

# **RELOCATION ASSIGNMENT POLICY**

## **GENERAL**

The company, as an international company, relocates expatriates on relocation assignments at different sites all over the world.

The purpose of the assignments are usually to strength and enrich the professional knowledge of [REDACTED]'s subsidiaries, as well as to enable professional development, a wider perspective and a better global and business understanding from the expatriates.

The Relocation Assignment Policy was developed for the assignees who accept assignment outside of their home country, with the intent of providing consistent and equitable benefits without losing flexibility in responding to individual or management needs. Provisions outside of this policy must be detailed in writing and approved by VP Human Resources before any undertakings are made to an assignee.

### **1. *Scope***

This policy specifies all international relocation related terms, conditions, compensation, benefits, allowances and services for employees of the Company.

This policy will take effect for all international Relocation Assignments, beginning June 1<sup>st</sup> 2017.

### **2. *Assignment Types***

<b>Assignment</b>	<b>Definition</b>
Relocation Assignment	6 to 60 consecutive months of two-way assignment; host-based approach.
Localization	Converting an Expatriate into a local employee in the host-country.

### **3. *Definitions***

<b>Term</b>	<b>Definition</b>
Company	The company and any corporation, company, partnership, joint venture or entity in which the company directly or indirectly holds equity or has the right to control decisions.
Consecutive Assignment	A Relocation Assignment, which starts immediately at the end of another Relocation Assignment in a different host-country.
Direct Relocation Expenditures	All costs paid by the Company during the Relocation Assignment, in preparation for the Relocation Assignment and relating to the Relocation Assignment, whether made for or on behalf of the Expatriate, NRD and/or Family.
Expatriate	An employee of the Company going on a Relocation Assignment.
Family	Significant-other, son (under the age of 18) and daughter (under the age of 18) of an Expatriate or employee going on a One-Way Move (as applicable), who will accompany the Expatriate through

	at least $\frac{2}{3}$ of the duration of the Relocation Assignment to live in the host-country (for One-Way Move: who is joining him/her for at least the first 6 months in the host-country).
Home Company	The legal entity, which is part of the Company, where the Expatriate was employed during most of the 12-months preceding the assignment start-date.
Home Manager	The Expatriate's former direct manager before the assignment start-date.
Host Company	The legal entity, which is part of the Company, where the Expatriate is employed during the Relocation Assignment.
Host Manager	The direct manager, as appointed by the Host Company, of the Expatriate during the assignment.
Monthly Salary	Base salary and any additional (non-variable) monthly or bi-weekly compensation.
Notice	A written declaration of intent to end employment relations between the Company and an employee of the Company, whether made by the Company or by the employee.
NRD	Non-Relocating Dependent – married partner, a Significant-other, son (under the age of 21) and daughter (under the age of 21) of an Expatriate who is not accompanying the Expatriate through at least $\frac{2}{3}$ of the duration of the Relocation Assignment to live in the host country.
Repatriate	An Expatriate in the process of returning to the home-country from a Relocation Assignment.
Pre-Assignment trip	The pre -assignment trip of an employee and spouse, includes round trip flight tickets, accommodation, car, per diem for up to 1 week
Significant Other	A married partner or a non-married partner of an Expatriate or an employee going on a One-Way Move (as applicable), based on a written statement made by the Expatriate or the employee going on a One-Way Move (as applicable).
Tax-Protected	Net payments. If and to the extent such payments are taxable, the Company will gross up the payment.

## **4. *Ongoing Approvals and Exceptions***

### **4.1 *General and Exceptional Approvals***

Where an approval is required according to this policy, the approval must be granted by the Human Resources Vice President, unless specifically mentioned otherwise.

Every exception under this policy requires the advance written approval of the Human Resources Vice President.

### **4.2 *Compensation and Benefits***

Decisions relating to compensation and benefits (e.g. base-salary raises, bonus payouts) and performance evaluation processes require the approval of the Human Resources Vice President.

