Emiratisation Policy
EMIRATISATION POLICY

1. PURPOSE AND OBJECTIVES

1.1. The purpose of this policy is to document and set forth the Nationalization Strategy of the company and the process of attracting, developing and retaining UAE Nationals.

1.2. The objective is to recruit high potential nationals for managerial-leadership positions as well as non-managerial positions and equip them with state-of-the-art development, mentoring, coaching and training interventions to make an appropriate contribution to the performance of the individual and the achievement of government and organizational requirements.

2. SCOPE

This policy and procedure is applicable to all employees at Arkan.

3. DEFINITIONS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation/Keyword</th>
<th>Phrase</th>
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<tbody>
<tr>
<td>OTJ</td>
<td>On-The-Job Training program set by the line depts.</td>
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<tr>
<td>PDP</td>
<td>Personal Development Plan</td>
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<tr>
<td>ILP</td>
<td>Instructor Led Training</td>
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<tr>
<td>TNA</td>
<td>Training Needs Analysis</td>
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<tr>
<td>AGTDP</td>
<td>Arkan Graduate Trainee Development Program</td>
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<tr>
<td>Mentorship and coaching program</td>
<td>These training programs refer to constructed development programs for identified employees that would include structured supervision and coaching by another person given to the employed.</td>
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<tr>
<td>Personal Development Plan</td>
<td>Indicates development needs identified by employees with their managers during the development of the employee’s performance agreement</td>
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<tr>
<td>Succession Planning</td>
<td>Refers to the structured career development of an employee who is identified for a specific position aimed at future appointment, to that specific position</td>
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<tr>
<td>Training program</td>
<td>Refers to detailed program aimed at addressing development areas which includes a wide range of activities from formal courses to structured work experiences</td>
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<tr>
<td>Competency</td>
<td>Competency is the foundation on which competence is built and is about displaying the right behavior which is underpinned by enabling aspects which include knowledge, skills and attitude</td>
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<tr>
<td>Career Path</td>
<td>Career path is a series of successive positions an employee should occupy as they advance in the organizational structure throughout their careers. Although career path plans are primarily a human resource planning tool, career development can be used as long-range training of key Personnel.</td>
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<tr>
<td>Managerial Training</td>
<td>Is training that aims to improve managerial skills of employees in supervisory and management positions</td>
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<tr>
<td>Arkan</td>
<td>Arkan includes Arkan and the Business Units that are members of Arkan, also referred to as the Company</td>
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4. RESPONSIBILITIES

4.1 CEO

Arkan is committed to the Nationalization development procedures and in this regard, the CEO will approve related enhancements, resources, training budgets and development programs as appropriate.

4.2 Direct Managers and Department Heads

- Responsible to submit the manpower audit on quarterly basis.
- Monitoring the performance and progress of graduates in the Graduate Program on an on-going basis, review assignments, release feedback and coaching and identify training needs.
- Responsible for providing UAE Nationals’ succession plans to Human Resources.
- Identify critical positions for which succession plans are required.
- Provide an update on the PDP and succession plans for existing nationals.
- To provide closing-gap-interventions for existing nationals.
- Responsible to assign mentors for existing high potential candidates at least once a month.
- Responsible to make sure that the nominees are attending the training sessions as appointed.
- Identify development needs through Performance Development Plan and Performance Review system.
- Involved in pre- & post briefing after the development activity.

4.3 UAE Employees and Graduate Program Candidates:

- Take the primary responsibility for managing their careers by:
  * Examining current skills and identifying areas for further development and improving their performance.
  * Displaying exceptional effort to understand and follow the development plans (timely completion of assignments, active participation in courses, OJT, and self-directed learning activities.
  * Keeping skills and knowledge up to date to meet changing workplace needs.

4.4 Human Resources

- Developing national recruitment campaigns to attract UAE nationals to join Arkan.
- Responsible for preparing and executing the graduate program for UAE Nationals to fulfil managerial leadership positions in the company.
- Designing the trainee's program and development plan, and for providing active and on-going mentoring and appraisal of the trainee to facilitate the achievement of the targeted results of the program.
- Assist the different Business Units in training and resource planning for UAE nationals and selection of suitable training courses (in-house, external/specialized customized programs).
- Monitoring the development of UAE Nationals in Arkan.
- Assigning internal/external personal coaches to high potential candidates.
- Control the annual budget.
- Monitor implementation of the T&D strategy.
- Compile all TNA obtained from PDP appraisals and monitor progress.

