of each year and modified quarterly.


The Key Performance Indicators (KPIs) are financial and non-financial measures or metrics used to help an organization define and evaluate how successful it is, typically in terms of making progress towards its long-term organizational goals. KPIs can be specified by answering the question, "What is really important to different stakeholder?" KPIs may be monitored using business intelligence techniques to assess the present state of the business and to assist in prescribing a course of action. The act of monitoring KPIs in real-time is known as business activity monitoring (BAM). The KPIs differ depending on the nature of the organization and the organization's strategy. They help to evaluate the progress of an organization towards its vision and long-term goals, especially toward difficult to quantify knowledge-based goals.

However, benchmarking is the process of comparing the performance of similar entities against each other or against defined standards for the purpose of easily identifying points of weakness or underperformance.

Thus, organizations can rapidly and easily pick out key areas where the performance levels of any function are distinctly different from the levels of others, especially when comparing it against others in a similar span of time, then any variations in performance (good or bad) can be easily identified.

### 6.1 OBJECTIVES AND GOALS

- Increase penetration in existing market segments
- Expansion into new market segments
- Improve profitability

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- Improve service and product quality
- Rapidly identifying elements that are underperforming when compared against other similar elements is a big advantage to management in ensuring that the overall performance is optimized and maximized at all time.

## 6.2 KPIs FOR HUMAN RESOURCES

### 6.3.1 Work Environment Survey

*Employee satisfaction is a measure of how happy workers are with their jobs and working environment. Keeping morale high among workers can be of tremendous benefit to any company, as happy workers will be more likely to produce more, take fewer days off, and stay loyal to the company. To measure employee satisfaction, we will have mandatory surveys with employees to gain information.*

### 6.3.2 6.3.2 HR Financial Impact

#### **Average Staff Cost Per Employee**

*This indicates staff costs and overall effectiveness of staff management within the business* **Staff Costs as a Percentage of Sales (%)**

*This indicates the amount that is spent on staff costs as a proportion of turnover.*

#### **Health Care Costs per Employee**

*This indicates the cost of health care per employee.*

#### **Consumed Health Care Costs per Employee**

*This indicates the actual consumed cost of health care per employee.*

#### **Percentage of overtime cost to total HR Cost (staff cost)**

*This indicates the percentage of overtime cost to HR cost.*

### 6.3.3 Work Force Demographics


#### **Operation to Supporting Functions Split**

*This indicates the number of employees directly involved in output-related activities (i.e. primary functions) compared to supporting activities.*

#### **No-Educated / Educated per Employee (%)**

*This indicates the percentage of No-Educated / Educated to all employees. It is one way of assessing the level of awareness that is incorporated within the organization.*

#### **Undergraduate / Graduates per Employee (%)**

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*This indicates the percentage of Undergraduates / Graduates to all employees. It is one way of assessing the level of education that is incorporated within the organization.*

#### **6.3.4 Learning & Development**

##### ***Training Expenditure to Turnover (%)***

*This indicates the business investment in its employees' development.*

##### ***Training Expenditure to HR Cost (%)***

*This indicates the Percentage (%) of the HR budget spent on training.*

##### ***Average training cost per employee***

*This indicates the average cost of training per employee. It reflects the organization's commitment for learning and development. Average training days per employee*

*This indicates the average number of training days per employee. It reflects the organization's commitment for learning and development*

#### **6.3.5 HR Operations**

##### ***Accidents per Employee***

*This indicates the number of accidents per employee. It demonstrates the level of commitment to safety that the business displays and the importance that is attached to providing a safe working environment.*


##### ***Early Leavers per Employee (%)***

*This indicates the extent to which the business has been successful in recruiting and selecting people who are right for the position and the organization. A large ratio of early leavers to employees indicates a mismatch of expectations between the individuals recruited and the organization or the job that they were recruited to perform.*

##### ***Average overtime hours per person***

*This indicates the comparison between the workload and the available head count capacity. It only applies for positions having paid overtime hours.*

##### ***Absenteeism per Employee***

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*This indicates the amount of time that people spend away from work due to sickness, unexplained absence, etc. (excluding annual leave)*

**Total Leavers per Employee (%)**

*This indicates staff turnover within last year. It can give an idea about the human stability.*

**Annual Leave Rate**

*This indicates the actual number of days taken as an annual leave as a percentage from the eligible days for vacation.*

**HR Function Ratio per Employee**

*This indicates the capacity of the HR department as a ratio to the total company headcount.*

**Total Turnover per Employee**

*This indicates employee productivity. It is calculated as the ratio of turnover (sales) divided by the total number of employees.*

**New Employees per Employee (%)**

*This indicates the relative retention level of a workforce. A higher figure signifies a low experienced workforce or it may reflect a high growth rate.*

**Replacement Factor (Growth Rate)**


*This indicates the company growth rate in terms of head count. It is the ratio of internal recruitment to the new hire recruitment.*

### 6.3 KPIs FOR ENGINEERING

- *OEE = Availability x Performance X Quality*
- *Cycle Time Ratio = Standard Cycle Time / Real Cycle Time (for each product)*
- *Rejection Rate = (Rejected Quantity / Processed Quantity) x100*
- *Total Cost of Quality = Prevention + Appraisal + Internal Failure + External Failure*


### 6.4 KPIs FOR SALES & MARKETING

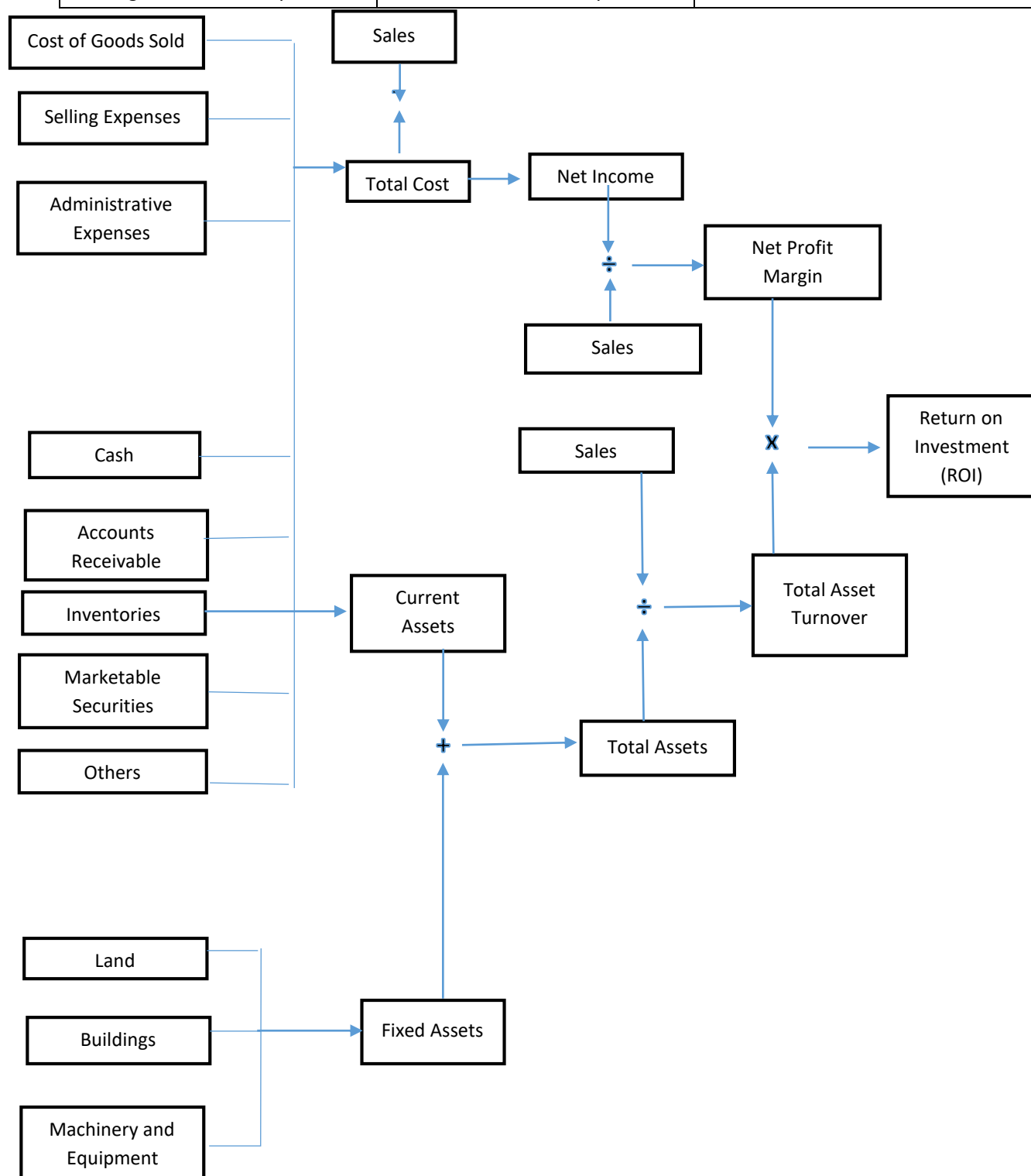
- *New customers acquired*
- *Customer Attrition*
- *Turnover (i.e., Revenue) generated by segments of the customer population.*
- *Profitability of customers by demographic segments and segmentation of customers by profitability.*
- *Ratio of local sales to total sales*

