CONTENT: This Instruction describes the miscellaneous payment process via the Miscellaneous Payment System accessible through the MPS Portal. The text of this Instruction includes:

1. REFERENCES

1.1 ABBREVIATIONS & ACRONYMS

AAE - Approval Authority Engine
AAH - Admin Area Head
AI - Accounting Instruction
AP&CD - Accounting Process & Control Division/ AP&SD
AP&PD - Accounting Policies & Procedures Division/ AP&SD
AP&SD - Accounting Policies & Systems Department
GI - General Instruction
HRM - Human Resources Manual
MCM - Miscellaneous Credit Memo
MG - Management Guide
MPS - Miscellaneous Payment System
OAD - Operations Accounting Department
PAD - Payables Accounting Division/OAD
P&SCM - Procurement & Supply Chain Management
SAR - Saudi Arabian Riyal
SCM - Supply Chain Manual
SR&QU - Supplier Registration and Qualification Unit/P&SCM
VP - Vice President

1.2 DEFINITIONS

Approved Waiver - A documented exemption from the Business Process Owner providing supporting details to use MPS instead of the existing corporate payment method. An Approved Waiver may be provided in the form of an email or official letter from the Business Process Owner stating the reasons why they are unable to perform the transaction through the existing corporate payment method.

Cash Call Cap - The maximum total value that can be approved/paid through an MPS process, consistent with the approved funding limit.

Business Process Owner - The organization responsible for providing prior approval for certain purchases within Related Company Policies, for example: Contracting Department/P&SCM, Information Technology.

Defined Payment Process - An ongoing payment transaction which requires the support of a business justification and is approved by AP&SD. The workflow is configured based on business requirements.

Maximum Financial Approval Authority - Maximum value of any individual payment authorized to be made within an MPS process. The Maximum Financial Authority is required to be in line with the highest value payment payable under an agreement, invoices or charges being paid or the maximum shareholder loan or equity drawdown value under a line of credit agreement or equity subscription agreement (drawdown schedule to be provided).

MPS Portal – Webpage containing MPS processing links located within the Saudi Aramco Intranet: My Home/My Work/Finance/MPS.

Specific Payment Processes - MPS processes that are established within the MPS Portal for access by all Company users and are required to be initiated and approved within Related Company Policies (see Section 7).

Undefined Payment Process - A one-off, non-recurring transaction that does not have an existing payment mechanism in the Company and is supported by an Approved Waiver and a business justification.

To qualify as an Undefined Payment Process the payment must fall under one or both of the following:

– Contract could not be established; AND/OR

– Purchase order could not be raised.

The two types of Undefined Payment Processes are as follows:

i. Undefined Process: Approval workflow is within the same operational hierarchy.
ii. Undefined Special Process: Approval workflow is configured across multiple operational hierarchies.

The AAE workflow for an Undefined Payment Process is configured to the following payment approvals:

Administrative Area Head	≤ SAR 187,500 ($50,000)
Senior Vice President or Higher	> SAR 187,500 ($50,000)

1.3 RELATED FORMS

SA-8344 - Personnel Miscellaneous Payments/Reimbursements

1.4 RELATED COMPANY POLICIES

General	-	Supply Chain Code of Conduct
MG	-	Section IV – Approval Authorities
SCM	-	Volume 1: Procurement Manual 7.2.6 Miscellaneous Purchases by SA Organizations and Suppliers 5.1.4 Supplier and Manufacturer Suspension, Reinstatement and Deletion
HRM	-	Chapters 5, 7, 8, 14, and 16
	-	Business Ethics Policy
	-	Conflict of Interest Policy
AI 707	-	Payments to Vendors
GI 021.201	-	Approval Authorities
GI 288.001	-	Subsidiary and Affiliate Cash Calls

1.5 RELATED SAP TRANSACTIONS

ZAAE	-	Approval Authority Engine (AAE)
ZAAE04	-	Value Based Financial Catalogue

2. INTRODUCTION

The MPS was implemented to allow for appropriate flexibility to support the business needs of Saudi Aramco. It is imperative that it should be utilized by proponents in accordance with the controls established within the Related Company Policies as well as in compliance with corporate guidance on ethical business conduct (refer to Section 1.4).