5. POLICY AND PROCEDURE DETAILS

5.1. ATTRACTING UAE NATIONALS
Arkan will use a combination of methods to attract UAE nationals for employment. These include, but are not limited to:
- Work Placement Programs
- Summer Training Programs
- Colleges/Universities Site Visits
- Attractive Salary Package
- Scholarship Scheme for National Students

5.1.1 WORK PLACEMENT PROGRAMS
- Arkan will support the community by offering work placement opportunities for a specified term to UAE National students in UAE colleges and universities as part of their curricula and graduation requirements.
- Arkan will welcome these students to Human Resources throughout the year and wherever possible, they will be placed across different departments in accordance with their academic specialization.
- The Role of the Human Resources Department:
  * Coordination with Colleges/Universities.
  * Create the awareness for the program in the Community.
  * Create the awareness for the program within the company.
  * Coordination with department heads and line managers to prepare the schedules and material of the training.
  * Coordination with each of the Business Units HR functions.
  * Ensure the smooth implementation of the program.
  * In coordination with the employee’s line manager monitor and appraise the trainees at intervals and at the end of the program.
  * Track the education path of the students and contact them when they graduate and ready to enter to the work place.
5.1.2 SUMMER TRAINING PROGRAM

- Arkan will provide further support to the community in its efforts to provide knowledge and experience to UAE nationals.

- Arkan will therefore give summer learning opportunities for each year for specified periods to UAE Nationals studying in universities. These summer training opportunities will provide participants with knowledge of the industry and widen their academic horizons and give Arkan the opportunity to assess the candidate’s future employment possibility.

- In accordance with needs and available budget, Arkan will offer a number of students, in various stages of study, placements. The Business Units will be requested to provide to Human Resources their interns intake capacity for the year and the roles they are interested in.

- Relevant forms and evaluations will be received by HR and completed by respective managers.

5.1.3 COLLEGES/ UNIVERSITIES SITES VISITS

- The Human Resources Department will prepare an induction presentation to be shown to students at different Universities/ Colleges in the UAE and globally. The presentation should include the following:
  * The Vision and Mission of the Company.
  * The Work Environment in Arkan.
  * Events/ extracurricular activities done or sponsored by Arkan.
  * Career and Personal Development Planning Structure and opportunities.
  * Graduate Management Trainee Program.

- Arkan will participate in Career Fairs and employment events to promote the Company and attract new talent.

5.1.4 ATTRACTIVE SALARY PACKAGES

- To attract and retain UAE nationals, they will be offered market related salary packages. Human Resources will:
  * Review on annual basis the pay structure being implemented in the Company.
  * Benchmark and track the changes in the market with other competitive companies.
  * Promote qualified Nationals on regular intervals as per the Company’s Policy.
  * Introduce low cost- high impact incentives and bonuses.

5.1.5 SCHOLARSHIP SCHEME

The Company shall implement a Scholarship Scheme to encourage top Emirati students. The eligible candidates should be currently pursuing full-time graduate and undergraduate-level university courses in a discipline required by the Company. The purpose of the scheme is to attract National students with excellent academic performance to take up employment with Arkan on completion of their studies.

5.2. CAREER DEVELOPMENT & TRAINING

- As outlined in the Training Plan issued by Human Resources, Arkan will give UAE National Employees an opportunity to be sent to different training courses -local and/or international- where they get to develop their work related competencies. These courses may lead to a formal qualification.
The training plan will be prepared and implemented based on Training Needs Analysis (TNA) of the training needs of each National employee.

Employees who leave Arkan before one year of service should repay the total amount of the training and development program that he/she attended. Employees who leave Arkan after more than one year and less than two years of service will have to repay 25% from the total amount of the training and development program that he/she attended. Such clause will not be applicable for employees who leave after 2 years.