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## 6.5 KPIs FOR FINANCE


- *Revenues*
- Expenses
- Profits
- Operating Margin = (Revenue – Operating Expenses)/ Revenue
- ROI= Net Income / Average Total Assets
- Total Assets Turnover = Sales Revenue / Total Assets

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## ARTICLE (4) EMPLOYEE RELATIONS

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## 1.0 Purpose

### Preamble

Employee relations defined as those policies and practices which are concerned with the management and regulation of relationships between the organization, the individual staff member, and groups of staff within the working environment. It refers to a company's efforts to manage relationships between employers and employees, including the following policies:


- 1- Attendance & Leave Policy
- 2- Travel Policy
- 3- Employment Separation Policy
- 4- Disciplinary Policy

## 2.0 Applicability


All Enpro employees

## 3.0 Definitions:

- Employee for the purposes of this policy, refers to an individual who has a valid:
  - A. Employment contract and works full time in Enpro.
  - B. Temporary workers.
  - C. Consultants.
  - D. Training contractors.
- Authorized Signatory - is the authorized manager who grants final approval of a document or process relating to transactional or operational issues
- Annual Leave: definite number of days according to the contract of the employee to be used during the Gregorian year as annual leave.
- Holiday: is any public or national holiday (e.g., Eid Al-Fitr, Eid Al-Adha, Saudi National Day, etc.)
- Special Leave: covers a wide range of different leaves (e.g., marriage leave, birth leave, death leave, etc.).
- Maternity Leave: is a benefit extended to an employee who must care for a newborn after birth or make arrangements for the baby's welfare.


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- Unpaid Leave: refers to a period of time an employee is allowed to be away from work without being paid after one year of service.
- Academic Leave is a leave of absence granted to an employee to attend conferences or training activities related to his job
- Emergency Leave: is comprised of 5 days that begin and end within the Gregorian year. Emergency leave is not an entitlement and is granted only after providing valid justification upon the estimation and approval of the department manager.
- Sick Leave: leave of absence from work that is granted due to the employee illness or injury via personal accident.
- Work Injury: the injury or disease resulted directly from the work assigned to the employee during working hours.
- Work Injury Leave: it is a leave that is granted as a result of temporary disability resulting from a work injury
- Business Trip - A business trip is a temporary assignment away from the permanent work location for the purpose of conducting business or attending training activity on behalf of the Company, which is not expected to exceed 90 continuous days (including travel days). All business trips are subject to pre-approval of management.
- Expense Report - A report to be submitted by the employee upon returning from a business trip, that tracks expenses incurred during the course of performing necessary job functions
- Travel Days - days consumed before and after the actual business assignment, including transit and travel time
- Lump-sum - amount of money (food and daily pocket money) that is paid as a large amount prior to the beginning of the business assignment.
- Resignation - termination of the contract by the employee or his decision not to renew the contract period
- Exit Interview - A formal or informal interview conducted with an outgoing staff member in order to promote goodwill and ascertain why the employee is leaving.
- Clearance Form - is a mandatory form required of every separating employee (*i.e.*, employees who are end-of-contract or resigning) prior to his departure date. The purpose of the employee clearance form is to maintain a procedure for separating personnel to

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satisfy pending financial and nonfinancial obligations, such as housing, computers, keys, identification cards, etc.

- Notification Period is the period required for a staff to notify the company of his intention to leave. For Saudis with limited duration contracts, 30 days are required. For Saudis with open contracts, 60 days are required. For expatriates, 60 days are required.
- Disciplinary Policy - A collection of rules and regulations and policies in the Human Resources Department manual. The manual has been approved by the Companies' Highest authority.
- End of Service Benefits (ESB) - is an entitlement consisting of a monetary sum that is paid to the employee by the company after satisfactory completion of an employment contract and meeting the requirements.
- Service Certificate - On resignation, completion or termination of the contract, the employee can obtain a service certificate provided by the company contains a statement testifying employee service and reference.
- Warning - verbal or written notice directed to the employee, which shows the type of violation, and requests from him/her to pay attention and take care, and not to repeat that violation.
- Warning Notice Form - a written notice by the Company to the employee, showing the type of misconduct, with respect to observe the followed Policy and the possibility of his exposure to a greater penalty in the case of repetition or non-adherence to the rules of work and its ethics and the job duties in future.
- Grievance - Resolve work related conflicts through mediation
- Code of conduct - collection of rules and regulations that include what is and is not an acceptable or expected behavior
- Disciplinary investigation - In the case where the misconduct may warrant dismissal or where a final written warning has not resolved the problem, a disciplinary inquiry must be initiated to investigate the misconduct.

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## 1. Attendance & Leave Policy

### 1.0 Purpose

This policy follows up the attendance of the employee, and establishes regulations that meet personal, family, work and community commitments without compromising the achievement of business objectives, and govern employee holidays, vacations, and leaves.


### 1.1 Working Hours.

#### 1.2.1 Working Days and Shift Hours:


- A. Working days are six days a week, with Friday as the weekend with full payment for all the employees, however, the decision of working days depend on the department management approval. The Company is allowed (after informing the concerned Labor office) to replace Friday for some of its employees with another day of the week while enabling employees to perform their religious duties. The compensation of the weekend with money is not allowed.
- B. All employees of the Company should follow determined weekly working hours that are up to 48 hours starting from Saturday to Thursday. Daily working hours: from 8:00 am to 5:00 pm, including one hour for lunch (from 12:00 to 13:00).
- C. The working days/hours are subject to change based on the CEO decision in case there is a business need.
- D. Maximum total working hours are 12 hours per day. The employee should not work continuously more than 5 hours without *a break* for rest, prayer and food (this break time shall not be less than half an hour (30 minutes) per time or an hour (60 minutes) during total working hours).

#### 1.2.2 Rules of Attendance and Work Hours:

- A. All employees should fully abide to attendance and working hours, according to the developed policy, as they should prove their attendance time by the provided means (Smart Attendance Management System) such as: Swipe Card Attendance System.

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- B.** Entering and leaving the work areas for employees should be through the assigned places and on the definite times. It is not allowed to enter work sites or to stay with them out of the work hours without previous permission from the direct supervisor.
- C.** It is strictly prohibited for any employee to prove the negligence of any other employee in attendance for whatever reasons, as he will be exposed to penalty.
- D.** Delay to work time is calculated from the first minute. The repetition of delay to attendance time leads to imposing penalties on the employee in accordance with penalties and violations table (of Labor Law). Leaving before the end of shift hours without previous permission is considered as a violation that exposes the employee to the same penalty in the case of its repetition.
- E.** The Company has the complete right in the case of the repetition of the violation to deduct the absence period from the annual leave of the employee or from his monthly salary.