3. OVERVIEW OF MPS

3.1 AP&SD is responsible for the policy interpretation and systems administration of the MPS, while users, reviewers, and approvers are responsible for the usage of the MPS in compliance with Related Company Policies (refer to Section 1.4).

3.2 Generally, the MPS can be used for all miscellaneous payment transactions to employees and Vendors where an Approved Waiver has been obtained.

3.3 Specific Payment Processes listed under "Employee Payments" and "Vendor Payments" can be located in the MPS Portal.

3.4 Non-hydrocarbon related transactions between Saudi Aramco and its affiliates are exempt from the SCM, therefore the MPS may be used to initiate payments related to the funding and business activities of those entities. The policies and procedures for business transactions with affiliates may be documented in entity specific GIs and AIs. In addition, the policies and procedures covering equity payments and shareholder loan cash calls to subsidiaries and affiliates are covered in GI 288.001.

3.5 Where the MPS is used for subsidiary and affiliate shareholder loan cash calls, the value approved by management shall be set as the total drawdown value for the MPS Process. The limit shall be applied upon receipt of a copy of the board resolution indicating the limit of the approved loan funding (i.e. Cash Call Cap). The individuals within the approval workflow shall be able to view the balance of the authorized available shareholder loan cash call amount when undertaking the MPS initiation, review and approval process.

3.6 MPS is not to be used for Personnel Miscellaneous Payments/Reimbursements. Those should be claimed on e-Form SA-8344.

4. UNDERLYING PRINCIPLES FOR THE USE OF MPS

The underlying principles for all MPS transactions/requests include:

4.1 The initiator should ensure that the material or service requested is properly procured and in compliance with SCM 7.2.6 "Miscellaneous Purchases by Saudi Aramco Organizations and Suppliers."

4.2 Approving authorities should ensure that expenses disbursed are strictly business related expenses under their responsibility.

4.3 Monetary approval limits are embedded in the AAE.

4.4 Supporting documentation:

4.4.1 Defined Payment Process requests are required to be supported by copies of executed agreements, board resolutions (or equivalent), etc. as applicable.

4.4.2 Undefined Payment Process transactions are required to be supported by copies of the original documentation such as cash receipts or Vendor invoices.

4.4.3 If supporting documents are deemed to be strictly confidential, a letter of justification for confidentiality should be attached to the request. The letter must be signed by appropriate approval authority (see GI 021.201), stating where the supporting documents are being held in order that they can be reviewed.

4.4.4 Documents submitted, and other related documents, for the MPS process are required to be held for specific periods of time for audit purposes as follows:

Employee Related	Minimum of 5 (five) years.
Vendor Related	Minimum of 5 (five) years.

4.5 An invoice must not be split over multiple MPS payments in an attempt to reduce the amount below an approved threshold, or to avoid scrutiny by the appropriate approval authorities.

4.6 The proponent is responsible for ensuring that all MPS payments are made to valid, approved Vendors and that the Vendor is not subject to P&SCM suspension at the time of payment.

In the event where the proponent requires clarification of the correct payment method to use, the proponent should contact the MPS support group via:

APSDMPSSUPPORTGROUP@Exchange.Aramco.com.sa

5. APPROVAL AUTHORITIES

5.2 The Maximum Financial Approval Authority limits set in the MPS are in compliance with Section IV of the MG, as well as AP&SD defined Approval Authorities for Specific MPS Processes, which are subject to change in line with changes in Related Company Policies.

5.3 Specific and Undefined Payment Process requests submitted via the MPS will be approved by the default authorized personnel, per the system-generated approval workflow, based on the approval limits maintained in SAP transaction ZAAE04 – “Subjects” – “Finance” – “Miscellaneous Payments”.

5.4 AP&SD maintains a system of approval limits for each process in the AAE. Inquiries should be directed to the email:

AutomatedApprovalEngineTeam@Exchange.Aramco.sa

5.5 An approver acknowledges that by approving an MPS transaction/request, they are agreeing that the MPS is in compliance with Related Company Policies.

6. MISCELLANEOUS PAYMENTS PROCESS

6.1 OVERVIEW

6.1.1 AP&SD maintains a register of all MPS requests received. All such MPS requests are evaluated, with all details being recorded in the register. On review of each request, a written decision is sent to the requestor.

