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Work hours and attendance

The minimum working hours per day is 8 hours per day, six days a week. The office/factory timings are from 10 am to 6 pm on all days of the week with one-hour break for lunch. The weekly off will be on Sunday. For factory one day rotational off will be given and will be planned by the operations and maintenance team head and communicated to all employees.

The employees will work 8 hours as per their role with some employees required to report to work at 7.30 am while others may have to stay beyond 6 pm. In all cases, the on duty and break times will be so planned that no employee is required to work for more than 8 hours on any day. All employees will be required to report to work at the time specified and duly record his/her attendance by the available mode (biometric or signing in the attendance register).

In case an employee has to work outside the office/factory for official purposes he/she is required to inform the operations head/department head. The operations head is requested to inform the HR team about the period of absence from office/factory so that the same can be endorsed in the attendance record.

Attendance and Punctuality

It will be mandatory for the employees to utilize the biometric attendance system/ attendance register for marking them in & out time. The HR team will use this data or calculation of attendance and the work hours put in by the employees.

Any employee who is late by more than 15 minutes on three separate days in a month will be marked as half day leave.

Hours of work

If due too late coming or leaving early from work place, an employees puts in **more than 4.5 hours but less than 7 hours, it will be considered as a half day leave. If the employees completes less than 4.5 hours in a day, it will be considered as a full day leave.**

Habitual late coming and frequent absenteeism without permission will be viewed very seriously and may lead to disciplinary action being taken against the employees including termination of services.

If you are going to be late or absent for any reason, you must call the operations head/department head before you are due for work, so arrangements can be made to keep your work running smoothly in your absence. Similarly, if you ever need to leave early from work, you should obtain prior permission from your department head. In addition, whenever your absence is prolonged, you should keep your department head informed of the changes in your circumstances and of your plans for returning back to work.

Weekly off

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All staff working in the office/factory will be provided one weekly off as per plan.

Dress and Personal Appearance Policy

1. All employees should come to work dressed in line with this policy and their role requirements. To comply with the corporate environment, it is the policy of the Company that each employee's dress, grooming and personal hygiene should be appropriate to the work situation. Employees are expected at all times to present a professional, business image
2. Employees must be well groomed and present an appearance that inspires trust in their professional competence. It is the responsibility of every employee to maintain the XYZ company image to external parties. Extra care therefore needs to be taken of personal hygiene habits, like:
 - Dress should be clean and neatly pressed at all times.
 - Tattoos and body piercing other than earrings (for women), should not be visible.
 - Men are required to properly care for facial hair and should not present an unshaven or unkempt appearance. Moustaches and/or beards should be neatly trimmed.
 - Sales team/ Team members interacting with customers are expected to dress formally during business meetings. However, necessary adjustments may be made in attire to suit the climatic conditions prevalent during the time.

3. **Acceptable dressing norms.** Team members are requested adhere to the general guidelines for dressing as given below:

Male Employees: Trousers and full/half sleeve shirt (Preferably company branded shirts should be worn). In case there is meeting with customers, company branded shirt will be worn. For workers working in the plant/shop floor company uniform will be worn at all times.

Female employees: Formal business wear (trousers/long skirts, blouse/shirt, Saree, Salwar Suits). For all female employees working in the plant/shop floor company uniform will be worn at all times.

Unacceptable attire:

- Shorts, jeans, cords, safari type trousers, training suits or very baggy fit trousers
- T-shirts, sweatshirts, muscle shirts, mesh shirts or collarless shirt of any kind (for men)
- Sheer tops, tank tops, indiscreet neck lines, or tops with spaghetti or other forms of straps (for women), backless tops.

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- Clothing that is tight fitting or revealing or has distasteful or offensive images, slogans or words.
 - Leggings or track suits.
 - Casual footwear, rain shoes, flip flops or other sport specific footwear.
4. This policy lays down the guidelines for dressing and personal grooming and hygiene for team members of XYZ company. No policy of dressing can comprehensively cover all aspects of dress. Team members are requested to keep in mind that when in doubt, it is best to dress more formally in a business scenario.