For external programs initiated by the employee, such as conferences, technical programs, short courses, seminars, congresses and conferences, conditions as set out in the Career Development & Training Policy will apply.

The following Career Development & Training Initiatives will apply for UAE Nationals:

* Personal Development Planning / Career Succession Planning.
* English Language Skills Development Program.
* Certification Programs.
* MBA or equivalent approved certified program.
* Mentor/Coaching.
* Graduate Management Trainee Program.

### 5.2.1 PERSONAL DEVELOPMENT PLANNING/CAREER PLANNING

Human Resources Department believes that every individual has the right to a meaningful career with the organization, based on realistic personal aspirations, acceptable performance and the Company’s needs and objectives. Therefore a career planning strategy will be developed where UAE nationals – as employees in Arkan – will come to know where exactly they will be going through their career path. This is expected to motivate them toward their growth and development.

In conjunction with Department Heads, Human Resources will prepare Personal Development Plans for UAE Nationals outlining minimum learning, experience and competency development requirements over given periods of time.

The program provides each participant with a PDP, designed to suit his/her personal development according to their needs and preferred learning methodology, in addition to a proper development approach.

**Benefits of PDP to professional life:**

* Clearer ideas about the kind of life and work that suits the interest and skill levels of the employee.
* Greater confidence in the career choices made.
* Greater confidence in the skills, qualities and attributes.
* Being in a better position to compete for jobs.
* Being better able to discuss skills, personal qualities and competences with employers.
* Better problem-solving and planning skills.
* Developing the positive attitudes and approaches associated with successful professional life.
5.2.2 ENGLISH LANGUAGE SKILLS DEVELOPMENT PROGRAM

- This program is directed at National employees who have some deficiency in their English Language Skills.
- Employees will be engaged in the program as per the evaluation of their current level in the use of English language.
- English Training Courses will be held in-house, online with internal e-learning program, or outside the Company, depending on the number of employees needing English proficiency.

5.2.3 CERTIFICATION PROGRAMS

- Certification is a process whereby an individual is evaluated in order to determine their mastery of a specific body of knowledge.
- The final areas for certification will be based on the core capability areas of Arkan.
- Aim of program:
  - Raise the standards of the profession
  - Reward individuals who have obtained expertise
  - Increase chances for professional mobility
  - Reduce uncertainties in staff selection
  - Help assure organizational goal attainment and achievements
  - Encourage self-improvement
- The certified training must be in, but not limited to, the following areas:
  - Cement Manufacturing, downstream activities e.g. cement pipe, blocks manufacturing, etc.
  - Financial & Accounting Management: CFA, funding techniques, management accounting, public accounting, financial analyst, financial statements, cash management, budgeting, risk management, cost allocation techniques, and protective controls and progressive investment solutions (PIS).
  - Operations Management.
  - Human Resource Management: labour relations, employee policy development, supervision techniques (ILM), training, Professional in Human Resources (PHR), Senior Professional in Human Resources (SPHR), the Chartered Institute of Personnel and Development (CIPD), and Organisational Development Practitioner (OD)
  - Information Technology: system analyst and programming.
  - Procurement and Contracting: services procurement, equipment.
  - Project Management (PMI/PMBOK).
- Guidelines:
  - Reimbursement for approved certified programs will be made at 50 percent on a course (modules)-by-course (module) basis. Reimbursement will be made only for registration fees, tuition fees and examination fees. Book fees will be reimbursed at 100 percent.
  - Employees must satisfactorily complete the course work and pass the certification exam (if applicable) to be considered for reimbursement.
  - The Group Human Resources will continue to review employee course attendance and application on a course by course basis to ensure that it is in line with set policies and in accordance to the approved career path of the employee.
  - Courses that are not in line with the job requirements and future roles will not be reimbursed by the Company and will be the responsibility of the employee to pay in full.
- Initial approval of a course of study does not obligate the Company to future/continued approval of courses in that course of study. Approvals are only valid for the course and semester given.
- Reimbursement will be at the approved institution tuition rate. Private university costs will be reimbursed up to the highest maximum cost for the course at an equivalent public institution in the same level. The payment of courses at a higher private institution rate does not obligate the Company to continue payment at that higher rate. Attendance at private institutions, correspondence programs or other high cost programs will not be considered justification for payment of exceptional tuition or related costs without prior approval.
- “Associated Costs” that would be considered for reimbursement is restricted to the following:
  * Cost of travel by economy class to meet the minimum academic requirements of the course for attending contact sessions and/or examinations at the approved location.
  * Accommodation charges for attending the sessions mentioned.