## **5. *Policy Changes***

The Company has the right to make changes to this policy from time to time and to decide whether such changes will take effect only with respect to future assignments and/or for Expatriates already on assignment. Changes to this policy will require the advance written approval of the Human Resources Vice President.

## **6. *Internal Equity***

Unless specifically mentioned otherwise in this policy, all compensation, benefits, allowances and services provided according to this policy will not vary based on seniority, grade or hierarchy of the Expatriate.

## **7. *Use of Third-Parties by the Company***

The Company may decide, in its sole discretion, to provide any of the services, eligibilities and duties mentioned in this policy directly or through a third party, including vendors.

## **8. *Payments and Eligibilities Tax Treatment***

Unless specifically mentioned otherwise in this policy, all compensation, benefits, services, payments, allowances and eligibilities under this policy are **not** Tax-Protected (as such, the assignee will be responsible for the taxes on these payments.).

# RELOCATION ASSIGNMENT

## 9. *Cost Allocation*

All the costs associated with a Relocation Assignment (including compensation and benefits of the Expatriate) will be allocated to the Host-Company.

## 10. *Employment and Legal Status*

### 10.1 **Employee-Employer Relations**

The Expatriate will be employed by the Host-Company.

All employee-employer relations between the Expatriate and the Home-Company will be terminated.

### 10.2 **Visa and Work-Permit**

The Company shall submit and pay for appropriate visa requests for the Expatriate (e.g. working visa) and residential visa requests for the Family. These payments will be Tax-Protected. In cases where the local law enables an issuing of a visa/work permit for a spouse, the Company will submit and pay for this as well.

The Expatriate and Family are responsible for complying with all visa and work-permit (as applicable) terms & conditions.

### 10.3 **Performance Management**

The Expatriate's performance will be assessed by his/her direct manager.

The Expatriate will be evaluated and compensated per Company policy and according to his/her agreed terms of employment.

## 11. *Reserved*

## 12. *Other Compensation Elements*

12.1 The Expatriate will not be eligible for any additional compensation not specifically mentioned in this policy.

12.2 The Expatriate is obligated to purchase renter insurance for his/her rental house no later than 30 days from the move in date. The Expatriate will pay out of his/her own pocket for this insurance and send a document of proof to VP HR.

## 13. *Benefits*

### 13.1 **Pre-Assignment Trip**

Expatriate will be eligible for a Pre-Assignment Trip at the host location prior to the start date of the Relocation Assignment. The Pre-Assignment Trip includes economy class round trip flight tickets for employee and spouse, up to 6 (six) nights in a hotel, a rental car for up to 7 (seven) days and per diem for both employee and spouse for up to 7 (seven) days. The purpose of the Pre-Assignment Trip is to become familiar with the area where the family will live in, look into schools and prepare for the moving date.

### 13.2 **Temporary accommodations:**

Expatriate will be eligible for up to 30 days of temporary accommodation at the host site at a rate that will be agreed by the Company in advance.

### **13.3 Destination Services**

The Expatriate will be entitled to a Destination Services package. The elements of the package will be determined by the location and the family size -

Single/ couple- up to 2-3 days

Family+1- up to 3-4 days

Family+2- up to 4-5 days

Family+3- up to 5-6 days

- **Home finding** and lease renewals support;
- **Settling-in support:** (e.g. utilities setup, local medical system overview, assistance with opening a bank account, information on mobile phones, assistance with rental furniture etc.);
- **Childcare and education support** (e.g. local education system overview and advice, advice on registration process/application process etc.);

### **13.4 Additional Services and payments related to the relocation assignment:**

The company will bear the following relocation expenses. The amount will be determined based on the location and the family size:

- **Travel Expenses** – Economy class flight ticket for employee, spouse and dependent children to the host country.
- **Car rental** – one month car rental at a rate that will be agreed by the Company in advance
- **Initial Relocation Budget** – the Expatriate will receive a budget of up to USD 5,000 (five thousand United States Dollars) for Initial Relocation Expenses.
- **Realtor Fee** – when renting an apartment/ house, the Expatriate will be eligible for reimbursement of the realtor fee up to an amount that is agreed upon by the Company prior to the assignment. Expatriate will not be eligible for realtor fee reimbursement in the event that he/she purchases an apartment/ house.
- **Childcare and education:**
  - Eligibility - Children 6 months old and above
- **Home Office** – in the event that the Expatriate operates from a Home Office, Company will reimburse the employee for the use of one room, to be calculated as follows: 1 month rental divided by the number of rooms in the apartment/ house.

### **13.5 Long Term Disability & Life Insurance**

The Expatriate will be entitled to long term disability insurance and life insurance plans available and applicable in the host country according to law. In any event the Company will obtain life insurance and work disability insurance for the Expatriate

### **13.6 Pension & Retirement Plans**

The Expatriate will be entitled to a pension plan according to Host-Company standards and local laws.

### **13.7 Medical & Emergency Dental Insurance**

The Expatriate will be entitled to a medical & emergency dental insurance coverage according to Host-Company standards and local laws.

At the Company's discretion, the medical & emergency dental insurance coverage may be

provided under an international healthcare plan.

### **13.8 Pregnancy and Childbirth**

In the event of pregnancy expenses during the assignment that cannot be covered by the insurance company, the Company will reimburse up to USD10, 000 (ten thousand United States Dollars) per pregnancy and childbirth according to applicable receipts.

### **13.9 Annual Home Leave**

The Expatriate will be eligible for one home leave per calendar year.

Home Country Leave is defined as a round trip economy class airfare for the Expatriate, spouse and dependent children and two weeks of rental car and hotel stay at a rate agreed by the Company in advance. It does not include any per diem allowance. The Expatriate must use accrued vacation time for Home Country Leave. It is not in addition to annual vacation days.

### **13.10 Public Holidays**

The Expatriate will be entitled to all public holidays according to host-country policy.

The Expatriate shall also be entitled to take vacation on home-country public holidays, and, if taken, such vacation hours will be deducted from the Expatriate's vacation days.

### **13.11 Other Benefits**

The Expatriate will not be eligible for any other benefits, allowances, entitlements or services, which are not specifically mentioned in this policy.

## **14. Payroll, Reimbursement and Currency**

### **14.1 Payroll**

The Expatriate will be paid by the Host-Company's payroll.

### **14.2 Reimbursements**

The Expatriate will receive reimbursements only from the Host-Company for expenses approved by the Host-Manager, according to the Host-Company's guidelines and procedures.

### **14.3 Currency and Bank Wires**

Salaries, benefits and allowances will be determined and paid using the host country's currency to the Expatriate's host country bank account. Each of the Expatriate and the Company will bear their own wire transfer fees.

## **15. Taxation**

### **15.1 Tax Filing**

**15.1.1** The Expatriate will be responsible for complying with all applicable laws, including but not limited to the laws of the host and home country with regards to his/her own personal taxes, and to any status changes that might occur during the entire duration of the assignment.

**15.1.2** The Company will reimburse up to USD 500 (five hundred United States Dollar) for a one time consultation with a tax advisor in the home country prior to the relocation, and up to USD 1000 (One Thousand United States Dollars), against receipts, for the services of a qualified tax accountant to help the employee's tax-filing only for the first tax year of the assignment.

## **15.2 Expatriate's Private Tax Matters**

The abovementioned tax protection will not include any tax reimbursement for the Expatriate's private tax matters, such as for interest, dividends, capital gains, alimony, pension & annuities, rent, income from partnerships or trusts and any Significant-Other's income.

The abovementioned tax filing by the Company will not apply to any of the Expatriate's private tax matters, unless (based on the Company's sole discretion) it is not reasonable to differentiate between any or all of the tax filing; in such a case, the abovementioned Tax Filing clause will also apply to the Expatriate's private tax matters, to the extent deemed appropriate by the Company.

