

## **OUR PEOPLE**

### **HUMAN RESOURCES DEVELOPMENT**

#### **Our Perspective**

Our business success will ultimately only be sustained by the quality of our people.

#### **Long-Term Strategic Goal**

Foster a sustainability-rooted culture of excellence in innovation, entrepreneurship, creativity, dynamism, results, and respect and care for our employees and others – to be our number one competitive asset.

## Inside this Section:

### ➤ Putting Sustainability at the heart of Aramex culture Page 46

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> <li>Conducted benchmarking against global best practice and established key priorities</li> <li>Established a Sustainability Team and key working groups</li> </ul>	<ul style="list-style-type: none"> <li>Implement corporate-wide training on Sustainability</li> <li>Establish global network of champions</li> <li>Integrate into performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Have sustainability recognized as overall management framework</li> <li>Aramex 'Culture of Sustainability' is well-known throughout the region</li> </ul>

### ➤ Engaging Employees Page 47

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> <li>First ever ground operations conference</li> <li>Annual employee conference</li> <li>Conducted two courier surveys</li> </ul>	<ul style="list-style-type: none"> <li>Use AccountAbility1000 Stakeholder Engagement Standard to enhance quality of engagement</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated rate of innovation</li> <li>Be in a position to assure quality of engagement against AA1000</li> </ul>

### ➤ Opportunities for Development Page 52

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> <li>Significant increase in training provided</li> <li>Groundwork laid for Aramex Corporate University</li> </ul>	<ul style="list-style-type: none"> <li>Launch of Aramex Corporate university</li> <li>20 average hours training per employee</li> <li>13% women in middle management</li> </ul>	<ul style="list-style-type: none"> <li>40 average hours training per employee, with 100% coverage</li> <li>Women in management: 10% senior, 20% middle, 25% leaders</li> </ul>

### ➤ Global Workplace Conditions Page 55

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> <li>Conducted survey including working hours of couriers</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a review of our labor performance against the SA8000</li> </ul>	<ul style="list-style-type: none"> <li>All stations capable of successful certification against SA8000, with regular internal monitoring (This extends to major sub-contractors)</li> </ul>

### ➤ Employee Satisfaction Page 56

2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> <li>Significant increase in training provided</li> <li>Groundwork laid for Aramex training university</li> <li>Continued to encourage healthy lifestyles among employees</li> </ul>	<ul style="list-style-type: none"> <li>Establish Employee Satisfaction Index</li> <li>Enhance benefits and address any gaps in benefits across all stations</li> </ul>	<ul style="list-style-type: none"> <li>80% average 'Excellent' score in satisfaction survey</li> <li>Secure a Top 10 ranking in any external 'Best Places to Work' surveys in the Middle East</li> </ul>

Aramex is a fast-growing, fast-paced company in a high-pressure industry. Every day, thousands of our customers rely on our people to meet many of their critical business needs.

At the end of 2006 we had 5823 full-time employees – an increase of 52% during the year and more than double in a two year period, both from natural growth and from acquisitions. In the same period, the number of packages and shipments our company moved also more than doubled, our range of services expanded significantly, and the needs of our customers became even more intense and varied amidst the dramatic economic development in the Middle East, Gulf, India and Asia and our continuing growth in other markets.

Our ability to provide a consistently high quality of service to our customers, enhance our relations with key stakeholders, and continuously innovate to meet customer needs is the cornerstone of our business. We are strengthening the core elements of our culture in the midst of this massive growth of business, and our success is a testament to the quality and caliber of our people.

## The Aramex Culture

At Aramex, we have long believed that our people – and our culture – are among the greatest strengths of the company.

We aim to attract the best people, offer them opportunities to achieve and innovate, and properly reward performance. Key elements of our culture include a focus on innovation, quality, merit-based opportunity, mutual respect, health and wellness, and commitment to society.

**Innovation** is a vital ingredient of the Aramex culture and has been, and will continue to be at the heart of the company's successes. We take great pride in our innovativeness – as a non-asset company, in our product innovation, and in our delivery innovation.

**Entrepreneurship** is encouraged and supported throughout the whole organization; our entrepreneurs have been promoted so they can develop their ideas into new products and divisions. Shop&Ship and Aramex@Home are just two children of the entrepreneurial efforts of our people.

**Merit-based opportunity** may be taken for granted in some parts of the world, but in many of the regions where we operate this is a practice in its early stages, and is more often preached than delivered. While we also struggle to overcome powerful traditions, we have built a culture recognized for its merit-based approach.

**Mutual respect and openness:** We believe we have created a culture that both transcends and respects cultural boundaries, and we think this is important given where our company is headquartered and our goal of outreach to the world. We seek to be responsible 'global citizens'. We foster openness and encourage dialogue on challenging issues.

**Health and wellness:** We encourage the physical and mental health of our people, believing that physical health is linked to mental health and productivity.

**Commitment to society:** We recognize that our company, and every employee, is a part of society. We try to see ourselves in the context of society, and we believe it is important to be actively involved. We are well-known for our community efforts, particularly when man-made and natural disasters strike.

We know that highly talented people seeking these cultural elements gravitate towards Aramex, and that this offers us tremendous advantage. Indeed, in many of our major markets (Middle East, North Africa, Gulf, India, Asia), young people make up the biggest percentage of the population demographic. This younger generation in particular is seeking – and the best are demanding – this type of workplace and philosophy; Aramex is recognized as offering such an opportunity. As a result, our workforce is young, and we attract many of the best talent out of universities. This also reflects our confidence in this well-educated and talented generation.

We recognize that we still have a lot to do to take advantage of everything our people have to offer. Despite our focus on talent and innovation, we have been told by our people that there is much more we can do to encourage and reward excellence in innovation and performance. We are continuously striving to improve our human resources management systems to respond to this opportunity.