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### 1.2.3 Manage Attendance and Working Hours:

#	Procedural Step	Responsibility	Required form
1.	Develop a recording system to monitor employee's attendance times e.g. Fingerprint.	HRD	
2.	Record time attendance in the working centers by electronic fingerprint devices.	Concerned Employee	
3.	Get line manager permission for the leaving work site during working hours, record time out and time in.	Concerned Employee	Leave Permission Request Form No 1.19.
4.	Approve attendance record using Smart Attendance Management System further justification and highlights can be made before forwarding it to the HRD. (Through the System authorized by only HRD)	Department Manager	
5.	Monitor attendance record and issue the Daily Attendance Report in cases of an employee delay or absence by using Smart Attendance Management System.	HR Representative	
6.	Submit attendance reports to the Director for final approval.	HR Representative	
7.	Make final decision if any violation must be dealt with, in accordance with penalties and violations table.	HR Director	
8.	Keep supporting documents in the employee's file.	HR Representative	

### 1.3 Annual Leave:

**1.3.1** The employee is entitled each year of an *annual leave* not less than 21 days. It is increased for a period not less than 30 days if he spends five continuous years in the service for the employer and it is paid in advance.


**1.3.2** The *Annual Leave* calendar year for the purpose of calculations of leave will run from January 1<sup>st</sup> to Dec 31<sup>st</sup>.

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- 1.3.3** Employees are not generally allowed to utilize their *annual leave* entitlement during the period of probation. An exception may be made with the approval of the CEO.
- 1.3.4** The count of leave balance is based on the period of the employee's commencement of work (on the designation & the date of return from the last leave) to show the employee's balance according to the leave category (30 Calendar days maximum) and (21 Calendar days minimum).
- 1.3.5** If the days of the leave exceed the employee's balance, the difference is considered to be *unpaid leave* of the employee and that the extra day is deducted for a normal working day. The CEO has the authority to give an exception.
- 1.3.6** Both the employee and his supervisor have the responsibility to ensure that allotted leave is used within the year it is earned. The final decision about the scheduling of leave is made by the immediate supervisor to ensure that the operational needs of the organization are met.
- 1.3.7** Any accrued amount of money from the Company should be settled before the beginning of the leave or getting a guarantee inside the Company. In the case of the unavailability of any of the two options, this may affect the beginning of the leave and the payment of dues in advance.
- 1.3.8** The Company has the right to postpone the employee's leave after the end of entitlement year for the operational requirements of the Company for a period not more than 90 days. If work conditions necessitate the continuity of delay, it is obligatory to get the employee's approval in writing provided that this delay does not exceed the end of the year following the year of leave entitlement.
- 1.3.9** The employee is not allowed to take cash allowance as a compensation for his leave and to abandon his *annual leave* for pay or without pay. He should enjoy his leave in its entitlement year. However, leave that is not taken within the year may, with permission of the department manager, be carried over to the next year's entitlement (Maximum 10 days).

#### **1.4 Delay in the Return from Leave:**

- 1.4.1** The employees who could not return to work on the specified date for imperative reasons or personal conditions, they should follow the procedures in the below schedule

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**1.4.2** Any late return from leave will lead to penalty procedures. If the delay is without an approval and exceeds fifteen days, it may (according to the decision of the management) lead to the termination of the employee's contract as it will be considered as absence without permission. If it does exceed this period, the day will be deducted as a day and a half.

### 1.5 Early Return from the Leave:

The employee who returns early from the leave is not granted these days as a balance. The management has the right to summon an employee from his leave, if the requirements of work necessitate this, and the Company will bear all the costs resulting from his summoning.

### 1.6 The Process to Manage Annual Leave.

#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Circulate the Leaves Plan Form to the department's Managers.	HR Representative	Annual Vacation Plan Form-No. 1.20
2.	Prepare the schedule of leaves plans in coordination with the employees and according to the requirements of work.  *At the beginning of the calendar year of the Company	Department Manager	
3.	Make any needed adjustments to avoid disruption of work (while coordinating with the concerned employees), and forward it to the HRD.	Concerned Employee/ Department Manager	
4.	Receive the completed signed-off forms for revision and calculations.	HR Representative	
5.	Submit Leave Request Form 30 days previously scheduled leave in advance of the scheduled leave.	Concerned Employee	(Leave Request Form No 1.21)
6.	Approve the form and forward it to the HRD after making sure the requested leave is aligning with the Leave Plan and the work conditions are stable for the employee to take his annual leave.	Department Manager / CEO	
7.	Process leave request, Deduct the period of required leave from the employee leave balance.	HR Representative	

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8.	Sign-off on application if it complies with requirements	HR Representative	
9.	On rejoining, inform human resources at the Company with the return of the employee by filling the joining form during three working days from his/her commencement of work.	Concerned Employee	(Back-to-Work Form-No. 1.22)
<b><u>In case of inability to return to work on the specified date for imperative reasons:</u></b>			
10.1-	Notify the department before the date of return about the period of delay	Concerned Employee	
2-	Provide supporting documents for the delay reason if any		
3-	get the formal approval		

\*If the line manager does not respond to the annual leave request within 5 working days, it will be automatically considered approved

### 1.7 Sick Leave:

**1.7.1** The employee should take care completely of his health and safety and take the necessary procedures for the protection from disease and injuries inside and outside work sites (Sick Leave Form-No. 1.23).


**1.7.2** The illness of one of the employee's family members does not entail the employee to get sick leave.

**1.7.3** If the employee does not deliver the medical report during three days of his return to work, he is considered to be absent without reason and this results in penalty the procedure according to penalties system.

**1.7.4** In case of long-term sick leave, the direct supervisor should inform Director with the matter as soon as to do financial modifications that may result from long sick according to the terms of the Labor and Workmen Low.

**1.7.5** The employees who satisfy the provisions of sick leave (temporary disability) are entitled to the following in one year:

- The wage of the first 30 days as complete salary (100% of the salary).
- Then, they are entitled (75% of the salary) during the 60 following days.
- Paid sick leave is not accumulated and is not transferred to the next year.
- After passing one year from the last Sick Leave the calculation of the employee entitlements will reset to Zero.

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**1.7.6** Cases of special absence resulting from simple sickness or stress are decided by the direct supervisor of the employee provided that this absence does not exceed one working day a year (No Medical Report Required).

**1.7.7** No substitute for the days of sick leave that are not used is paid during the year, as well any day of non-approved sick leave will be treated as absence without permission and will be deducted from the employee's salary.

### 1.8 Work Injury Sick Leave:

1.8.1 The employee, who is injured or becomes ill as a result of work, is given medical treatment from HRD to the Company to be directed to one of the hospitals contracted with the General Organization of Social Insurance, where he is treated according to what is included in the policies and procedures of social insurance.

1.8.2 The supervisor of the injured employee fills in the accident notification form and sends it to the Human Resources Department (Work Injury Form-No. 1.24).

1.8.3 If the temporary disability is proven by the medical authorities, the employee is granted a leave and he is paid sick leave pay according to GOSI policy (General Organization of Social Insurance).


### 1.9 General Exceptions:

The previous policies are **not** applied if the disability is due to:

- Deliberate self- injury.
- The use of alcoholic beverages, drugs, or any type of banned stuff.
- The use of analgesics and steroids without the prescription from a doctor.
- Unlawful or unethical actions.
- Participation in other works or jobs.
- Negligence or mistake in taking into account the safety measures.