### 5.2.4 MBA OR EQUIVALENT APPROVED PROGRAM SCHOLARSHIP

- **Aim of program:**
  - To create a good culture of educational support in the organization and to help employees to develop their academic qualifications which leads to a better performance and understanding of work and therefore contribute to the overall performance of the organization.

- **Guidelines:**
  - All MBA or equivalent programs will be approved by Arkan.
  - Arkan will select four employees yearly to benefit from the program based on approval of CEO.
  - Arkan will pay 50% of the fees, and the balance will be covered by the employee him/herself.
  - The employee should sign an agreement to stay with Arkan for a minimum of 18 months after obtaining the MBA. If the employee fails to meet the agreement he/she will be liable to pay the remaining balance of the fees paid by Arkan.
  - The employee should have been working with Arkan for at least one year before being eligible to enrol in the program benefits.
  - The subject which the employee will choose to do the MBA in should be related to the job he/she is handling in Arkan or goes with the career path identified for them.
  - The employee should be a high performer, with a “4” as a minimum average on his performance appraisal rating.

- The employee should submit to the Human Resources on a semi-annual basis a report on his/her progress in the program.

### 5.2.5 MENTOR/COACHING

- Mentors will be assigned to high potential candidates.

- The mentor must provide:
  * On-going attention to mentee career development and guidance.
  * Offer suggestions or directions on a work-related issue.
  * Provide feedback on the mentees’ work.
  * Help with educational resources.
  * Management concerns.
  * Work with the mentee in other ways agreed upon by both parties.
5.3. ARKAN GRADUATE PROGRAM

5.3.1 AIM AND RATIONALE

This program is part of Arkan’s social responsibility to develop the most capable Emirati university graduates to become the top professional future managers in the cement manufacturing industry and any other future business expansion within Arkan. Arkan needs an ongoing stream of highly qualified top managerial-leaders shaped in the culture of the Arkan to ensure its continuing growth and profitability.

5.3.2 OBJECTIVE

The objective of Arkan Graduate Management Trainee Program is to qualify and provide future managerial leaders by attracting, developing and retaining high potential Emirati University graduates. At the end of the program trainees will be well rounded cement manufacturing and related work streams professionals and be capable to perform all fundamental functions within their subsequent technical specialty. The program graduates will be a composite pool of potential managers for Arkan with effective competency and capability sets.

5.3.3 PROGRAM OVERVIEW

- A group of high potential university graduates will be enrolled as management trainees and the number will be defined in the manpower plan. The trainees will only be recruited if they meet or exceed the competency specification of the program. Current UAE employees who meet the trainee specification may also be recruited into the program.

- Trainees are a corporate resource owned by Arkan and therefore will be required to rotate through various Business Units as part of their program.

- The program will be made up of classroom instruction and structured work experience (OTJ) in the divisions. The duration of the program varies between 18 - 24 months depending on the trainee background, experience and learning abilities.

5.3.4 THE TRAINEES

TARGET

The target candidates for this program are:

- Fresh Graduates with no or limited work experience.

- Graduates with less than two years of continuous relevant experience within any of the functional disciplines embedded in the Business Units.

- Existing staff with 1 to 2 years’ experience and that demonstrates an exceptional level of performance as documented in their performance appraisals.

SELECTION

- Arkan will use a variety of resourcing methods for recruiting UAE graduates such as college/university site visits, recruitment agencies, Career Fairs, etc.

- Because of the long term investment in terms of money but more importantly management time spent to develop the trainees, a more in-depth recruitment process shall be adopted by Arkan.