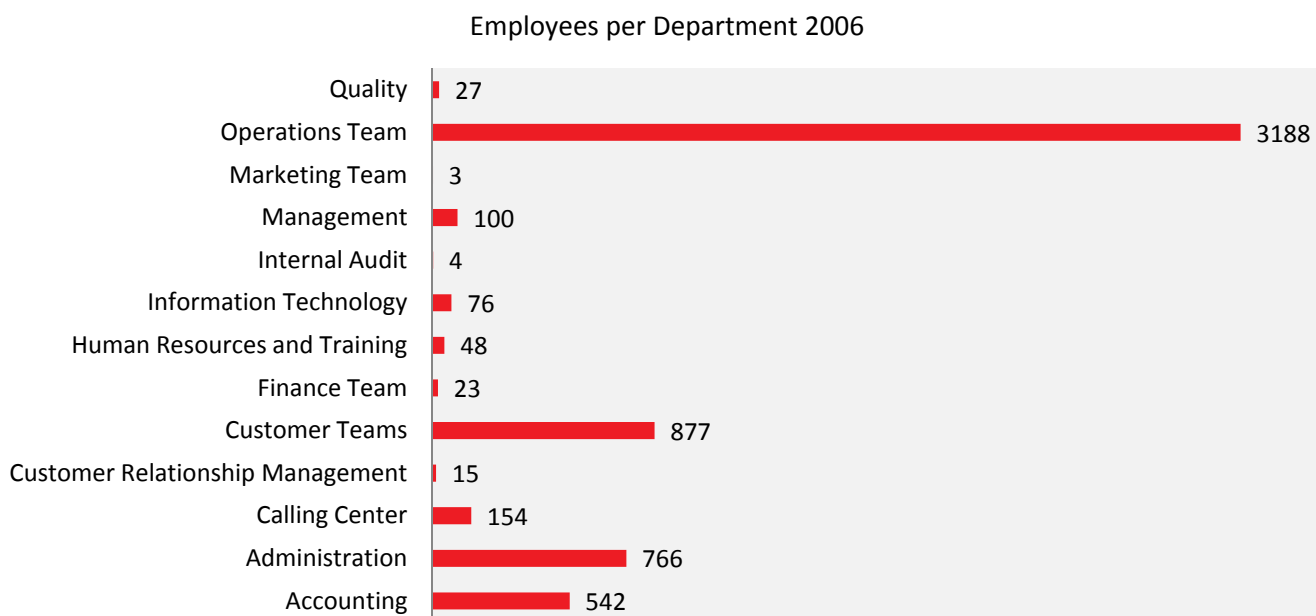
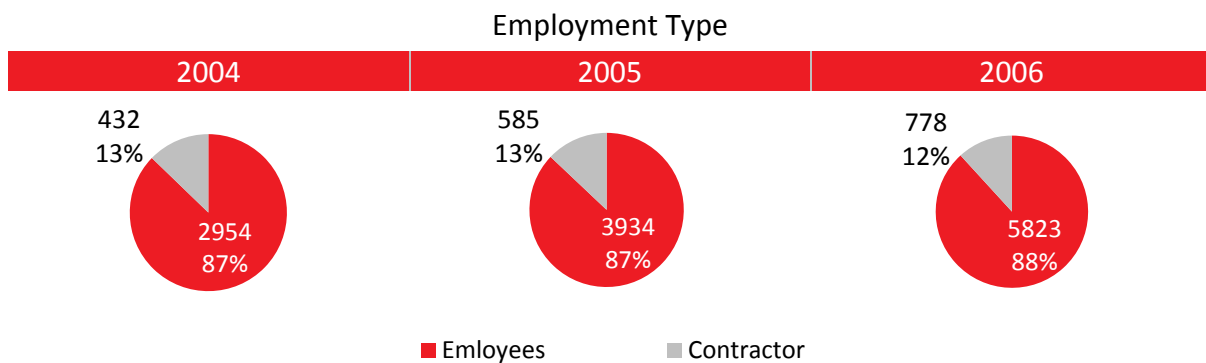
## Human Resources Management System

Given the importance of people to our success, and given the growth of the company, human resources management is a major challenge. Some of the specific challenges include 1) attracting and maintaining talent 2) development and succession planning, and 3) handling the numerous acquisitions, which have been both an opportunity but also a challenge to work towards an integrated – and improved – system after every acquisition.

Aramex has an HR management system in place including extensive policies and procedures which are part of Aramex’s ISO9001:2000 certified quality management system. Key functions of the system include: 1) recruitment, 2) training and development, and 3) career planning.

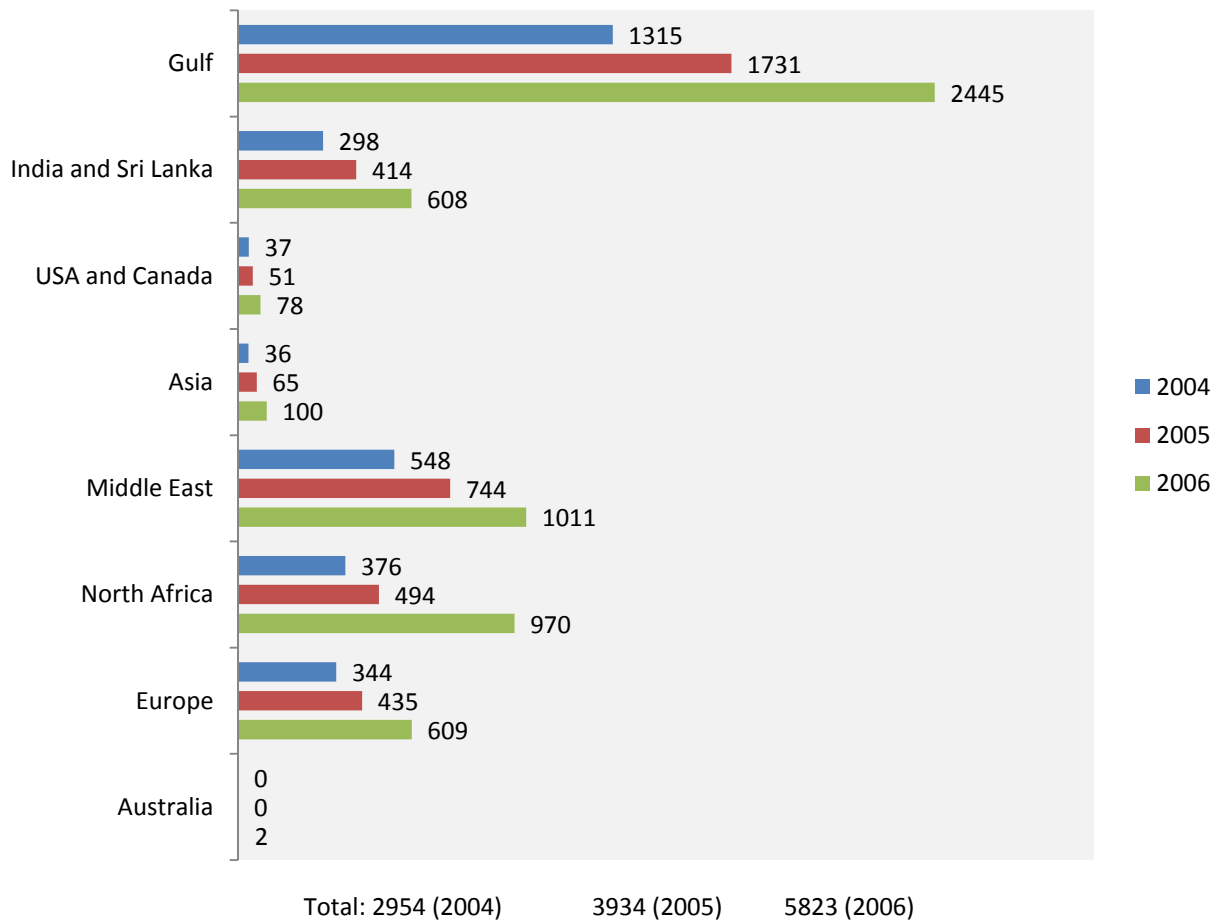
Human resources services, as with most Aramex support functions, are coordinated out of the company’s central office in Amman, Jordan, which is known as the ‘General Services Office’ (GSO). The GSO had 180 staff at the end of 2006, of which 5 were dedicated to HR. The company has 51 dedicated human resources and training staff worldwide. In general, all stations with more than 50 people have at least one dedicated HR employee. Recruiting responsibilities are shared between local stations and the GSO. Smaller stations are supported by one HR person who will also have the responsibility for another function in the station such as IT or quality.

The human resources department intends to make a significant investment in an HR management tracking system in 2007. Added features of the software will include performance management, succession planning, and training. The expected benefits include better talent management, development of staff and payroll controls. This will also dramatically improve the tracking and reliability of factors such as training and health and safety incidents, which in turn will allow us to better focus our efforts on improved performance in these areas.