### 1.10 The Process to Manage Sick Leave

#	Procedural Step	Responsibility	Required form
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1.	Notify line manager of absence from work on medical grounds.	Concerned Employee	Sick Leave Form No. 1.23
2.	Notify HR Department of the employee's absence from work on medical grounds.	Line manager	
3.	Once rejoining, submit and approve sick leave application along with a medical report issued by medical authority approved by the Company.	Concerned Employee/ Line Manager	Back-to-Work Form-No. 1.22
4.	Review and sign-off application and make sure it meets all the requirements before the final approval.	HR Representative / Director	
5.	Refer sick leave to the medical committee for approval in case the period exceeds the maximum limit of 15 days per year.	HR Representative	
6.	(Enter sick leave details into the system) and keep All medical reports and certificates and supporting documents in the employee's file.	HR Representative	
<b>Work Injury Leave</b>			
7.	In addition to the above steps; fills in the accident notification form and sends it to the Human Resources Department.	Line Manager	Work Injury Form No. 1.24

\* Sick leave period will be deducted from annual leave balance in case it exceeds limits or from the employee's salary if the leave is rejected.


### 1.11 Companion Leave:

On the critical illness of a first-grade family member (father, mother, spouse, child) the employee may, with the approval of his Line Manager, be granted a companion leave with pay for a period not exceeding 3 working days. Any leave in excess of three working days shall be approved based on the discretion of the Director (or a management committee).

### 1.12 Academic Tests Leave:

**1.12.1** In the framework of motivating the employees to occupational and educational development, the Company does not mind that its employees join the various educational institutions.

**1.12.2** The leave is determined by the number of days of actual tests.

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**1.12.3** If the Company agrees that the employee joins an educational institution or continues in it, the employee has the right to get paid leave for the tests of the unrepeated year. The employee is deprived of pay if it's proved that he did not attend tests without Disruption of the Company right for a penalizing investigation of the employee.

**1.12.4** If the employee does not get the approval of the employer to join an educational institution or if the tests are for a repeated year, he has the right to get a leave for the tests with the number of days of actual tests and this leave is deducted from his annual leave in the case of its availability. In the case of unavailability, the employee has the right to get unpaid leave with the number of days of actual tests.

**1.12.5 The following provisions are required for the approval of the above-mentioned leave:**

- Company's approval concerning the educational institution.
- Providing proof of the registration of study, the date and schedule of tests, and actual attendance of these tests.
- The employee does not have the right to request an increase in salary or promotion in the case of getting the academic certificate during work.

### **1.13 Maternity/paternity leave**

**1.13.1** All women employees are entitled to maternity leave for a period of 70 days. She has the right to divide them according to her will, starting from four-week maximum before the expected date of birth. She has the right to extend the leave for unpaid one month.


**1.13.2** In the case of giving birth to a sick child with special needs and who requires accompanying, she has the right to get a leave.

**1.13.3** The company shall provide 3 days paid paternity leave for its employees. Paternity leave shall be taken once off and at the time of the actual birth of the child.

**1.13.4** Application for Maternity/Paternity leave should be supported by a certificate from the medical authority approved by the Company starting the date of confinement/the birth certificate of the baby.

### **1.14 Hajj Leave**

**1.14.1** Muslim employees who spent at least two years in the service of the Company and wishes to perform pilgrimage are granted paid leave for only ten (10) days. In this case,

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the leave starts from the beginning of the 8<sup>th</sup> day of the month of Thul-Hijah according to the Hijri calendar. Hajj leave is only granted once during the employee's service period. The Company has the right to organize this leave to ensure the good conduct of work.

**1.14.2** The direct supervisor organizes granting Hajj leaves according to the good of work requirements, and the good conduct of the employee providing that the final approval is made by the CEO.

#### **1.15 Marriage Leave:**


The company shall provide Five Days as maximum and once during the employee's service period and after getting the agreement of the employee's direct supervisor and approval of the CEO.

#### **1.16 Compassionate Leave**

The company shall provide Three Days as a maximum in the case of the death of one relative of the first or the second grade (the father – the mother – the wife– the brother – the sister – one of the children).

#### **1.17 Iddah Leave**

**1.17.1** Female Married Muslim employees are entitled to 4 months and 10 calendar days Iddah Leave, in the event of death of spouse. She has the right to extend leave in case she is pregnant until childbirth.

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## 1.18 Unpaid leaves:

1.18.1 An employee may apply for unpaid leave – for one of the following reasons:

- When his Annual Leave balance has been fully utilized - for justified reasons subject to the consideration of the line manager in accordance with the work needs.
- When his management decided to make it unpaid leave due to any justifiable reason (like-but not limited to: unauthorized absence, absent without permission, unaccepted or unapproved sickleave etc.)

1.18.2 If the unpaid leave days are equal to or exceeded 3 days per week (from Sunday to Thursday), the employee will be considered absent for the weekend and the Saturday & Friday salary will be deducted. The employee must be present at least 3 days during the week in order to obtain a fully paid weekend. If the employee had a 5-day unpaid leave that will mean a 7-day unpaid salary for that week.


1.18.3 The employee can be present for less than 3 days during a week only in case if he has a sick leave, or during a holidays and national vacations.

1.18.4 The period of unpaid leave, which exceeds (20) twenty days a year, is not counted at the end of service compensations.


1.18.5 The approval for the Unpaid Leave should be by the Director or CEO (or a committee that is assigned by the CEO).

## 1.19 The Process to Manage Different Types of Leave

#	Procedural Step	Responsibility	Required form
1.	Apply for leave specifying leave type, duration, last working day and the date of rejoining and nominate the replacement employee.  (Apply through the system, fill all the details)	Concerned Employee	Leave Request (Vacation) Form- No. 1.21

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2.	<u>Haji, Marriage, and Test Leaves</u>	submit a request ahead of an initial approval, as specified in the policy.	Concerned Employee	
3.	Provide supporting documents if available and based on the leave type (Death Certificate, Test Schedule etc.).		Concerned Employee	
4.	Sign off the application form, and nominate the replacement employee.  (Approve the application that will appear as a notification to the line manager)		Concerned Employee / Line Manager	
5.	Make sure the application meets all the requirements before the final approval from the Director.		HR Representative	
6.	Return the application back to the applicant if it does not meet requirements.		HR Representative	
7.	Sign-off on application if it complies with requirements. (Hard copy for final approval and personal file)		HR Representative/ Director	
8.	Keep supporting documents in the employee's file. (Enter leave details into the System)		HR Representative	
9.	Finalize procedure and sign-offs for leaves with financial implications such as deduction.		HR Representative	
10.	Upon return to work, the employee shall submit a notice of return from leave to avoid salary suspension.		Concerned Employee	Back-to-Work Form-No. 1.22

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## 1.20 Holidays:

- 1.20.1 All the employees are entitled to all national or religious holidays declared by the Government.
- 1.20.2 The actual days on which the Official Holidays fall are subject to confirmation from the Government. Confirmation of the dates will be sent out to the employees by HR Department once they are confirmed.
- 1.20.3 On the event of national day of the kingdom. If this day coincides with the weekend or during the leave of one of the two Eids, the Company should compensate the employee with another day.
- 1.20.4 If any day of the two Eids leaves coincides with the weekend, the leave will be extended, or the Company will grant an alternative day according to the requirements of work.

#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Prepare the Holiday Internal Memo before one week of a specified Holiday ( Eids, National Day, etc.)	HR Representative	
2.	Review and approve the Memo.	CEO	
3.	Coordinate with the Departments Managers to select the On-Call employees during the Holidays.	HR Representative	
4.	Circulate the Internal Memo for the all employees.	HRD	

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## 2. Travel Policy

### 2.1 Purpose

The intent of this policy is to define the reimbursable expenses associated with employee business travel / training and to define the process of administration of this expense. The Company compensates employees to cover expenses incurred during a trip through travel expense claims or lump sum allowance. The Company's intent is that the employee should neither lose nor gain financially as a result of business travel.

### 2.2 Applicability

**All Enpro employees**

### 2.3 Responsibilities:


#### 2.3.1 Employee:

- A.** Employees should secure (written) approval from their management (60 days) before applying for any business travel (Business Assignment Request Form No 1.25).
- B.** Employees on business travel are expected to spend Company funds responsibly. Business travel expense will be paid by the Company if they are reasonable, appropriately documented, properly authorized and within the guidelines of this policy.
- C.** Individuals who incur travel expenses should neither gain nor lose personal funds as a result of their travel.
- D.** Submit Business Trip Expense Report Form within 30 days after the completion of the business trip (Travel Expense Reimbursement Form -No. 1.26).