6.1.2 AP&CD shall monitor and review the usage of each MPS process, deactivating those MPS processes that are no longer used. No MPS process will be deleted from the system however they are kept on file for referencing and future use.

6.1.3 The total expected time taken to complete the MPS review, authorization and set-up for a new MPS process is 15 (fifteen) business days after all supporting documentation is received. This target completion date may vary depending on the complexity and urgency of the underlying transaction.

6.1.4 A list of all current authorized miscellaneous payments can be viewed using SAP transaction ZAAE04 – "Subjects" – "Finance" – "Miscellaneous Payments."

6.2 NEW MPS CREATION

Where a proponent is required to make a payment within Related Company Policies and authorities, however is unable to identify an existing corporate payment method to fulfil the payment obligation, the following steps are required to be taken to initiate an MPS request:

6.2.1 Where payments within Related Company Policies require pre-approval, this should be obtained (in writing) by the appropriate approval authority, per the MG, prior to initiating a MPS Request.

6.2.2 A written request for the use of the MPS, signed by a department manager or above, is required for any new Defined Payment Process. Where the department manager is the approver in the payment workflow, the new MPS creation letter must be signed by the manager's immediate supervisor.

See Attachment II for 'New MPS Creation' Template Letter.

6.2.3 If there is any requirement for an Approved Waiver, AP&SD will refer the proponent to the Business Process Owner to address this before the MPS request is evaluated.

6.2.4 A Vendor number must be provided on an MPS request for vendor payments.

6.2.5 All supporting documentation including agreements, board resolutions, Approved Waivers, invoices, goods receipt acknowledgments and service receipt authorizations should be attached to and accompany the 'New MPS Creation' Letter to support approval of the MPS process for use.

6.2.6 New MPS creation letters must be addressed to the AP&SD Manager.

6.2.7 Payments to an alternative payee are permitted provided that the payee is authorized to receive such a payment on behalf of the Vendor. The initiator should email *OAD/PAD/Vendor_Master to create an alternative payee prior to processing the payment, in accordance with Related Company Policies.

6.3 MPS AMENDMENT REQUEST

6.3.1 If a proponent requests to amend an existing MPS process, a letter must be submitted to the AP&SD Manager by the proponent's manager and/or higher.

See Attachment III 'Amending of Existing MPS' for the template letter.

6.3.2 MPS requests that require an MPS amendment request letter include:

- Change of cost object (letter signed by new cost object owner/manager)[1]
- Adjustment of Cash Call Cap (increase or decrease)
- Adjustment of Maximum Financial Authority
- Addition of a new Vendor
- Change of the approver in the approval workflow[1]

[1] Note:
- Addition of a cost element can be requested by email to MPS support group
- Change to or addition of an Initiator or Reviewer in an approval workflow may be requested by email to MPS support group.
-

6.3.3 All supporting documentation including agreements, board resolutions, Approved Waivers, invoices, goods receipt acknowledgments and service receipt authorizations should be attached to and accompany the MPS amendment letter to support approval of the amendment.

6.4 COST OBJECTS

6.4.1 For corporate MPS requests, the choice of cost object (cost center/internal order/work breakdown structure (i.e. WBS)) is unrestrained.

6.4.2 For departmental MPS requests, the cost object will default to that of the proponent.

In both cases, approval will be required by the owner of the cost object.

For the avoidance of doubt MG Section IV I. B. states 'Approval authorities delegated to Senior VP positions (and subsequent re-delegations thereof) are limited to their respective operational areas of responsibility, and do not apply outside their respective areas of control.'

6.5 MISCELLANEOUS VENDORS

6.5.1 If the Vendor does not already exist for MPS, the proponent must submit a "MPS Vendor Request Form" (See Attachment IV) to *OAD/PAD/Vendor Master:

OADVendorMasterPayableDIV@Exchange.Aramco.com.sa

A copy of one of the following documentation is required to be attached to the "MPS Vendor Request Form" for bank account verification:

- Official letter from bank confirming the account name and number;
- Company Officer signed document confirming bank account details;
- Official bank statement clearly showing account name and number;
- Blank check from bank-issued checkbook clearly indicating account name and number.

6.5.2 It is the responsibility of the proponent to ensure that when making a payment to a Miscellaneous Vendor that the Vendor is not currently suspended per the policies of SCM 5.1.4 Supplier and Manufacturer Suspension, Reinstatement and Deletion. If in doubt the proponent should make enquiry to SR&QU as to the status of the Vendor account.