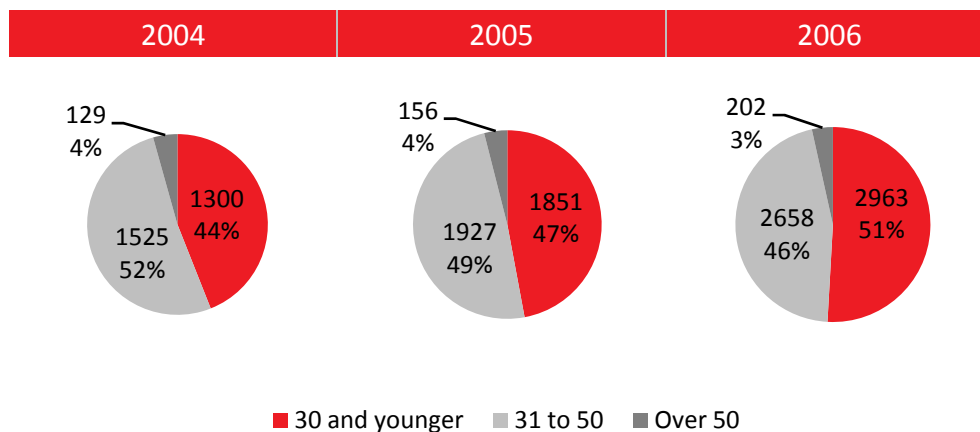


Total number of employees: 5823

## Employees per Region



## Employee profile: Age



## Key Area 1: Putting Sustainability at the heart of the Aramex culture

In many ways, we see Sustainability as the logical extension and evolution of the Aramex culture. At the same time, however, it is a huge step. It includes a fundamental shift in thinking, about many aspects of our business – for example our environmental impact.

We believe that we can only successfully adopt sustainability management if it takes its place at the heart of our culture. Furthermore, it is our firm belief that if we do put sustainability at the heart of our culture, the scale of innovation and the benefits to all stakeholders will be dramatically and positively impacted. Sustainability management is both a responsibility, and a tremendous business opportunity.

Driven by the commitment and support of the CEO towards sustainability, we took the first steps in integrating sustainability into the corporate culture. We immediately recognized the importance of ensuring understanding and

commitment of the senior management team. As with any business, but especially in the Middle East culture, signals and actions from senior management are critical means of communicating importance. In this regard, in 2006 we:

- Undertook a sustainability benchmarking and assessment against international best practice, which included conversations and engagement with senior management
- Presented the sustainability concept and benefits to shareholders and to our Board of Directors

Based on senior management support, we took the following steps towards a structured implementation of sustainability, and integration into the corporate culture:

- Established sustainability team
- Established working groups, led by members of the sustainability team, for key issue areas
- Engaged a wide number of managers and employees in data and content collection for the sustainability report, most notably the station operations managers for environmental and health and safety performance
- Introduced sustainability to all operations managers at the annual operations conference, in the context of performance improvement

In 2007, we aim to:

- Bolster the strength and effectiveness of the sustainability team
- Identify station/country and regional champions to work closely with sustainability team as a global network
- Expand the working groups to involve a wider range of critically important staff
- Undertake an Awareness Campaign for Sustainability (focusing on sustainability as core to culture, reinforcing performance goals, and highlighting international success and leadership stories)
- Design and deliver targeted Sustainability Training. Including but not limited to Basic Training Plan (BTP)
- Integrate sustainability performance into performance evaluations at all levels
- Continue to establish and relentlessly pursue dramatic sustainability goals
- Establish a Key Performance Indicator which assesses employee perceptions of the take-up of corporate sustainability, including support provided for implementation, target setting and performance against targets, and overall integration into corporate culture. These questions will be incorporated into an annual employee survey and will take the form of a 'Sustainability Culture Index'

## Key Area 2: Engaging Employees

We aim to operate as a global team, executing fast-paced service delivery for our customers. This necessitates excellent communication among all managers and employees, and an ability to address any challenges rapidly as they arise. To achieve this, we have attempted to maintain a relatively flat structure where people are empowered in their positions, along with a focus on open and honest communication. On the whole we believe there is a solid working relationship between management and employees, with good responsiveness to employee considerations, which in turn has resulted in no attempts, to our knowledge, to unionize. The goal: Encourage innovation, performance improvement, constructive working environment, quality, employee satisfaction and retain our best people.

In this section, we try to present not just what our employees have identified as critical issues, but also our overall process for effective engagement of employees. We increasingly aim to use the AccountAbility1000 Stakeholder Engagement Standard as guidance for improving our engagement of employees. We look at engagement in terms of:

- The ways in which we engage employees (How we engage)
- How well we understand what we are told
- How well we consider and respond

### ➤ Ways of Engaging Employees

Aramex offers opportunities for its employees to pass their opinions and raise their own issues and concerns regarding different work-related topics using a variety of approaches, including surveys, team meetings, bi-annual appraisals, surveys, and leadership meetings.

**Surveys:** In the past two years we conducted 4 major surveys and 1 small survey that explored both priority employee issues while also assessing the quality of our employee engagement. A 'Leadership Survey' was conducted in August 2005, two surveys of our ground couriers in November 2005 and again in August 2006 to assess progress, and a 'Training Survey' conducted in April 2005. Some of the findings of these surveys are provided. As they demonstrate, we are doing reasonably well but there is a lot more progress that can be made. The plan is to re-conduct each survey to assess improvements.

The company also undertakes employee satisfaction surveys - conducted every 6 months, results are sent to each station to come up with an action plan that they send back to the GSO. The results of the survey are also communicated to the employees in the station.

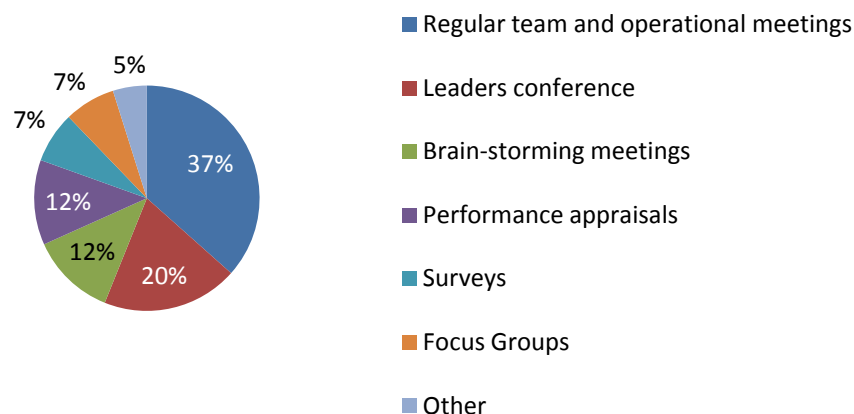
**Performance appraisals:** Aramex policy is there to ensure that formal performance appraisal process is developed and implemented. Employees and leaders should engage in the Employee Performance Evaluation discussions on:

- Annual or semi-annual basis according to position
- After the completion of the probationary period
- Leaders Performance Evaluation discussions once every year

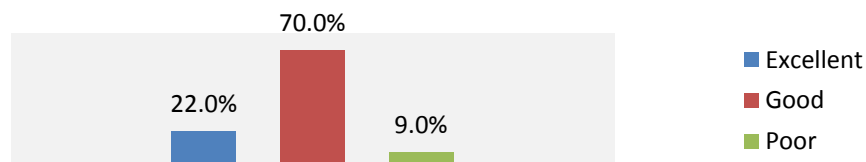
**Team meetings:** Meetings are held on a weekly basis at team level for the majority of departments in the stations.