#### 2.3.2 Department Manager:

The Department Manager has the primary responsibility for ensuring compliance with this policy. The department manager must verify that expenses and the expense report meet the following criteria:

- A.** Ensure that employees understand the travel policy, the business purpose for the trip and the need to exercise good judgment while traveling.

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- B. The travel expense was incurred while conducting Company business.
- C. The information contained on the Travel Expense Reimbursement Form is accurate and in accordance with this policy.
- D. The Company has the authority to deny travelers' expenses incurred outside of this policy.
- E. Educate employees to prevent situations involving unintentional or deliberate misrepresentation, omission and violation of internal controls while handling business travel expenses.
- F. Preventing the improper use of business travel / related expenses by ensuring compliance to the integrity of financial system and reports.


### 2.3.3 Business Travel General Policy:

#### A. Authorization for Business Travel:

The assignment is considered with a request and recommendation from the Department Manager. Any change of location and/or substance of the program must have prior approval of the respective manager. Business Travel requires the following approvals:

Location	Final Approval
<i>In the Kingdom &amp; GCC</i>	<i>CEO</i>
<i>All Other International</i>	

- B. Any employee may not be assigned to a Company private business headquarters for a period of five consecutive days and re-assigned after that before the passing of ten days from the first assignment for the interest of work, unless the approval of the Company's president or one of his/her deputies is obtained.

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## 2.4 Transportation for Business Travel:

The Company will provide air tickets, Company car or permission to use personal car and airport transportation as applicable depending on the assignment location. In addition, the Company will provide transportation from the employee's work location or residence to the airport. In any circumstances, cash in lieu of an air ticket will not be authorized.

### 2.4.1 Air Travel:


- a. Business travelers should accept the lowest logical airfare that is consistent with the business needs.
- b. Travel is to be scheduled on the most direct route to the required business destination and require final approval of the responsible authority.
- c. Reservations should be made and air tickets should be purchased only through the Company's approved travel agent (s).

Location	Duration	Air Ticket
In the Kingdom Business Trip	-	o All Employees: Economy Class
Out of Kingdom Business Trips	flight duration - including waiting time - is 6 hours or more	o All Employees: Economy Class
	flight duration - including waiting time - is less than 6 hours	o All Employees: Economy Class

\*If an air ticket class is not available, it can be upgraded to a higher-level Class upon Director Approval.

## 2.5 Use of Company Car or Personal Car:

- 2.5.1** If the business trip is within the Eastern Province of Saudi Arabia (more than 100 Km distance), or to Bahrain, the employee should use a Company pool car if available, or Company arranged transportation. In case of non-availability of a pool car or Company arranged transportation, the employee may be allowed to use his own personal car, provided the car is covered by comprehensive insurance.
- 2.5.2** In case using the personal car, the Company shall cover an amount of 0.50 SAR per Km for fuel, (if the trip is more than 100 Km distance from the Company HQ).

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**2.5.3** The approving CEO must consider time, safety and Company's liability before granting such approval. If the employee's department manager approves the use of the employee's personal car, the employee will be reimbursed for the travel costs inclusive of gasoline cost, Causeway fees, parking charges and Bahrain Insurance (if applicable).

## **2.6 Transporting to and from the airport:**


The Company shall ensure transporting the assigned employee to and from the airport. In case the company didn't ensure transportation, the assigned employee shall bring the transportation invoices to and from the airport to be compensated for these costs.

### **2.6.1 Travel Days:**

Location	Total Eligible Travel Days
In-Kingdom And GCC	No Travel Days
Middle East Countries	1 Day
Europe and EAST ASIA (including Singapore, Philippines, Malaysia, China, Indonesia)	1 Day
Far East (Japan), USA, Canada, Australia, New Zealand	2 Days (before and after)

## **2.7 Travel Cash Advance**

- 2.7.1** Employees traveling on Company business for a period in excess of one business day may receive a cash advance to cover reasonable business expenses to be incurred in the course of their travel. Distance of travel included under this policy shall be minimum 100 Km - maximum 500 Km far from the Company HQ.
- 2.7.2** Advances will not normally be given for airline tickets or course fees. Travel advance will normally cover Company related travel expenses. This advance enables the employee for arranging ground travel, parking, lodging, meals, and miscellaneous out-of-pocket expenses.

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## 2.8 Lump Sum Allowance

**2.8.1** The Company would be granted a lump-sum for each day of assignment outside the work headquarters (more than 100 Km distance far from HQ).

**2.8.2** The night's stay is considered the basis for calculating the assignment allowance.

**2.8.3** The assigned employee would deserve a lump sum as an allowance, which covers his assignment expenses per day, as per the following table:


Grade/ Job	In-Kingdom & GCC	Europe, Canada, Australia, New Zealand and USA	Arab Countries and Africa
CEO	Actual expenses	Actual expenses	Actual expenses
Directors	Actual expenses with maximum 50 \$.	100 \$	80 \$
Department Managers	Actual expenses with maximum 50 \$.	100 \$	80 \$
Supervisors, employees and representatives	40 \$	60 \$	50 \$

**2.8.4** The table of costs and the below points shall be approved for calculation of the assignment allowance.

## 2.9 Reimbursable Expenses: (This reimbursement is subject to CEO approval).

**2.9.1** Employees on business travel are eligible for reimbursement of reasonable cost for accommodation, meals, local transportation and other miscellaneous expenses upon submission of an approved Company Business Trip Expense Report Form (Travel Expense Reimbursement Form -No. 1.25).

**2.9.2** All expenses, except, any single expenditure, of SR 100 or less per day if incurred, must be supported by receipts. A copy of credit card receipt or credit card statement can also be used as an acceptable receipt, although an itemized invoice verifying the cost is also required.

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**2.9.3** The actual reimbursement amount claimed must not exceed 30% above the published Lump-sum rates.

**2.9.4** Expense claims must be submitted to the Company within 30 days after completion of business trip.

**2.9.5 Examples of Miscellaneous Expenses:**

- Business office expenses (fax, copy service, computer, internet, telex, etc.)
- Business phone calls
- Conference fees
- Reasonable meals and hospitality expenses of business contacts.
- Visas, passports and Consulate Fees
- Required taxes and required insurance premium in the host country.

**2.9.6 Examples of non-reimbursable miscellaneous expenses:**


- Airline club dues
- Fines for traffic violations
- Frequent flyer program fee
- Cost of items in lost baggage
- No-show charges for hotel, car services, etc.
- Personal entertainment charges
- Personal phone calls other than reasonable home phone calls
- Personal items like haircuts, hairdressing, sundries, etc.
- Rental car upgrade

CEO discretion will prevail in approving a normally non-reimbursable expense

**2.10 Entertainment Costs Policy:**

The entertainment expenses shall be allowed, if they are for purposes of promotion and for the interest of the Company, such as business lunches, as well as the expenses which are considered necessary for performing the task, and they can be claimed in advance on obtaining the approval.


**2.11 Paying the Expenses of Emergency Cases:**

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The Company will provide a medical coverage to the employees who would travel continuously, and this policy covers the emergency expenses, if any, during travel on a business trip.

## 2.12 The process to Manage Job Assignments

#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Recommend an employee to undertake business assignment, make sure the business assignment incurred expenses is aligning with the annual business plan.	Department Manager	
2.	Fill & submit the Business Assignment Request + lump sum Request to the HRD after obtaining the department Manager approval.	Concerned Employee	Business Assignment Request Form No. No 1.25.
3.	Receive the Assignment Request for review and final approval.	HR Rep.	
4.	Send a copy to the following for further processing: <ul style="list-style-type: none"> <li>- HR Employee in-charge for travel arrangement to make reservation for (Ticket &amp; Hotel).</li> <li>- GR in-Charge for obtaining a (visit visa, Exit reentry (if required) etc.).</li> <li>- Payroll in-charge to complete the Travel Cash Advance processing.</li> </ul>	HR Rep.	
5.	Confirmation of the ticket & Hotel reservations.	Concerned Employee	
6.	Hand over air ticket and Travel Cash Advance and employee's passport (for Non-Saudis).	HR Rep.	
<b>Returning from business assignment</b>			
7.	Prepare Business assignment and Expense Report.	Concerned Employee	Travel Expense Reimbursement Form -No. 1.26

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<b>8.</b>	Review and discuss the business trip prepared reports and forward it to the HRD.	Department Manager	
<b>9.</b>	Ensure the accuracy of the submitted reports and the supporting documents and finalize the financial procedures.	HR Rep.	