## **16. *Post Assignment***

Upon appropriate completion of the Relocation Assignment, every effort will be made to assign the Expatriate to a position in the home country while taking into consideration the organization's needs at the time of repatriation.

The compensation and benefits of the host country will cease upon termination of the Relocation Assignment, and the Expatriate will be entitled to compensation and benefits from the home country if he/she takes a proposed position in the home country.

## **17. *Re-assignment to Home Country***

### **17.1.1 Travel Expenses**

The Company will pay for economy class flight tickets for the Expatriate, spouse and dependent children to the home country, and will reimburse the Expatriate for shipment of goods up to the amount of USD20,000 (twenty thousand United States Dollars).

Expatriate eligibility for the above-mentioned travel expenses will expire within 3 (three) months from the end of the relocation assignment.

In the event that the Expatriate resigns – he/she will not be entitled to temporary accommodation or car rental in the home country.

In the event that the Expatriate is employed by the home company in the home country – he/she will be entitled to up to 30 days of temporary accommodation at the home country at a rate that will be agreed by the Company in advance. He/she will also be entitled to one month of car rental a rate that will be agreed by the Company in advance.

In the event that the Expatriate is dismissed - he/she will be entitled to up to 30 days of temporary accommodation at the home country at a rate that will be agreed by the Company in advance. He/she will also be entitled to one month of car rental a rate that will be agreed by the Company in advance.

### **17.1.2 Employee Status and Allowances**

Upon completion of the Relocation Assignment, all Relocation Assignment allowances and benefits will cease automatically.

## **18. *Special Circumstances***

### **18.1 Premature Termination of Assignment by the Expatriate**

Termination of Relocation Assignment by the Expatriate before the stipulated assignment end-date will require 3 (three) months' notice to the VP HR and to the Host-Manager. If the Expatriate has an agreement with the Company stipulating a longer Notice period, this longer Notice period shall prevail.

In case the Expatriate terminates the Relocation Assignment before the completion of a 1 (one) year period, the Expatriate will refund the Company for the following Direct-Relocation Expenditures:

- **Shipment/ Purchase of equipment:** Up to the amount of USD 8,000 (Eight Thousand United States Dollars)
- **Visa:** Up to the amount of USD 6,000 (Six Thousand United States Dollars)
- **Initial Relocation Budget:** Up to the amount of USD 5,000 (five thousand United States Dollars)

In case the Expatriate terminates the Relocation Assignment before the completion of a 2 (two) year period, the Expatriate will refund the Company for 50% of the Direct-Relocation Expenditures mentioned above.

In case the Expatriate terminates the Relocation Assignment after the completion of a 3 year period, the Expatriate will not refund the Company for the Relocation Expenditures.

## **18.2 Premature Termination of Assignment by the Company**

Termination of the Relocation Assignment by the Company before the stipulated assignment end-date and without cause will require 3 (three) months' advance notice. If the Company has an agreement with the Expatriate stipulating a longer Notice period, this longer Notice period shall prevail.

## **18.3 Consecutive-Assignment**

Consecutive-Assignment will be treated as a new assignment (i.e. the assignment start-date will be the date when the Consecutive-Assignment begins).

## **18.4 Material Changes During the Assignment**

The Expatriate will report to the VP HR and to the Host-Manager any material change during the assignment, such as childbirth, Expatriate's wedding/divorce, severe medical condition etc.

## **18.5 Emergency Trip**

In case of severe-illness or the death of an immediate family member (i.e. sister, brother, mother, father and child), and for any other emergency approved by the relevant Regional Manager or VP HR, the Expatriate and Family will be entitled to a Tax- Protected round-trip (economy class) flight tickets to the relevant destination for a period of 7 (seven) days.