**Leadership retreats and conferences:** This includes leadership retreats - conducted for potential managers in the network, who engaged with the CEO and Senior Management directly for 2 full days. This also includes annual conferences - attended by managers and leaders in the network. In 2006 Aramex held, for the first time, a ground operations conference to discuss operational matters and issues with operations managers in the network. Some stations also conduct an annual meeting to discuss the station's projects, growth, revenues, plans, etc.

**What is the most effective way in which the company interacts - or 'engages' - with you? Respondents were allowed to indicate multiple responses if they felt multiple techniques were effective. (n=23)**

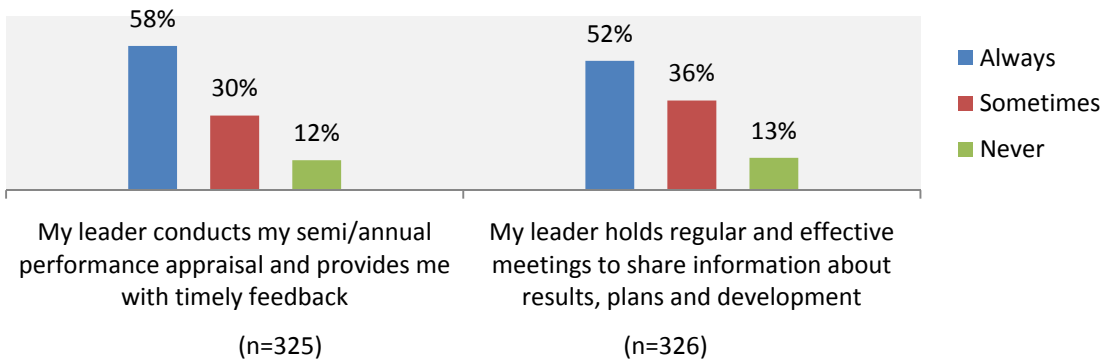


**Quality of Engagement Survey**

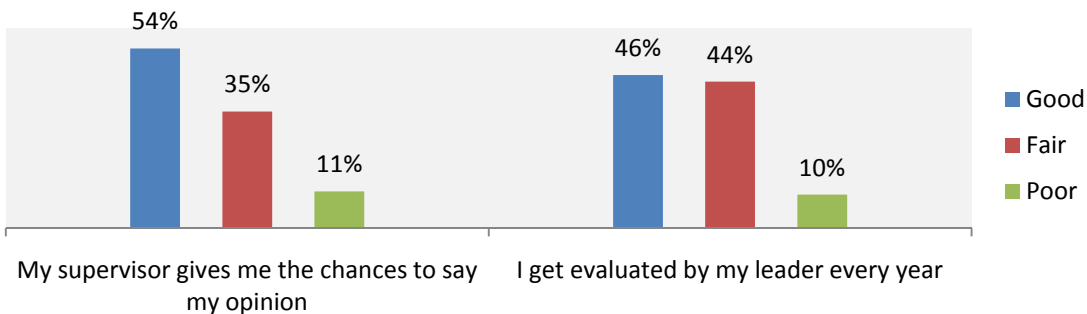


Overall, how effective are the current methods of engagement for allowing you to share your ideas, inputs, needs, and expectations? (n=25)

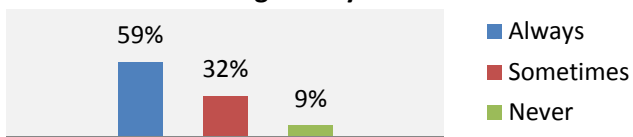
### Leadership Survey



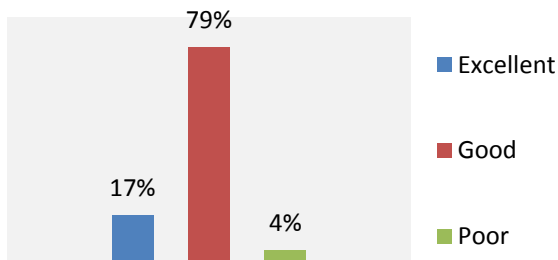
### Courier Survey



### Training Survey

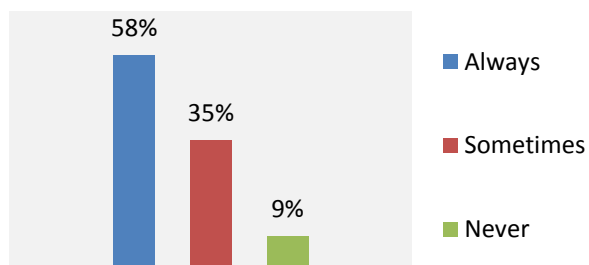


### Quality of Engagement Survey



Do you feel your ideas, concerns, perspectives and inputs are fairly heard and understood? How well does the company understand your needs, expectations, perceptions, and inputs? (n=24)

### Leadership Survey



Creativity and innovation is highly appreciated and encouraged (n=668)

➤ **Understanding what we are told (Employee Ideas, Inputs, Concerns, and Perspectives)**

Seeking input, versus understanding what we have been told as seen from the perspective of the employee, is an important distinction. Again, our survey results suggest that our efforts are appreciated, but there is an expectation that we should be able to improve on our ability to understand priority employee needs.

Our top five results across our surveys and other means of input included: 1) creativity and innovation, 2) empowerment of leaders for decision making, 3) leadership role, 4) investment in training, and 5) encouragement for training.

Significant findings included the responses in our leadership survey to the statement: Creativity and innovation is highly appreciated and encouraged. We were disappointed with our scores, given the importance of innovation to the company, and are working to better understand this result and identify means of improvement.

Our worst four results across our surveys (i.e., poor performance combined with high importance to employee) are listed in the table in the next section, along with a brief description of how we have tried to respond to these employee considerations.

➤ **How we respond (demonstrating responsiveness)**

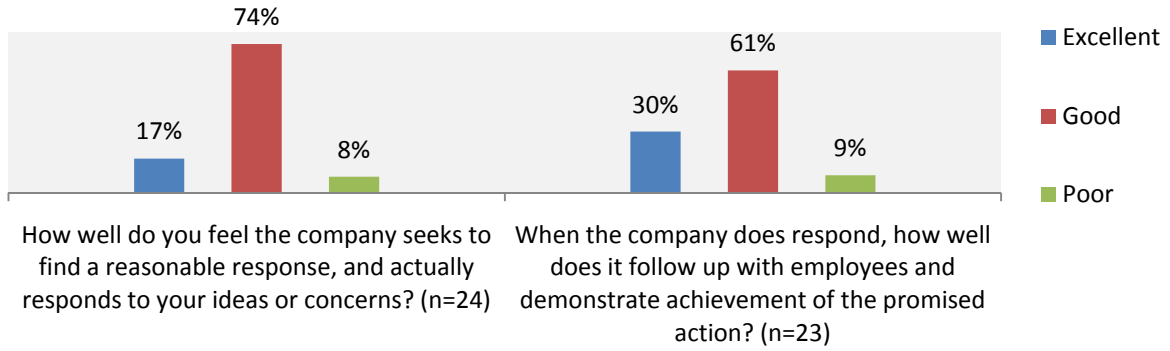
We recognize that the most important element of engagement, in terms of performance gains, morale, and credibility, is to respond coherently to what employees tell us. After every employee satisfaction survey, the survey results are shared with the employees and the stations develop action plans which are assessed by the GSO. Beginning in 2007, we will also share these action plans with the employees.