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### 3. Employment Separation Policy

The policy of the Company is to maintain its employees constantly, except some cases, which necessarily require terminating the services of an employee. This section covers policies relating to employee resignation, termination, end of contract, final pay, and exit interviews.


#### 3.1 Applicability

All Enpro employees


#### 3.2 Voluntary Separation

##### 3.2.1 Resignation/ End of Contract:

- A. The employee's decision to resign or not to renew their contract period shall always be taken in writing by the Resignation/End of Contract form. The date recorded on the form when it is submitted to HR will constitute the first day of the notification period (Resignation/End of Contract Form -No 1.28).
- B. The resignation becomes effective as soon as it is accepted in written by the Management. An employee may not be permitted to withdraw his resignation after it is accepted.
- C. All payments of dues will be made with the approval of the Management. Such employees who opt to resign shall submit a 'Clearance' upon which relieving order will be issued by the Management (Clearance Form-No 1.29).


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#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Fill & submit the Resignation/ End of Contract Form to the line manager considering the required <i>Notification Period</i> .	Concerned Employee	Resignation/End of Contract form -No 1.28.
2.	Discuss application with concerned employee and refer the application to HR Department, along with approval and/or recommendations.	Department Manager	
3.	Check the application to ensure required approvals.	HR Rep.	
4.	Conduct an Exit Interview to investigate reasons for resigning.	HR Rep.	
5.	Notify employee officially in case of obtaining the final approval & Coordinate to issue the decision to terminate an employee by the Director.	HR Rep.	Termination Letter Form - No. 1.04
6.	(Stop employee's salary from the date of service termination in the System)	HR (Payroll)	
7.	Finalize procedures to release employee from the company.	HR Representative	
8.	Check employee's leave balance (from the system) and arrange for cash award in lieu of entitled leave days, if any.	HR Representative	
9.	Prepare the financial procedures through the system & keep supporting documents in.	HR Representative	
10	Prepare the Clearance Form, attached to the employee file and all termination documents to be sent to finance department.	HR Rep.	Clearance Form-No. 1.29

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### 3.3 Involuntary Separation:

- 3.3.1** End of Contract: Any employee on a contract of defined duration must receive official notification of contract expiration 3 months in advance; otherwise, the contract will be automatically renewed.
- 3.3.2** Termination of services - Employment may be terminated for a variety of reasons, including, but not limited to:
- Layoff resulting from workforce reduction or restructuring.
  - Separation due to failure to return from an approved leave of absence or exhaustion of approved leave of absence entitlement.
  - Release due to medical unfitness.
  - Release for inability to perform duties or to meet prescribed standards on the job, after reasonable efforts have been made to assist the employee in meeting the standards expected by the company.
  - Discharge for gross misconduct and acting outside of the Company's Code of Conduct.
- 3.3.3** Concerned employees will receive notice in writing from the management as per the notice period stated in the employee's contract of employment. The company reserves the right to waive the notice period and compensate the employee with salary.
- 3.3.4** When the termination is caused by continued poor performance or discipline issues, the employee would normally have previously been served warning letters.
- 3.3.5** The health unfitness or the permanent disability shall be based on a medical certificate issued by a certified specialist physician, in addition to the requirements of proving which the GOSI or the State in such case requests.
- 3.3.6** The recommendation for terminating the services would be done by the *direct supervisor* and the *Department Manager*, and it would be approved by the *CEO of the Company*, and the final decision for terminating the services would be taken by the Human Resource Department.

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### 3.3.7 Termination During the Probation Period:

if the employee is found not fit for the job, his offer/contract would be terminated by the company at any time during the probationary period, in such case, the employee shall deserve the following:

- His salary during the period he spent in the work.
- A departure ticket only from his place of recruitment.
- Accommodation Allowance for the period he worked, if he is not granted Company accommodation.

### 3.4 Services Termination Process:

#	<i>Procedural Step</i>	<i>Responsibility</i>	<i>Required form</i>
1.	Address HR Department to terminate the employee's service for any of the reasons mentioned in the Disciplinary Policy.	Line manager	Termination Letter Form - No. 1.04
2.	Review the case and obtain necessary sign-off as per terms and conditions.	HR Rep.	
3.	Refer cases to the Authorized Signatory for further revision and approval.	HR Rep.	
4.	Coordinate to issue the decision to terminate an employee by the Director	HR Rep.	
5.	Stop employee's salary from the date of service termination in the System.	HR (Payroll)	
6.	Finalize procedures to release employee from the company	HR Rep.	
7.	Check employee's leave balance (from the system) and arrange for cash award in lieu of entitled leave days, if any	HR Rep.	
8.	Prepare the financial procedures through the system & keep supporting documents in.	HR Rep.	
9	Prepare the <i>Clearance Form</i> , attached to the employee file and all termination documents to be sent to finance department	HR Rep.	Clearance Form-No. 1.29


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### 3.5 Retirement:

An employee shall be retired from the company once he reaches the age of sixty (60), except in special cases approved as per the established signing authority. This would typically include retaining employees with distinguished or rare experience deemed to be of benefit to the company. They shall satisfy all the terms of appointment. Their physical fitness for the position shall be confirmed by the appropriate medical body as determined by the company.

### 3.6 Managing Retirement & Extension of Service Period

#	Procedural Step	Responsibility	Required form
1.	Prepare a list of employees who have attained retirement age.	HR Rep.	
2.	Address relevant regarding employees who have reached retirement age to consider employment extension or otherwise.	HR Rep.	
3.	Examine list of potential retirees and make recommendations for extension or termination.	Concerned department/ Director	
<b>- In case of recommendation to terminate services.</b>			
4.	Prepare to issue a decision to terminate an employee who attains retirement age and notify employee and concerned departments of the date of termination.	HR Rep.	Termination Letter Form -No. 1.04
5.	Finalize procedures to release employee from the company: <ul style="list-style-type: none"> <li>- Stop employee's salary from the date of retirement in the System.</li> <li>- Check the employee's leave balance (from the system) and arrange for cash award in lieu of entitled leave days, if any.</li> <li>-(Enter retirement details into the System) and keep supporting documents in the employee's file.</li> </ul>	HR Rep.	


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6.	Prepare <i>financial procedure</i> for terminating employee for attaining normal retirement age and for leave balance duly <u>signed off</u> by the Director.	HR Rep.	
7.	Prepare employee's service termination form, along with a copy of his file, <i>Clearance Form</i> and retirement documents to be sent to the Finance Department.	HR Rep.	Termination Letter Form - No. 1.04. Clearance Form-No 1.29.
<b>- In case of recommendation to not terminate services.</b>			
8..	After initial approval from Authorized Signatory, complete the procedures taking into account the following: <ul style="list-style-type: none"> <li>▪ In case an employee <u>reaches retirement age, and fulfills all other conditions for pension entitlement</u>, and the employer wishes to extend his period of service, the management approves the extension, in accordance with the laws and regulations of the public pension agency.</li> <li>▪ In case an employee <u>reaches retirement age, did not fulfill all other conditions in terms of service periodically</u> for retirement, he must remain in employment until he satisfies all requirements set out in the pensions and retirement laws.</li> </ul>	HR Rep.	
9.	Upon initial approval, a decision issued for the extension of service.	HR Rep.	
10.	Notify the concerned department and employee of approved extension decision.	HR Rep.	
11.	Keep copies of the decision and all documents in the employee's file.	HR Rep.	