6.6 MPS PROCESS FLOW

See "MPS Process Flow" (Attachment I), for further guidance

6.7 MPS PORTAL ACCESS

6.7.1 FAQ's and eLearning for the MPS Portal can be found at the links on the right hand side of the MPS Portal web page outlining system functionality and usage.

6.7.2 The MPS Portal can be accessed under My Home/My Work/Finance/MPS. Specific Payment Processes shall be listed by default. All Defined and Undefined Payment Processes for which the user is the Initiator shall be listed at the bottom of either the "Employee Payments" or "Vendor Payments" process listings.

6.7.3 A user can only process a Defined MPS, once it has been approved in writing by AP&SD. The MPS support team shall notify the initiator by email, where required, when a Defined or Undefined Payment Process has been set-up and provide directions to the required link within the MPS Portal.

6.7.4 To process a Specific Payment Process the default payment categories are available to all users, within the MPS Portal, to be utilized as required.

6.8 REPORTING TOOL

Managers, up to and including the VP level, will receive an automated periodic MPS payment report, which will show MPS expenditures incurred within their organization for the previous month. Departmental managers are encouraged to review this report, ensuring compliance with Related Company Policies.

6.9 ATTEST FUNCTION

6.9.1 PAD is responsible for selecting a sample of MPS transactions for review and attestation, subsequent to payment. This review will be conducted to verify that MPS transactions are in agreement with the "Payments to Vendors" Company policy (see AI 707). PAD determines and may change the attest selection criteria to ensure a representative, or full, sample of MPS transactions are reviewed.

6.9.2 PAD performs this due diligence function as an additional control. MPS transaction approvers are ultimately responsible for the approved payments. Any errors or inconsistencies discovered will be brought to the attention of the approver's direct supervisor for future corrective action.

7. SPECIFIC PAYMENT PROCESSES

An initiator can submit a Specific Payment Process request for an employee payment on their behalf or on the behalf of another employee (requestor). The initiator and/or the requestor will receive an automated e-mail notification of the request created.

Below are listed three examples of commonly used Specific Payment Processes that can be found and utilized within the MPS Portal. For Approval Authority Limits for these Processes see Appendix I: Specific MPS Process Authority Limits (in SAR).

7.1 MATERIALS DIRECT CASH PURCHASES (SUPPLIER OR EMPLOYEE)

A Specific Payment Process that enables policy application of P&SCM – SCM Volume 1: Procurement Manual, section 7.2.6 Miscellaneous Purchases by Saudi Aramco Organizations and Suppliers VI. 1. A. (1) – (5), for material purchases.

7.2 MATERIALS PURCHASED BY CONTRACTORS

A Specific Payment Process that enables policy application of P&SCM – SCM Volume 1: Procurement Manual, section 7.2.6 Miscellaneous Purchases by Saudi Aramco Organizations and Suppliers VI. 2. A. (1) – (3), for material purchases.

7.3 LOCAL ENTERTAINMENT

A Specific Payment Process that has been configured to pay suppliers for organization events.

8. MISCELLANEOUS CREDIT MEMO

The MCM System is an MPS component that was developed to back charge vendors and employees in accordance with Related Company Policies and procedures (Refer to AI 707 – "Payments to Vendors"). The MCM system can be accessed under My Home/My Work/MCM and is accessible by all users.

9. SUBSIDIARY AND AFFILIATE MPS USAGE

Subsidiaries and affiliates that do not possess an independent procurement and payment system, may utilize the Saudi Aramco MPS functionality when processing their own transactions, within their own SAP company code.

9.1 A services agreement between Saudi Aramco and the subsidiary or affiliate is required.

9.2 Access to MPS and usage thereof is subject to Saudi Aramco's Information Technology access and usage policies, SAP access policies and the New MPS Creation (Section 6.2) and MPS Amendment Request (Section 6.3) procedures of this GI.

9.3 Payments made by subsidiaries and affiliates, according to related payment authorities, are subject to the entities' own policies and procedures, as approved by their Corporate Governance Framework (normally their Board of Directors).

Approved:____________________________________
Abdulaziz. A. Al-Ruwaii, Manager
Accounting Policies & Systems Department

MCE

Appendix I: Specific MPS Process Authority Limits (in SAR).