Some of the key issues raised in the surveys and other types of dialogue, and our responses, are summarized as follows:

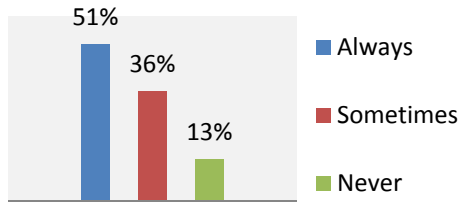
Key Issue for Employee	Our response
Too many points of contact for our most valued customer, also creating challenges with internal coordination	Created the 'VIP' team concept and applied across all stations.
Senior leaders requested that they get new training programs that can help them develop more to move forward to more senior levels to take on more responsibilities	Executive development program was initiated in 2006 for all chosen leaders who are potential managers.
Issues facing employees with leadership and requests of leaders in network on their skills	We started leadership training courses in 2004 with an external trainer for leaders in stations, and we also did the leadership retreats with the CEO. We are continuing with the leadership external training which we conducted in 2006 and on going to cover all new leaders.
Many points on training whether internal or external; not enough courses being conducted	We initiated the concept of corporate university to work closely on employees' competency gaps, needs and development for internal and external courses.

In principle, we aim to engage and respond to stakeholder considerations and inputs in all aspects of our decision making, from broad strategy to everyday decisions. This includes highest level considerations, such as the Aramex Mission and Purpose which were derived from the leadership retreats.

### Quality of Engagement Survey

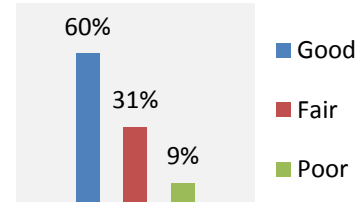


### Leadership Survey



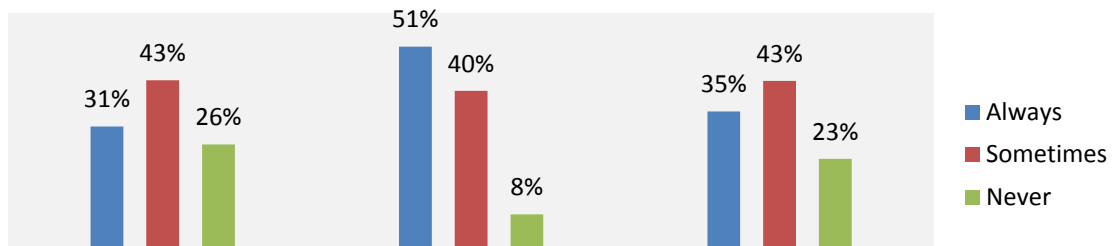
My leader helps me set S.M.A.R.T objectives (n=326)

### Courier Survey



My supervisor helps me in solving problems

### Training Survey

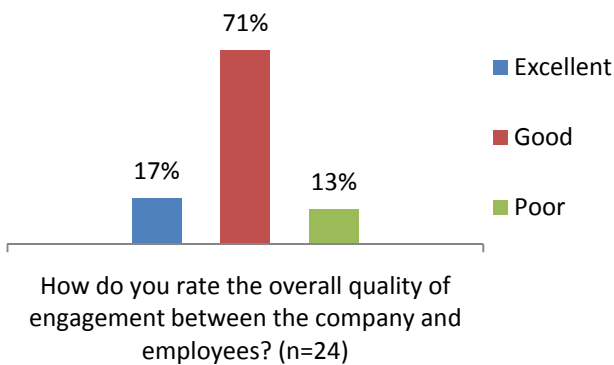


My requests and needs for external training are fulfilled (n=589)

My requests and needs for internal training are fulfilled (n=599)

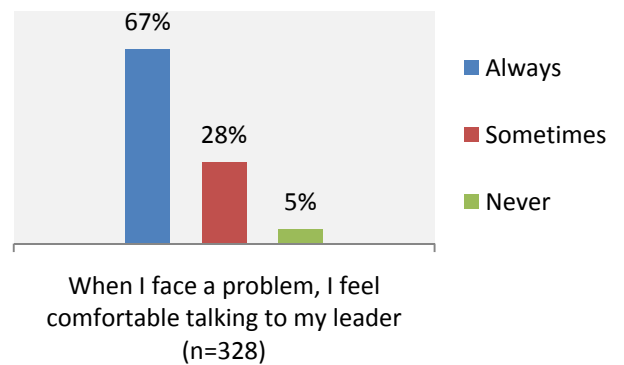
When my external requests are fulfilled, it is within an acceptable period of time (n=575)

### Quality of Engagement Survey



How do you rate the overall quality of engagement between the company and employees? (n=24)

### Leadership Survey



When I face a problem, I feel comfortable talking to my leader (n=328)

➤ **Overall quality of the engagement process**

We asked a small sample of our employees what they felt the benefits would be for the company of improved employee engagement.

**If there is an opportunity for improved engagement with employees, what is the most likely benefit to the company: (Ranked with 1 as highest) (n=23)**



**Key Area 3: Opportunities for Development**

Investing in our people is important both because it is essential to the health and growth of our business, but also because we believe in supporting the development of our people. We have identified five key areas of focus with regard to human resources development:

- Training
- Focus on ‘leaders’ and leadership development
- Opportunities for women
- Continuous improvement in the performance review process
- Equality in the workplace across our operations (to which we dedicate the section Global Workplace Conditions)

➤ **Training**

We divide our training into three broad categories:

- Internal training for new hires prepared according to each position
- Internal training for current employees as part of their training and development
- External training, which is any training that is conducted by an external body (training center, external trainer, university, etc.).

These sessions can be either requested and managed by GSO or directly managed by the stations themselves

Training at Aramex		
	2005	2006
Number of internal training sessions	1419	1775
Number of internal training participants	8060	7743
Number of external training sessions	113	153
Number of external training participants	547	1548
Average training hours per employee	8.50	8.45

Our training needs are determined by:

- Our policies and procedures, such as those relating to Basic Introductory Training, and those relating to new policies as they emerge, such as the anticipated corporate wide training on sustainability
- The needs as identified by our stations, and by individual employees through trainings needs assessments and performance appraisals

In 2006, training highlights included:

- Intelligent leadership for leaders and potential leaders (3-day program).
- Sales for sales leaders and sales trainers. This was conducted for sales leaders in Dubai and in Amman, and the Amman training included an additional train the trainer 4-day program for trainers from other stations.
- Executive development management program for potential managers. This is a 6-day program in Amman. Two sessions were held in 2006, with two more scheduled for 2007.
- Country managers and VPs attending an executive development program in Wharton Business School of University of Pennsylvania
- Customer service training for customer service managers, a number of customer account executives, and customer service employees (2 days), ground couriers (2 days) and customer service trainers (attended both 2 day sessions). This was conducted in 2005.
- Leadership for customer service managers.