### 3.7 Death Reimbursement:

In the case of death of the employee during the validity of his contract, his heirs would deserve the following:

- All unpaid salaries payable to the employee at the time of death.

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- Other settlements payable to the employee at the end of its services.
- For non-Saudis; Expenses of transporting the body and the tickets for the departure of his family to the place from which he was recruited.
- In addition to any bonus or other reward decided by the CEO.

### **3.8 Documents to be submitted on Separation from Enpro:**

#### **3.8.1 In the event of separation from the company following documents are required to be submitted by the Employee:**


- In case of resignation, letter of resignation.
- Non-Liability Certificate / Clearance Form.
- ID Card issued by the company.
- Details of documents kept in the custody of the person both hard and soft copies and a list of the pending work as on date.
- Non-compet agreement for five years in the same business and three years in the same area.
- Other Properties of JECC in the possession of the individual.

**3.8.2** The company must provide Experience Certificate/Service Certificate to the employee in the event of his separation. However, the company retains the right of withholding certificates in situations including, but not limited to, failure on the part of employee to return to the company its property or reconcile all outstanding payments, failure of the staff to produce the Non-Liability Certificate etc.

### **3.9 End of Service Benefits (ESB):**

#### **3.9.1 ESB Benefits shall be administered under the following eligibility Requirements:**


- A.** ESB for both expatriate and Saudi employees who meet the required notification period shall be equivalent to half a month's pay (15 days) of the last total salary for the first 5 years of employment and an award equivalent to 1month's pay (30 days) of the total salary for every year above 5 years of employment.

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- B. ESB shall be calculated on the total years worked in addition to any portion of a year worked that is less than one year (*e.g.* 3 years, 4 months, 5 days).
- C. An employee is not allowed to take leave during the last two months of the end of contract notification period.
- D. **An employee shall be compensated for a limited number of unused accrued leave days in the ESB. No compensation will be paid if the leave balance exceeds the following:**
  - A maximum of 36 accrued leave days will be paid for Saudi/non-Saudi employees.
- e. In addition to the total salary that is paid, the ESB calculation shall include any additional amounts (*i.e.* allowances) that were specified in the employment contract
  - For a non-Saudi expatriate, the calculation will include a transportation allowance and any other allowance stipulated in the employment contract.
  - For a Saudi employee, the calculation will include a housing allowance, transportation allowance, and any other allowance stipulated in the employment contract.
- f. For an employee who does not provide the required Notification Period, the ESB shall be reduced, based on the number of days worked during the notification period.
- g. **An employee who *resigns* shall be entitled to the following ESB:**
  - For an employee whose service was two years up to 5 years, the employee shall receive an award equivalent to one third of the ESB.
  - For an employee whose service was more than 5 years but less than 10 years, the employee shall receive an award equivalent to two thirds of the ESB.
  - For an employee whose service was 10 years or more, the employee shall receive an award equivalent to the ESB.

**3.9.2** The employee will not be granted End of Service Benefits in the following cases (either the contract is a limited or limited term):

- If the employee terminates his contract *before* the date of expiration of the contract, and his period of work was less than two years.

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- If the Company terminates the services of the employee by one of the reasons stated in the Article 80 of the Saudi Work and Workers law.

### 3.10 Final Clearance:

On Separation with the employee, he shall fill a *Clearance Form*, which clarifies that he had fulfilled all his obligations, where the employee, supervisor, Department Manager and all related departments shall sign it. Based on it, his dues would be settled.

### 3.11 Managing Final Clearance:

#	Procedural Step	Responsibility	Required form
1.	Coordinate and obtain recommendations from concerned department manager regarding employees working during the Notification Period	HR Rep.	
2.	Finalize all procedures regarding Final Clearance during the Notification Period	HR Rep.	Clearance Form-No. 1.29
3.	<u>For Non-Saudi employees</u>  Coordinate the employee's returning to his home country, in case of his desire to work for another institution in the Kingdom obtain the Director approval and communicate his decision to the employee.	HR Rep. / Director	
4.	Prepare employee's <i>Clearance Form</i> and follow up with the concerned departments to complete clearance approvals	HR Rep.	
5.	Calculate the final ESB considering the details specified in the ESB policy	HR Rep. Payroll/Finance.	Clearance Form-No. 1.29
6.	Sign the Final clearance Form after obtaining all other required sign-offs	Concerned Employee	
7.	Coordinate to issue the decision to terminate an employee by the CEO	HR Rep.	Termination Letter Form -No. 1.04 / Non-compete form

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<b>8.</b>	Submit all the required documents as explained earlier	Concerned Employee	
<b>9.</b>	Make sure all required documents are submitted, all forms are completed and appropriately signed-off	HR Rep.	
<b>10.</b>	final payment of the employees ESB shall be made as soon as the final clearance procedures are completed	HR Rep.	
<b>11.</b>	Keep all documents in the employee's file	HR Rep.	

\*When the employee leaves the service of the Company, the employee can obtain all personal original documents existing in his file upon his request, and the Company shall have a right to keep a copy of them.

### 3.12 Exit Interview:


**3.12.1** Completion of a confidential exit questionnaire and/or exit interview before or on the last working day with HR is voluntary for employees leaving the company (Exit Interview Form No. 1.30)

**3.12.2** Exit interviews are not completed in cases of termination of services for gross misconduct.

**3.12.3** On a periodic basis the exit interview data will be collated and reviewed by the management team.


### 3.13 Managing Exit Interviews:

#	Procedural Step	Responsibility	Required form
<b>1.</b>	Contact the concerned employee, ask him to participate in the <i>Exit interview</i> , Stress that the meeting is <i>voluntary</i> , informal and confidential.	HR Rep.	
<b>2.</b>	If the employee <u>does not want to participate</u> in the interview, ask them to complete a questionnaire.	HR Rep.	Exit Interview (Questionnaire) Form -No 1.30
<b>3.</b>	If the employee <u>accepts to participate</u> in the interview; coordinate to determine the way in which the <i>exit interview</i> is to be held (face-to-face, questionnaire, Telephone interview etc.)	HR Rep.	
<b>4.</b>	Schedule the Interview and communicate the date to the concerned employee	HR Rep.	
<b>5.</b>	Conduct a confidential Exit Interview, consider the	HR Rep./ CEO	

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	Exit interview previously mentioned guidelines		
<b>6.</b>	Place all documents in the employee's file	HR Rep.	

\*Exit interviews are confidential and will be used by Human Resources to identify trends as to why people are leaving, and which may lead to changes in employment practices and improve employee retention.

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## 4. Disciplinary Policy

### 4.1 Purpose


This section covers policies relating to grievances, discipline and code of conduct. Where employees feel secure in raising real or perceived grievances and where discipline is managed in an open and corrective manner, employee engagement and morale are generally higher than otherwise would be the case. Additionally, when employees understand that code of conduct under which the company operates and to which they are expected to adhere, misunderstandings between employees and management are reduced.

### 4.2 Applicability

All Enpro employees

### 4.3 Code of Conduct:

- 4.3.1** Enpro conducts its business with honesty and integrity and with respect to the interests of those with whom it has working or business relationships.
- 4.3.2** Enpro recruits, employs and promotes employees on the basis of their sharing the company's values, and having the skills, qualifications and abilities required for the work to be performed.
- 4.3.3** Enpro is committed to providing a safe and healthy working environment.
- 4.3.4** Enpro believes it is essential to maintain clear communication with employees, normally through internal information sharing, feedback and consultation procedures. Enpro expects its employees to avoid any personal activities and financial interests, which may conflict with their commitment in effectively performing their jobs. Any conflict of interest arising during the employment period has to be communicated to the relevant authorities.
- 4.3.5** Employees of Enpro must not undertake any additional business or employment, for which they are paid in cash or kind.
- 4.3.6** Enpro expects employees to act honestly, conscientiously, reasonably and in good faith at all times, having regard to their responsibilities, the interests of the company and the welfare of the employees and clients.