MATERIALS DIRECT CASH PURCHASES

MPS - Materials Direct Cash Purchases	Division Heads/ Assistant to AAH and above	Manager	General – Manager	Admin Area Head (AAH)*
Supplier	10,000	20,000	30,000	50,000
Employee	3,000	5,000	10,000	20,000

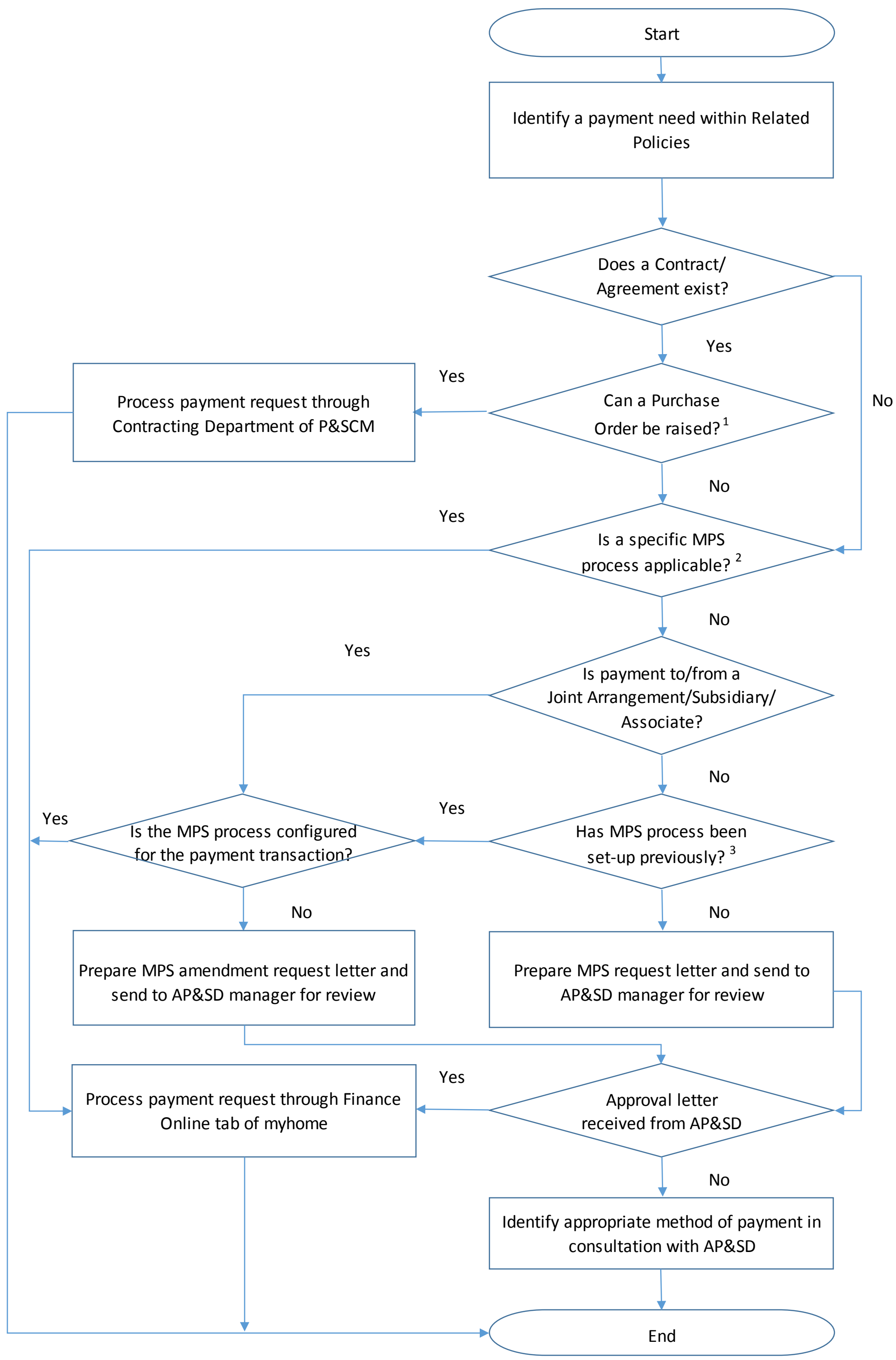
MATERIALS PURCHASED BY CONTRACTORS

MPS – Materials Purchased by Contractors	Manager/ Assistant to VP	General Manager and Above
Supplier	5,000	10,000