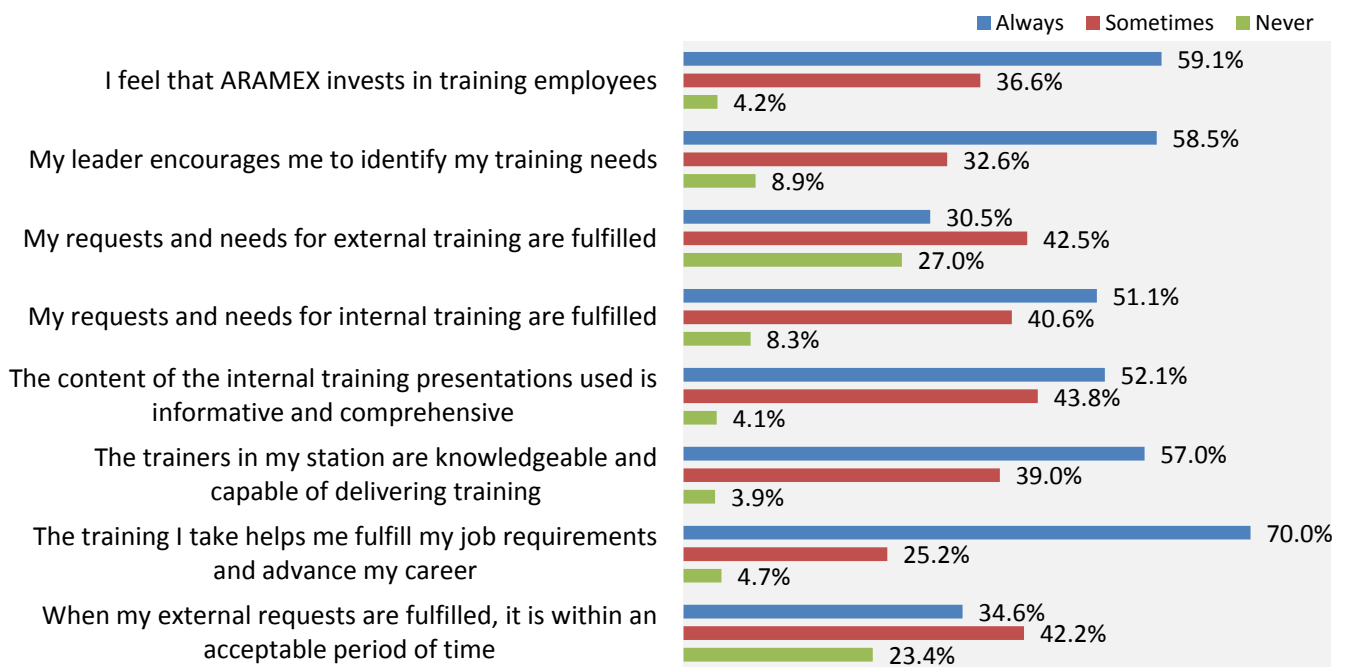
Basic Training Program for new recruits	
	Hours per BTP
Accounting	59.5
CRM	61.5
Express	61.5
Freight	61.5
HR	45
IT	45
Marketing	45
MED	45
SNS	45
Logistics	61.5
Quality	61.5
Ground Couriers	38
Contact Center	38

Training related to health and safety is captured in the Health and Safety section of this report. We also laid the groundwork for the Aramex Corporate University – this will be launched in 2007 and will become a focal point for improved quality, efficiency, and support for training within the company. All training for Aramex will be done through this university, and it will align the company's training efforts with other activities on a strategic level for developing and educating employees, customers, and suppliers. Aramex Corporate University will upgrade and design new curriculums and develop partnerships and alliances with universities.

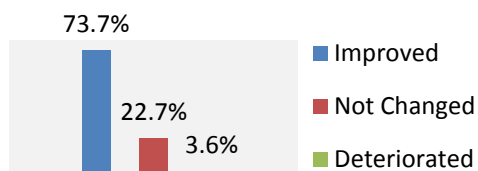
### Quality and employee satisfaction relating to training

In 2005 we undertook a survey to assess the quality and employee satisfaction with our training. This followed a period of efforts to improve training, based on prior input on its importance. We were pleased to find that almost 74% of participants at that time felt that the Aramex training had improved over the previous year. There are still many categories where dramatic improvements can be made. In response, we have focused our efforts on: 1) Initiating a corporate university, 2) having dedicated training coordinators and managers in big stations, 3) developing and maintaining internal training material, and 4) creating qualified trainers in the stations and regions to conduct external training done by external training centers.

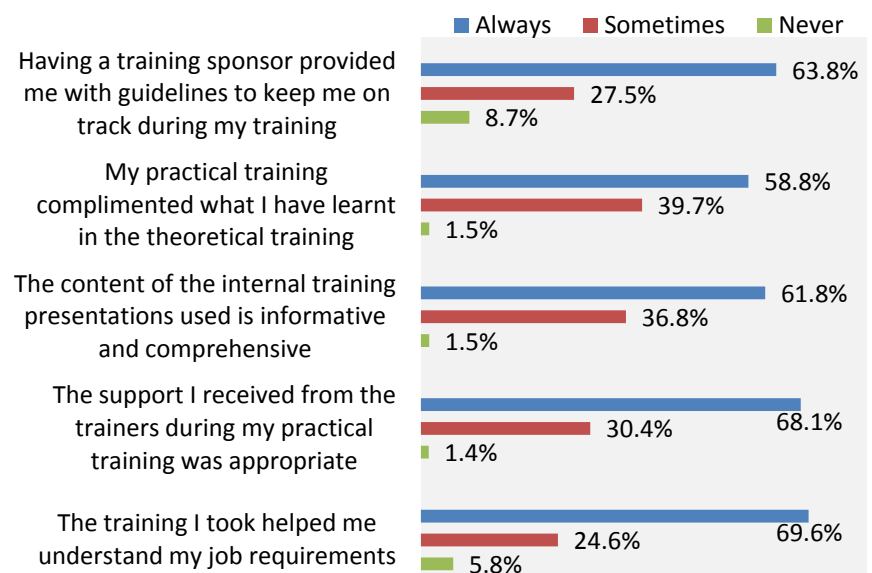
In 2007 we aim not only to improve the quality of training, but also the tracking of training given. We would like to be able to provide a more informative picture on equality of training opportunities, equality of employees' development, and their successors.



Years of service > 6 months



In the past year, training programs at ARAMEX have



Years of Service <= 6 months

➤ **Focus on ‘leaders’ and leadership development**

As a means of finding the best way for our staff to work together to meet customer needs and deliver efficient operations, Aramex has established the concept of ‘teams’. Each team is assigned a ‘Leader’. These leaders are the backbone of Aramex – working with the people, operations and customers on the frontline, making decisions and leading their teams, and handling team targets and achievements. These ‘Leader’ roles are being increasingly invested in by Aramex, in part because of their importance and also because of staff feedback as noted previously. These ‘leaders’ are the recognized leadership pipeline of the company. The ‘Leaders’ concept also offers a great opportunity to enhance equality in the workplace by, for example, increasing the number of women leaders as a means of increasing the number of women in senior and middle management over the medium-term. There were 1100 leaders in the company at the end of 2006.

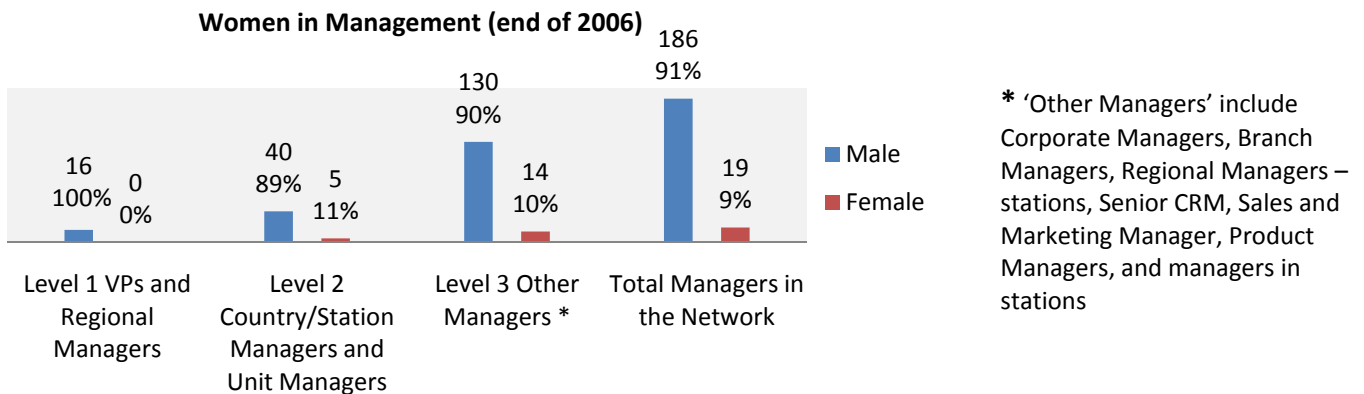
➤ **Equal opportunities:**

It is Aramex policy to not discriminate on the basis of nationality, color, ethnicity, religion, gender, marital status, personal circumstances, disability or health. We aim to undertake a major effort in 2007 and the following two years to ensure that we are doing everything we can to avoid any systemic discrimination that is arguably present in many places where we operate. We identify some of these labor challenges under ‘Global Workplace Conditions’.