- Arkan will develop competency criteria in collaboration with the Business Units based on their leadership requirement. This will serve as a guideline for assessing potential candidates.
SELECT

5.3.5

(1) Initial screening by recruitment through interviews and online occupational testing.
(2) Panel interview with business unit director, Head of T&D, Emiratisation Recruitment Manager and the Emiratisation Development Manager.
(3) The final group of candidates will go through an in-depth objective occupational assessment that includes personality assessment and an assessment center. They will be measured against the Arkan Managerial-Leadership Competency Framework. Successful candidates will be given feedback on their test results and profiles upon completion.
(4) A comprehensive personal development plan for each successful candidate will be compiled.
(5) The Arkan HR department issues the offer to the candidate for his/her signature and the recruitment department will be requested to prepare the employment offer.
(6) Successful candidates will then meet the different mentors and program stakeholders. During this meeting the expectations of Arkan and the trainees have to be communicated and agreed upon by both parties, to minimize future conflict and to ensure the engagement and continuity of the trainee’s work in Arkan. The assigned mentor for each candidate will have to re-emphasis that during the one-to-one or group meeting with the trainees. The trainees will also be encouraged (during the one-to-one meeting) to share their thoughts, concerns and expectations of the program and the Mentor will address them in line with Arkan policy and program scope.

5.3.5 THE PROGRAM
The program will be presented on a modular basis where each module will reflect the stage of the trainee’s development. This will be achieved through four learning methods each complementing the other.

Learning Methods
- Instructor-Led-Training (ILT): interactive, case studies, group work, presentations.
- On-Job-Training (OJT): practical work experience at assigned branch/dept. ‘actually doing it’.
- E-learning: refreshment training & awareness programs for references.
- Mentoring: mentor guidance
**Modules:**

The modular program will be developed based upon the requirements of the Business Units and will be mapped against the Arkan Leadership Framework. It will also be developed according to complexity levels e.g. from the foundational knowledge components through to specialized knowledge components.

**Topics Covered**

**ILT:** In addition to the general induction program, the topics to be covered in the program will depend on the results of the training needs analysis within each Affiliate. Definite main areas will be determined that are applicable to all trainees.

**OJT:** Trainees will be attached to an Affiliate for a period of time depending on the complexity of the task being learned and the relevancy of the function to their future role. During this time their mastery of skills will be assessed by an assessor.

**5.3.6 MENTOR PROGRAM FOR GRADUATES**

Arkan offers coaching & mentoring program to UAE graduates to guide them through the development periods until integration in their target positions and to assist them in achieving their best potential in line with Arkan’s objectives.

**The mentor**

- The role of the mentor is to act as a guide sharing his/her experience and knowledge of the company with the new employee. The mentor will provide informal assistance and support in facing the challenges in the new work place;
- The mentor can be from a different team to the new employee, with the mentor usually of a higher grade than the mentored;
- Provide on-going positive constructive feedback on the progress of their performance and development.
- Motivate the mentee to learn & develop.
- Provide assistance and support to the mentee to get access to resources people, opportunities and information that is deemed necessary for their development.

**Mentoring sessions**

- The mentor and his/her mentee should meet as frequently as required for informal mentoring/mentoring sessions;
- Both the mentor and the mentee can initiate the sessions;
- All mentoring sessions are informal and treated as confidential. No record will be maintained and no communication to any individual including the mentee’s manager will be made unless agreed by the mentee.

**Mentoring assignment**

- Training & development section reserves the right to recommend and assign mentee to available mentors with the consent based on availability and readiness as well as assigned number of mentees.
- The mentoring process may last up to 2 years till the mentee completes the graduate program and reaches operation proficiency.
- Mentors will be selected on a fixed set of criteria determined by Arkan.
- Mandatory mentoring sessions will be every second week.
- Further sessions should take place as frequently as required;
- During the first mentoring session the new employee will have an informal discussion to familiarize himself/herself with the Arkan.

5.3.7 PERFORMANCE MANAGEMENT OF GRADUATES

- Trainees will be continuously assessed during the program for their technical competency and for their potential leadership capabilities. Trainees who are not meeting the performance standards will undergo counseling and may be taken off the program if there is no progress.
- Evaluation may include a variety of methods for example, test at the end of each ILT module, homework, case studies, presentation during the ILT Training, on line assessment and progress reports, business reports at the end of each engagement with respective areas, mentor/OJT line manager feedback, program development manager feedback.
- In case the trainee was asked to leave the program, the company will have the right to continue the employment of the trainee in another role or to terminate his/her employment with the company
- Feedback on trainers (internal & external) and OTJ line managers will be collected at the end of training for the purpose of assuring that the program objectives were met.
- A report on the trainee’s performance will be supplied on a quarterly basis and monthly progress reports will be submitted to each business unit.