LOCAL ENTERTAINMENT

MPS – Local Entertainment	Division Heads/Assistant to AAH and above.	Manager	General Manager	Admin Area Head (AAH)	Senior VP
Supplier	15,000	30,000	50,000	150,000	200,000

Attachment I: MPS Process Flow



1. To raise a Purchase Order the following is required:
- Supply or Services Agreement with vendor
- Agreement to receive an Invoice for purchase

2. Specific MPS processes include:
- Materials Direct Cash Purchases < SAR 50,000
- Materials Purchased by Suppliers < SAR 10,000
- Local Entertainment - suppliers < SAR 200,000

3. Listing of existing MPS processes:
- SAP transaction ZAAE
- Financial Accounting
- Miscellaneous Payments

Attachment II: 'New MPS Creation' Template Letter.

Department Name
Address
Date

Letter #

New MPS Creation – Process Name

Manager
Accounting Policies & Systems Department
Room T-570
Dhahran

(Organization Name) requests AP&SD to create a new MPS process for (process name).

This new process will enable (Org Name) to pay (vendor #) for (payment description) charging Cost Element (XXXXX) and Cost Object (cost center, IO, WBS)[1] for Company Code (XXXX). Please be aware that we cannot perform this payment through B2B or Purchase order because (Write justification).

The Maximum Financial authority on this MPS would be in the amount of (value and currency) (with a Cash Call Cap in the amount of value and currency).

The Approval Authority Workflow for this process is as follows:.

Role	HR Position	Name	UserID
Initiator [2]			
Reviewer [2]			
Approver			

Copies of the relevant back-up documentation (including but not limited to Invoice, Agreement, Board Resolution, etc) are attached.

Should you have any question, please call (Name & phone number).

____
Name, Manager
Org Name

[1] In most cases, MPS creation requires cost element and cost object. If in doubt, seek guidance from AP&SD.

[2] Note: there can be multiple Initiators for an MPS Process and more than one Reviewer.

Attachment III: 'Amending of Existing MPS' Template Letter.

Department Name
Address
Date

Letter #

Amendment of Existing MPS XXXXX

Manager
Accounting Policies & Systems Department
Room T-570
Dhahran

(Organization Name) requests AP&SD to amend the existing MPS (number) known as (process name).

The reason for requesting this amendment is (Write justification), adding Cost Element (XXXXX) and Cost Object (cost center, IO, WBS) [1].

The maximum financial authority on this MPS would be in the amount of (value and currency) (with a Cash Call Cap in the amount of value and currency).

(The Approval Authority Workflow for this process is as follows:)

Role	HR Position	Name	UserID
Initiator			
Reviewer [2]			
Approver			

Copies of the relevant back-up documentation (including but not limited to Invoice, Agreement, Board Resolution, etc) are attached.

Should you have any questions, please call (Name & phone number).

Name, Manager
Org Name

[1] In most cases, MPS creation requires cost element and cost object. If in doubt, seek guidance from AP&SD.

[2] Note: there can be multiple Initiators for an MPS Process and more than one Reviewer.

Attachment IV: 'MPS Vendor Request Form' Template Letter.

XXXXXXXXXX DEPARTMENT
XXXXXXXXXXXX **DIVISION**
Tel: XX XXX XXXX ; Fax: XXXXXXX
Date

Letter Reference

MPS Vendor Request Form

ADMINISTRATOR
Payables Accounting Division
Level 7, South Wing, Tower Bldg.
Dhahran

This is a request to create a Miscellaneous Vendor Account for the following:

Vendor Name: (must match the beneficiary name in the bank)

G/V. ID for Saudi	
Iqama #	
C/R# for Company	
Telephone number:	
Fax numbers:	
Bank Name:	
Vendor's Location:	
Beneficiary Account Name	
Account Numbers	
Currency	
SWIFT CODE	
Routing number (Sort Code):	
IBAN Number:	
Bank Address and Country:	

Justification:

Miscellaneous Vendor Account is needed to process payment related (description of purchases/services provided by vendor).

Should you have any inquiry please contact __________.

DIVISION HEAD