

## **FLEXIBLE BENEFIT PLAN**

### **PURPOSE OF THE PLAN**

The Flexible Benefit Plan ("FB Plan") allows Employees to make contributions for certain insurance premium payments on a pretax basis, thereby reducing taxable wages.

### **WHO IS ELIGIBLE**

The FB Plan covers salaried Employees on the U. S. Dollar payroll of Saudi Aramco and the following Participating Companies:

- Aramco Services Company
- Aramco Associated Company
- Aramco Overseas Company B.V.
- Aramco Capital Company, LLC
- Saudi Petroleum International, Inc.
- Saudi Refining, Inc.

Hourly or daily paid employees, leased employees, independent contractors, consultants and supplemental contract workers are excluded. Employees who voluntarily waive participation in the FB Plan in writing are also excluded.

### **HOW TO PARTICIPATE**

Participating in the FB Plan requires no action on the part of Employees. Employees are automatically covered, unless they waive participation in writing.

### **EFFECTIVE DATE**

New Employees participate in the FB Plan upon employment, unless they waive participation in writing. The FB Plan Year is July 1 through June 30, and during open enrollment each Plan Year Employees have the option to begin, continue, or terminate participation in the FB Plan.

### **CONTRIBUTIONS**

There is no cost to Employees in participating in the FB Plan. Employee's contributions for insurance premiums for medical, optional accidental death and dismemberment and (if applicable) dental insurance are treated as being made on a pre-tax basis. Amounts directed to the FB Plan are considered under Section 125 of the Internal Revenue Code as Company contributions, and as such are not included as income to Employees for purposes of U.S. Federal income taxes and, if applicable, Social Security and state income taxes.

## **CHANGES IN CONTRIBUTIONS**

As required by the Internal Revenue Code and the Regulations thereunder, Employees may not change or cancel their medical, dental, or optional accidental death and dismemberment insurance coverage during the FB Plan Year unless there is a change in the employment status of the Employee or his or her spouse, or changes in the Employee's family status, such as marriage, divorce, birth or adoption of a child, death of a spouse or a child, or loss of dependent eligibility.

## **EFFECT OF FB PLAN ON OTHER BENEFITS**

Aside from the restrictions on Employees changing or canceling medical, dental or optional accidental death and dismemberment insurance coverage, participation in the FB Plan will not affect the Employee's participation in or benefits under any other Company-sponsored plans. An Employee's benefits in the Group Insurance Plan, Savings Plan and Retirement Income Plan and other Company benefits plans will continue to be based on the Employee's Monthly Benefits Base Earnings as provided under the provisions of those Plans.

If the Employee is working in the U.S. and the Employee's total earnings are under the Social Security maximum taxable wage base, participation in the FB Plan may result in lower Social Security taxes being withheld. This might result in a reduction in future Social Security benefits.

## **AMENDMENT AND TERMINATION OF FB PLAN**

The Company reserves the right to amend or terminate this FB Plan at any time; provided, however, that no such amendment or termination shall affect the right to any unpaid benefit of an Employee who has terminated employment while covered by this FB Plan.

## **ADMINISTRATION**

The Company is the FB Plan Administrator and has the exclusive right to interpret the provisions of the FB Plan and any claims for benefits. The Company's decisions are conclusive, binding and final.