Workforce Gender Mix						
Gender	2004		2005		2006	
	Count	%	Count	%	Count	%
Female	372	13%	522	13%	772	13%
Male	2582	87%	3412	87%	5051	87%

➤ **Opportunities for Women**

The right of equal opportunity for women is an important issue. It is also a well-recognized international issue related to The Middle East. We acknowledge that our performance numbers in this regard are weak, even though they are not significantly out of line with regional performance and indeed are probably better than average regional data.



We could provide many cultural reasons for our performance – some of them valid, many of them increasingly challenged. We hold a tremendous respect for the cultures in which we operate, but we do not necessarily buy into some of the cultural validations nor do we view culture as static. Indeed, we have worked as a company to contribute to redefining commercial, economic and social bonds through the services offered by our company worldwide, and we believe we can have a very dramatic impact as we begin our drive towards sustainability.

In 2007 we intend to better understand the underlying factors behind our performance numbers to determine what kind of creative solutions or straightforward initiatives might best have a positive impact on the number of women employed and in management. We believe there is a significant and achievable opportunity to break down barriers both in management but also in terms of employees across the network.

➤ **Continuous improvement in the performance review process**

Our team, through implementing the HR strategy, will work to provide the best opportunities for employees. A new process will be set to ensure communication with employees to gather their feedback on all important issues of concern. The new HR system will help analyze and understand the performance of our employees, and will be the basis of continuing improvement in the process of every aspect of their work.

## Key Area 4: Global Workplace Conditions

We are committed to equality in the workplace across our operations. While local laws and practices can cause complications in achieving this, it is not insurmountable and we also recognize immediate steps that can be taken.

We intend to use the Social Accountability 8000 standard for labor conditions to guide our policies and procedures relating to labor conditions and human rights. Although we have not yet committed to certification, we want to ensure that all of our stations are capable of successful certification against SA8000, with regular internal monitoring, and extended to major subcontractors, no later than 2009.

In 2007, we aim to conduct a full review of our labor performance against the SA8000. We will:

- Identify top 5 issues and top 5 locations that may be at risk
- Conduct evaluation (or survey) to assess actual performance
- If there are violations, identify and implement suitable solutions that minimize harm to the affected worker and avoid future instances.
- Determine most appropriate monitoring program, and implement
- Establish appropriate policies and procedures.

We already recognize that some systemic practices in the regions where we operate may be of concern, and these will fall within the scope of our 2007 efforts. For example:

**Handling of personal documents:** in some countries it is a legal requirement to retain the passport of immigrant workers. We work within this system while doing our utmost to respect and protect the rights of our workers. We intend to work with relevant authorities to find a long-term improvement to this practice. In the short-term, we intend to begin reporting on any incidents or complaints from our staff relating to passport holding (including providing training on rights, and a safe and credible complaint line).

**Equal pay for equal merit:** We know that in some countries, standard pay may differ for the local hired employee. But workers will accept and negotiate within certain pay scales. We intend to review our pay scales and structures to ensure we meet our commitments. We believe there is a tremendous opportunity to attract the best talent. In general, we believe that we offer competitive or above-average pay in all of our areas of operation, and always meet or exceed local laws.

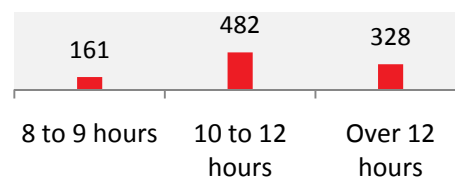
**Working hours of couriers:** Many of our couriers work long shifts. When the shifts exceed standard hours, we pay overtime wages. Couriers typically agree as part of their employment agreement to overtime hours with extra pay on demand, and as such are required to accept overtime when requested or necessary. Many couriers also actually wish to work long hours – both to secure better pay and to secure overtime pay. Many of the priority issues for couriers – and their assessment of Aramex's performance – are captured in the survey to the right.

**Sub-contractor compliance with Aramex policy:** Traditionally we have had limited control over sub-contractors. To the best of our knowledge (based on our ongoing relationship and direct questioning), all of our sub-contractors comply with critical elements of the SA8000 (for example child labor and forced labor), but we intend to review this in detail with our sub-contractors and develop appropriate mechanisms for ensuring SA8000 alignment and for sustainability-screening of all sub-contractors.

With regard to contracts, we have two kinds: a) Employment Contracts for senior staff in the Network and regular staff according to country laws if required, and b) Employment offers which result in an employment record.

With regard to child labor, Aramex policy is to not hire anyone without high school education, which reduces this risk. We do not employ child labor in any instance. With regard to freedom of association, the Aramex workforce is not unionized, and to our knowledge there have been no attempts to unionize. We recognize the right of employees to freedom of association. This is a lesser-known concept in our main regions of operation and we will strive to make this option known to our employees. However, it is always our aim to maintain excellent relations with employees and we feel we have an excellent track record in this regard.

**Courier Survey (Sept. 2006)**  
Average hours per shift  
(subjective)



Number of stations surveyed = 17  
Number of employees who replied = 929

There were no cases discrimination recorded in 2004-2006. While we believe we do an excellent job in fostering a non-discriminatory work environment, we recognize that the absence of any reported cases may be a function of the status of any mechanisms that allow for confidential reporting of cases of discrimination.

## Key Area 5: Employee Satisfaction

We care for our employees and aim for a high level of satisfaction. We also believe that highly satisfied employees make for outstanding employees and outstanding corporate performance.

Some of the most important considerations as identified by our people in past surveys and other means of engagement include: 1) Salary; 2) Benefits; 3) Opportunity for development and promotion; and 4) Job security and safety.

### ➤ Salaries

In our endeavors to recruit and retain excellent and motivated workforce, and taking into account the best practices that also match the culture of Aramex, the management of the company has put in place a flexible HR system and policies to govern the recruitment process that is linked directly with the corporate structure that is growing in different regions in the world. Based on that, and HR policies, a flexible structure and a general salary scale were set to assist the stations in each region or station to use this structure and create their own salary scale based on the market. Our HR principles, that are consistent with our core values state that we do not discriminate according to gender. The recruitment process, employment, and the salary are based on set criteria which apply to both women and men equally.

Aramex has a strict policy to comply with labor laws and regulations that govern relationships between the company and the employees, the minimum wages, and overtime payments. A yearly salary increment between 5-10%, based on the performance of the employee, is given and added to the basic salary. Also, a cash bonus is distributed among the different teams on a quarterly or six months basis based on the station financial performance in reaching set goals.