# **C. LOCALIZATION**

## **19. *Definition of Localization***

Subject to managerial discretion, localization is converting an Expatriate into a local employee in the host-country.

## **20. *Timing of Localization***



Localization will take place when a Relocation Assignment exceeds 60 consecutive months in the same host-country.

An Expatriate not localized after 60 consecutive months in the same host-country, will return to his/her Home-Company.

## **21. *Employment and Legal Status***

### **21.1 Employee-Employer Relations**

The localized Expatriate will be employed by the Host-Company.

### **21.2 Visa and Work-Permit**

The Company shall submit and pay for appropriate visa requests for Expatriate (e.g. working visa) and residential visa requests for the Family. These payments will be Tax-Protected. The Expatriate and Family are responsible for compliance with all visa and work-permit (as applicable) terms & conditions.

In case the Expatriate terminates the employment with the company before the completion of a 2 (two) year period from the date of localization, the Expatriate will refund the Company for those payments up to an amount of USD10,000 (ten thousand United States Dollars).

### **21.3 Employment Terms & Conditions**

The localized Expatriate will be subject to the regular employment terms & conditions of the Host-Company. The employment contract with the host country during the relocation assignment, and all relocation benefits will no longer be applicable once the Expatriate is localized.

## **22. *Compensation & Benefits***

**22.1** All compensation & benefits of the localized Expatriate will be according to the policies, guidelines and procedures of the Host-Company, and the ex-Expatriate will no longer be eligible for allowances, grants, services or reimbursements due to the Relocation Assignment.

### **22.2 Other Services & Allowances**

The Expatriate will not be eligible for any other services & allowances not specifically mentioned in this policy.

## *Annex A*

### ***Shipment of Household Goods and Personal Effects***

In shipping household goods, the Home Company shall use an approved carrier for shipping and storage, and the invoice will be paid directly by the company, according to this Annex.

The employee is allowed to ship at the Company's expense a maximum weight of goods according to the following:

- Surface Shipment: up to a 20-foot container
- Air Shipment: each family member is eligible to ship up to 25 kg. Air shipment requires an upfront approval by the Home Company, and will be delivered by an approved carrier.
- The Company will arrange for insuring household goods shipped to the host country up to a value of \$40K.

Covered expenses include packing, unpacking, insurance, surface shipping, storage-in-transit and delivery door to door of normal household goods and personal effects provided by a carrier of choice. Weight allowance on the surface shipment includes cartons and packing material but excludes exterior containers. Any items in excess of the weight allowances listed above will be assumed by the employee.

The Company will not assume the cost of shipping certain items to or from an international assignment location. Such items include, but are not limited to, motorized vehicles, planes, trailers, boats, recreational vehicles, farm equipment, weapons, construction materials, houseplants, liquor, collector's items or anything that is difficult to transport and/or illegal into host country and/or consider as hazard materials.

The Company will arrange for insuring household goods shipped to the host country up to a value of \$40K (forty thousand United States Dollars). Any value above this amount shall be the responsibility of the employee. The Company shall not be responsible for any claims for losses in excess of the \$40K (forty thousand United States Dollars). If art, antiques, furs, jewelry or other items of unusually high value are to be shipped, it is recommended that the employee arrange for special packing and insurance coverage. The Company does not recommend shipment of these items and will not bear the expense of the additional packing, insurance and will not be responsible for any lost or damaged claims.

The Host Company will pay all taxes related to the shipment. The Expatriate will be responsible for paying all customs fees that are related to his/her shipment.

All costs associated with items in excess of the weight and insurance allowances listed in this policy will be the responsibility of the employee.

Company will not pay for fees, after reassignment, related to temporary storage of goods in transit and removal of goods from storage to the new residence.

Any applicable taxes required by the home country's laws shall be reimbursed by the home country.

In case the employee chooses to purchase equipment instead of shipping household goods and personal effects – then the employee will receive a budget for purchasing equipment. The amount will be determined by the Company according to the location and the family size.