5.3.8 EMPLOYMENT CONTRACT

- All trainees will comply to the company policy and procedures and with the Graduate Program guidelines. Upon joining, they will sign an employment contract as Graduate Management Trainees that will govern the relationship between the trainees and the Company for the whole program period.
- Trainees will report during their classroom training to the Emiratisation Development Manager and during OTJ training they will report directly to their assigned “manager” and indirectly to the Emiratisation Development Manager.
- Continuity in the program is governed by the program performance measures and the trainee’s compliance with the company and program regulations. Inability to perform accordingly may result in dropping off the program.
- The company has the right to release any of the trainees in the following cases:
  - Failure to meet program performance criteria
  - Violation of company’s policies upon completion of the program, trainees will sign another employment contract for their future roles within any of the Business Units.

5.3.9 COMPENSATION AND BENEFITS

Human Resources Department will be responsible for the allocation of salary packages for trainees in the graduate program. Fresh graduates with no experience will start on the minimum package applicable to graduate entry level and those with two years’ experience will have a package equivalent to their experience. Their package will be adjusted when placed within their future roles.

5.3.10 PROGRAM COSTS

- Human Resources Department will gain approval for the program budget and bear the cost of the trainee’s salaries, benefits, training programs and travel and lodging costs.
- Human Resources Department will carry any major operational costs of the trainee whilst working with them (an example, being work related expenses, such as international trips related to a divisional business project).
5.4. STUDY LEAVE: UAE NATIONALS

5.4.1 GENERAL GUIDELINES

- Arkan aims at developing its UAE National manpower and will provide its support to ensure a successful career. Graduate and undergraduate qualification will provide a stronger base for their future development and Arkan will assist in facilitating this process as per the following criteria and procedures.
- The Company encourages parallel study by its employees and does not support full time academic programs away from the work place. Unless enrolled in the Graduate Management Trainee Program, a special approval will have to be obtained to allow employees to go on a long term study leave and release them from their work duties under the regular separation procedure, while being able to rejoin the Company upon completing their program. The new entry level will be identified upon the return of the employee.
- Employees may pursue approved University Degree courses relevant to the work requirements through distance education, flexible learning or part time academic programs from accredited institutions.

5.4.2 EMPLOYEES ATTENDING PART-TIME/EVENING CLASSES

- Employees, who are currently busy with further studies and wish to leave earlier to attend classes, and have completed their probation period, will be granted a 2 hours early release from the workplace subject to the following conditions:
  * Approval by the direct manager and HR.
  * Notification must be given to the person responsible for Emiratisation.
  * Employees must provide a certified copy of their registration at the institute/college/university.
  * Provide to HR an official exam schedule and class timetable.
  * After completing the final exams, a certified copy of the results must be forwarded to HR. Their scope of study must be in line with Arkan’s line of business.
  * Extreme exceptions will be discussed with the HR department and direct manager.
- Employees are entitled to 15 calendar days, plus exam period, to study and prepare for pre-approved exams and certifications. This leave is allowed for degrees and certificates that are directly related to the employee’s job requirements and career path within the company.

Important Note:
For any specific conditions or events that may not be covered in this policy, the discretion of the CEO shall be sought.

6. PROCESS FLOWCHARTS

Recruitment Policy Flow Charts and the Career Development & Training Policy Flow Charts are applicable.
# 7. FORMS

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<thead>
<tr>
<th>No.</th>
<th>Record Name</th>
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<tr>
<td>1</td>
<td>Training Request and Approval Form</td>
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<tr>
<td>2</td>
<td>Service Obligation Form</td>
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<td>3</td>
<td>Training Evaluation Form</td>
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<td>4</td>
<td>Performance Management Agreement Form</td>
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<td>5</td>
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