### ➤ Benefits, including Health Insurance

In terms of benefits, one of our key benefits is health insurance. At many of our stations, health insurance is already provided by the government. Where it is not, we aim to ensure that gap is filled. Of 29 stations reviewed 23 offered health insurance to all employees, 1 offered 50%, 1 offered coverage by choice, 1 offered coverage only to ex-pats, and 1 offered coverage only to locals, while only 2 did not offer any coverage. Where coverage is offered, 25 of 29 offered the same coverage to all employees. 6 of the 29 stations offered life insurance to employees. In terms of encouraging healthy and physically vibrant lifestyles, 11 of the 29 stations reported offering rebates for gym memberships, while 4 stations organized employee sports teams or rented sporting fields and facilities regularly for employee use.

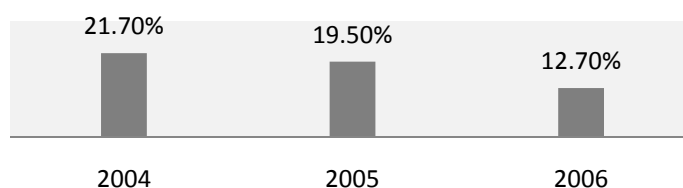
### ➤ Opportunity for development and promotion As per previous section

### ➤ Job security and safety

We are a fast-growing company and typically our challenge is in finding great people in a short time. In 2006 we hired 2686 people (309 hired and resigned, 2377 remained) this is excluding around 400 who were transferred from our acquisition of TwoWay Vanguard. Of our entire workforce, 576 resigned (including 117 on probation) and 166 were released (including 47 on probation) by the company in 2006. All of the reasons for release were related to performance – none were due to workforce reductions (which never happened in the history of the company). Our turnover rates are outlined in the chart to the right. Information on health and safety training can be found in the health and safety section.

Total Exiting Employees		2004		2005		2006	
During Probation period	Resignation	160	109	185	116	164	117
	Termination		51		69		47
All Exiting	Resignation	641	483	768	573	742	576
	Termination		158		195		166

Employee Turnover Rate



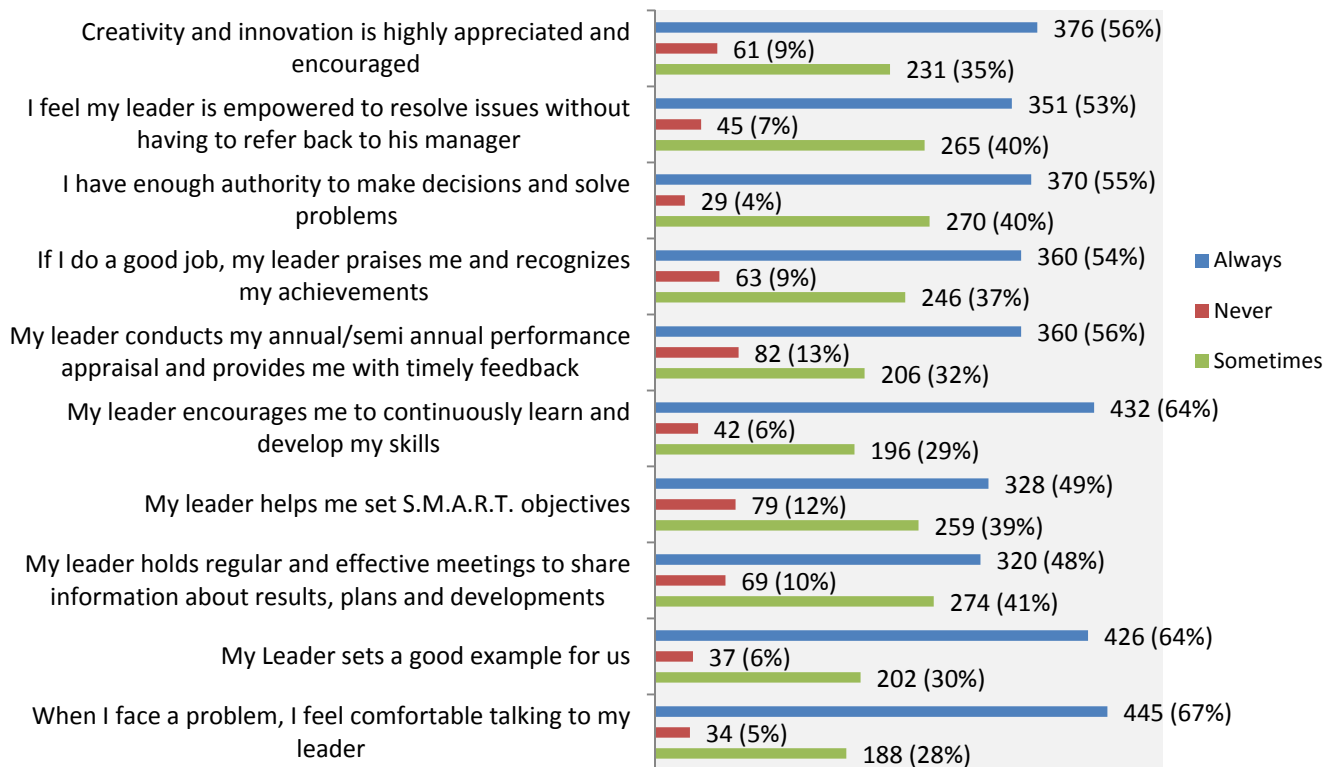
## How we measure satisfaction

We currently measure satisfaction levels both directly and indirectly through:

- Leadership surveys. Although not a direct measure, the general scoring provides us with a good indication of sentiment and satisfaction
- Relevant questions among other surveys
- Evaluation sessions
- Turnover and absenteeism rates

In 2007 we intend to develop such an indicator as part of our surveying process that provides an overall assessment of employee satisfaction. We have set a 3-year target to achieve an 80% average of 'excellent' rating.

The following chart shows the results of our Leadership Survey, conducted in August 2005.

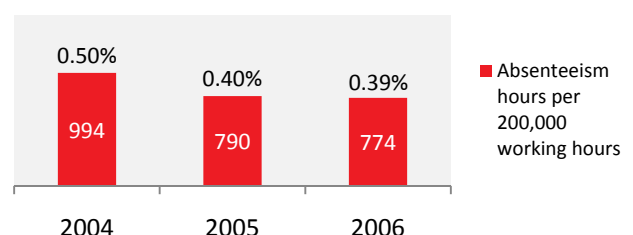


In November 2005 and again in August 2006, we conducted a survey of our couriers' opinions. While the comparison between the surveys showed a decline in "Poor" responses across all categories – shifting to the "Fair" category, it also showed a decline in "Good" responses across all categories. Part of the decline may be attributable to the fact that the first survey in November 2005 included responses from both couriers and ground operations staff and managers, while the August 2006 survey included only couriers. Regardless, the results were of concern. A conference was held in Amman for operations supervisors and managers and the results of the courier survey were discussed with them, and they were required to develop and submit an action plan to improve the situation at each of their stations. The discussion of the survey results involved the operations managers, GSO Human Resources, the Vice President Ground Services and CEO who was present to emphasize that senior management supports the importance of surveys and making action plans to address key considerations. A comparison of the courier survey results are represented on the next page.

### ➤ Absenteeism

Absenteeism rates can be viewed as an indicator of the general health of our workforce. To a lesser extent, it can also be viewed as an indicator of overall employee satisfaction.

#### Absenteeism Rate



### Courier Survey

■ Good ■ Fair ■ Poor

