



ALCAZAR ENERGY

EMPLOYMENT RELATIONSHIP POLICY AND PRINCIPLES

PURPOSE:

The policy and principles outlined in this document provide directives to ensure the fundamental principles and rights of workers are respected and protected.

APPLICABILITY:

This policy and principles apply to the workforce management of all direct and indirect employees in all company locations. A direct employee is an employee engaged directly by Alcazar Energy. An indirect employee is defined as an individual engaged through third parties to perform work directly related to the core functions of the project or through primary suppliers, at company and project locations. Alcazar Energy will use reasonable efforts to ensure contractors or other intermediaries adhere to the Alcazar Energy Employment Relationship Principles by way of incorporating the principles into contractual agreements with third party employers. These principles apply to employment of workforce in Egypt, Turkey, Jordan and other locations that Alcazar Energy has projects in.

PRINCIPLES:

Diversity & Inclusion

Alcazar Energy's Code of Conduct states that in order to provide equal employment and advancement opportunities to all individuals, employment decisions will be based on merit, qualifications, and abilities. Alcazar Energy does not discriminate in employment opportunities or practices because of race, colour, religion, sex, national origin, age or disability.

This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, including termination of employment.



Recruitment of Workforce from Local Communities

Alcazar Energy recruits workforce that demonstrates the competencies most closely aligned to those required for the positions. In line with the company's mission to create value for our stakeholders while driving positive change for the communities in which we operate, priority of employment will be given to the selection of qualified and experienced candidates from the local communities. Selection of these candidates will depend on their ability to demonstrate the competency level required for the position.

The recruitment methodology for the hiring of staff from the local communities will be in compliance with local customs, practices and governing labour regulations and laws.

Minimum Age & Forced Labour

Alcazar Energy will comply with all relevant national laws, or international labour standards regarding employment of minors, whichever provide a higher degree of protection in the interest of the child's educational, health, physical, mental and social development and wellbeing.

Employees below the age of 18 will be identified by Alcazar Energy and will not be employed in hazardous work and their work will be subject to appropriate risk assessment and regular monitoring of working conditions. Alcazar Energy will not employ forced labour which consists of work or service not voluntarily performed that is exacted under threat of force or penalty.

If Alcazar Energy learns that child labour or forced labour are provided by third party employers and are present in the supply chain, in contravention of relevant national laws, or international labour standards, it will take appropriate steps to remedy the provisions of such labour.

Working Conditions and Terms of Employment

Alcazar Energy will ensure that terms of employment, including wages and benefits, overtime and leave entitlement, meet the requirements of an applicable collective bargaining agreement or of national law, whatever is more stringent. Alcazar Energy will provide employees with a safe and healthy work environment. This applies to migrant (internal and international) and non-migrant employees (nationals).

In the instance that accommodation is provided for its direct or indirect employees, Alcazar Energy is committed to ensuring the accommodation meets national and international standards for quality, security, safety and provision for the basic needs of employees. Employee freedom of movement to and from the company provided accommodation will not be unreasonably restricted. Alcazar Energy will conduct HSE audits of accommodation units used on a regular basis.



Freedom of Association

Alcazar Energy will comply with all relevant national laws, or international labour standards regarding freedom of association with worker's organisations. Alcazar Energy will not discourage workers from electing worker's representatives, forming or joining worker's organisation of their choosing or from bargaining collectively. Where national law restricts the establishment or functioning of worker's organisations, Alcazar Energy will establish an independent process for workers to express their grievances and protect their rights regarding working conditions and terms of employment.

Retrenchment Principles

Retrenchment is defined as the elimination of a number of work positions or the dismissal or layoff of a number of workers generally by reason of completion of project or for cost saving. In the event that Alcazar Energy's analysis does not identify viable alternatives to collective dismissal and retrenchment, Alcazar Energy will develop, and implement a retrenchment plan to assess, minimise and mitigate the adverse effects on employees.

Grievance Mechanism

Alcazar Energy has a formal grievance mechanism as part of its HR Policies and Procedures. This document is provided to new joiners to the company and is located in the HR Public folder within the company's document management system. The principles of Alcazar Energy's Grievance Mechanism are to encourage communication between employees and management to ensure that any questions or problems that arise during the course of employment can be aired and, where possible, resolved quickly and to the satisfaction of all parties concerned. The grievance procedure should therefore only be invoked if informal means of solving work-related problems have failed.

It is anticipated that most grievances will be resolved through informal discussions and the normal management channels without the need to invoke the formal grievance procedure. The formal procedure is not contractual but applies as a matter of policy.

In the event that third party employers are not able to provide a grievance mechanism for non-employee workers, Alcazar Energy will provide its mechanism to the third party.

7th August, 2018

Daniel Calderon
CEO Alcazar Energy