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#### 4.3.7 Quality Standards

- A. When an employee joins the company, they are expected to make themselves thoroughly familiar with these policies and abide by them. Should the employee require any clarification, they should contact their immediate supervisor, or in his absence, any other designated manager/ supervisor.
- B. Ignorance of policies, work instructions, job description or any other published directive shall not be considered a reasonable excuse for unsatisfactory performance.

#### 4.3.8 Enpro Tools and Property

- A. Employees are responsible for the proper handling of and care for property, tools, equipment, vehicles, etc. provided by the company. And it shall not be removed from the facilities without notifying and seeking approval. In case of damage and/or loss of tools and equipment, this shall be reported to the concerned Manager at once. All documents and reports related to the loss or damage shall be produced by the employee upon return to the office in order to file the insurance claim. Should the employee require any clarification, they should contact their manager.
- B. Using the property entrusted is only for the performance of work for the purpose of the employer's business. Using assets for private purposes without authorization, will normally lead to disciplinary action.

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#### **4.3.9 Using the Company's Email System**

- A.** The e-mail system is designed to facilitate the on-going operations of the company. It is an essential tool for conducting business and employees are discouraged from using it for private purposes.
- B.** Employees are responsible for the security of their internet accounts.
- C.** The loading of unauthorized software is prohibited and will normally result in disciplinary action.

#### **4.3.10 Attendance, Punctuality & Sickness**

Reporting for work regularly, punctually and sober without neglect and, be properly dressed for the work he or she is employed to do. If for any reason the employee is late or absent, he should notify his immediate supervisor or relevant personnel prior to the scheduled time for starting work, or as soon as possible thereafter.

#### **4.3.11 Confidential Information**


Employees may have access to information that should be treated in a confidential manner and kept secure. Employees should exercise sound judgment and discretion in dealing with such information.

#### **4.3.12 Conflict of Interest**

Employees should maintain the highest standards of honesty, integrity, impartiality and conduct to avoid situations that could create or lead to a conflict of interest.

#### **4.3.13 Outside Employment**

Employees should not engage in outside employment that could interfere with the time and attention to duties at the company, or which adversely affects the quality of work. To work for another agency, whoever it may be, during the Enpro time, will constitute gross misconduct. such cases will lead to disciplinary action.


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#### 4.3.14 Breach of Code of Conduct

- A. *Misconduct* involves contravention of above obligations. *Serious misconduct* involves serious and/or repeated contravention of the above obligations.
- B. *Misconduct* may lead to reprimand and warning. *Serious misconduct*, if established, will usually lead to dismissal without notice.
- C. *Serious misconduct* is behavior which undermines the contractual relationship between employee and employer and /or threatens the well-being of the Company or its employees.
- D. *Serious misconduct* includes, but is not confined to the following examples:
  - Refusing to perform properly specified duties or to carry out lawful and reasonable instructions of managers and supervisors.
  - Assaulting or threatening to assault any employee.
  - Sexual misconduct.
  - Behaving in a manner causing safety risks to any employee.
  - Being affected by alcohol or non-prescriptive drugs while at work.
  - Willfully submitting a false claim on a timesheet, for expenses, or any other deliberate falsification of the Company's record.
  - Deliberately or recklessly acting, in a manner resulting in serious damage to the Company's property.
  - Breaching confidential information.
  - Offering or receiving a bribe.
  - Repeatedly contravening the Code of Conduct.

#### 4.4 Grievance

- 4.4.1 An employee who has a grievance or is dissatisfied with any matter concerning the employee's work situation or conditions of employment, shall have the right to lodge a grievance with the company using Grievance Form No 1.31. The company attempt to resolve any such grievance at the earliest possible stage to the satisfaction of both parties.
- 4.4.2 The Grievance procedure should be employed in the following circumstances:
  - Where an employee wishes to raise an issue concerning his own terms and conditions of employment.

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- Where an employee wishes to raise an issue concerning any aspect of his individual working relationships within the Company.
- Where an employee is concerned regarding his individual working conditions or working situation.

#### 4.4.3 In case of any grievance issue, the employee shall follow the below procedures:

#	Procedural Step	Responsibility	Required form
1.	Approach the immediate supervisor and discuss the nature of the grievance issue	Concerned Employee	Grievance Form No 1.31
If the issue is not resolved			
2.	raise the grievance issue in writing to the Department Manager	Concerned Employee	
3.	Meet with the employee and discuss the issue, make a decision within 5 working days after the meeting is held	Department Manager & HR team.	
4.	Communicate the outcome to the concerned employee in writing	Department Manager	
If the issue is not resolved, further appeal may be made to the HR Manager. The decision of the HR Manager shall be considered as final.			

#### 4.5 Disciplinary Code

- 4.5.1 One of the primary aims of a disciplinary procedure is to give staff members an opportunity to correct misconduct, unless the misconduct is of a very serious nature (as mentioned in the Breach of Code of Conduct section), in which case, a staff member can be suspended with immediate effect.
- 4.5.2 An employee who is deemed to be in breach of any of the company's standards of performance and conduct shall be subject to disciplinary measures. These disciplinary measures may include any of the following:


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#### 4.5.3 **Warning (Verbal & Written):**

- a. All warnings shall be given as soon as possible after the misconduct was brought to the attention of the supervisor. The warning shall be given to the staff member concerned by his immediate supervisor, or by the next level of authority for supervisors and managers (Warning Notice -No 1.32).
- b. The employee response to the warning shall not necessarily negate the warning unless the Department Manager considers that the response warrants further investigation. If the staff member disagrees with the department manager's assessment, the staff member may take the matter to the next level of authority in terms of grievance procedures.

### 4.6 Disciplinary Investigation

- 4.6.1** Disciplinary investigation shall be handled by the Manager of HR, or a committee or individual of his choice.
- 4.6.2** The employee may be suspended with or without pay during the period of investigation. The period of suspension shall be considered from the date the incident is reported until a decision is rendered on the matter.
- 4.6.3** The results of a disciplinary investigation may include discipline up to and including termination of employment.
- 4.6.4** The employee may appeal the disciplinary decision by presenting his appeal in writing to the Director within two weeks of the date on which the disciplinary decision is communicated to him in writing. Upon receiving the appeal, the Director shall review the matter. The decision on the appeal shall be final.
- 4.6.5** All disciplinary decisions other than a verbal notice or warning shall be communicated in writing to the employee and a record shall be placed in the employee file.

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#### 4.7 Manage Warnings:


#	Procedural Step	Responsibility	Required form
Verbal Warning			
1.	Discuss the nature of the misconduct to the employee, the consequences, what is expected from the employee after the warning. and give him, an opportunity to remedy the problem.	Direct supervisor	
2.	Agree on a date (not more than 3 weeks) on which the employee's conduct shall be re-evaluated.	Direct supervisor	
3.	If the issue has agreed to be satisfactorily resolved, no further action needs to be taken.	Direct supervisor	
Written Warning (where a verbal warning has failed to resolve the problem or when the nature of the misconduct is so serious that a verbal warning would not be adequate).			
4.	Submit a written warning notice to the concerned employee. The staff member shall be afforded an opportunity to respond.	Direct Supervisor	(Warning Notice – No 1.32).
5.	Sign-off the notice to indicate that he has received it.	Concerned Employee	
<b>A final written warning may be given where the written warning has failed to resolve the problem.</b>			

\*A record of a written warning shall be given to the employee and a copy shall be placed in the employee's file.

#### 4.8 Forms of Discipline

Disciplinary action can take a number of forms, depending on the seriousness of the offence and whether the employee has breached the particular rule before. When the Code of Conduct and/or Labor law of Saudi Arabia violations are occurring, the HR Director may impose any of the forms of discipline below:

1. Private written censure
2. Public letter of admonition
3. Salary discount
4. Suspension with out pay (for a limited period)
5. Demotion, as an alternative to dismissal only; or
6. Termination of employment in conformance with civil and criminal laws, especially Saudi Arabia labor law.

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**End of The Manual**