Disciplinary Policy

1. This policy gives out the process for dealing with breaches of XYZ company polices and disciplinary issues.

Disciplinary Action

2. No action shall be taken against an employee unless the issue has been investigated thoroughly and documented by HR team/MD.
3. The guidance and advice from the manager during the course of his/her duties to an employee is not considered a disciplinary action or a verbal warning.
4. Any employee should be informed in writing of any Disciplinary Action taken against him/her, including the reasons for such action. Employee's signature is required on the Disciplinary Action letter before the HR team can insert the same in the employee file. If the employee refuses to sign the receipt, HR department can still file the disciplinary action noting mentioning that the employee has refused to sign the disciplinary action receipt letter. Any Disciplinary Action or court order should be recorded in the employee's file.
5. Disciplinary Actions may consist of:
 - a. Verbal Warning (Should be documented in the employee's file)
 - b. First Written Warning
 - c. Second Written Warning.
 - d. Fines up to a limit of 3% of wages due for the month
 - e. Any other action as per labour law up to dismissal from service. For any serious disciplinary lapse, the employee will be put under suspension till the enquiry is completed. During the period of suspension, the employee will be paid 50% of the wages for the first 90 days ,75% of the wages for balance days and full wages in case the enquiry is not completed after 180 days.
6. If the employee has committed a violation but the violation is discovered or the complaint is received by XYZ company at any time after the incident; then, XYZ company may apply the

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disciplinary action as per the tables in this policy after discovering the incident. Exceptions to this are time & attendance violations in which the disciplinary action shall be taken within 3 month and dress code violations for which the disciplinary action shall be taken in the same day.

7. No disciplinary action can be taken against an employee before giving the employee a chance of a fair hearing and to listen to his/her statement and defense (if the employee refuses/ does not show up to attend for hearing, the investigation can proceed even if the employee refuse/does not show up to attend the investigation committee after notifying him/her twice). An investigation committee consisting of two senior members (Sr Manager and above designation) and the HR team member will be formed for investigating any serious disciplinary issue. As a guideline, any offence for which the employee is likely to face loss of pay or termination will be investigated by the investigation committee.
8. Minor violations like dress code, failing to meet organizational deadlines, late coming etc. can be handled by the HR team without the violation being investigated by the investigation committee.
9. It will be ensured that the employee has the opportunity to appeal, with evidence, and inquire about the Investigation Committee as per the Grievance Policy. The employee should raise a written appeal to the HR Department within 10 working days of being notified of a Disciplinary Action against him/her.
10. Any employee held in custody by court order shall be suspended during his detention. XYZ company reserves the right to suspend temporarily or terminate the employee based on the seriousness of the case or the reasons for arrest tarnish the brand of XYZ company. However, if such period exceeds 6 months, XYZ company may stop salary and benefits entitlements or terminate the employee after the approval of the MD.

Employment, Probation, Confirmation and Exit

It is XYZ company policy to properly classify all employees in accordance with the requirements and essential functions of the position(s) and to be in compliance with the Labor Laws.

Purpose of Policy:

To determine eligibility under employee benefits plans, administer salaries and comply with employment laws.

Employees are hired on either a full-time or part-time basis, and may be categorized as follows:

Probationer

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A “probationer” is an employee who is provisionally employed to fill a permanent vacancy in a post and has not completed minimum three months’ service therein. If a permanent employee is employed as a probationer in a new post he may, at any time during the probationary period of three months, be reverted to his old permanent post.

At XYZ company, the first 3 months of employment are considered an introductory period during which the Company will evaluate the employee’s performance

All Probationers are on the company’s payroll where employee benefits like PF, ESIC, Gratuity and Bonus are applicable to them. Leaves will accrue; however, the accrued leaves can only be availed once the employee is confirmed. Probation period may change as per the management’s discretion. It can also be extended if the Company thinks that the employee needs additional period to perform the full range of responsibilities and meet required expectations from the position.

Full-Time Regular Employees (Permanent)

A “permanent employee” is an employee who has been engaged on a permanent basis and includes any person who has satisfactorily completed the probationary period in the same or another occupation in the company, including breaks due to sickness, accident, leave, lock-out, strike (not being an illegal strike) or involuntary closure of the establishment.

They are eligible for all benefits set forth in HR policies.

The regular employees will receive salary on monthly basis.

Temporary Employees

These are the employees who have temporarily recruited by the company to fulfil the position which is vacant due to some exigencies like absence of permanent employee in that position for a short period of time. Temporary employees can also be hired to manage seasonal load.

Temporary employees are not entitled to any of the Company benefits set forth by the Company.

Compensation for temporary employees will be at the minimum of the relevant pay level.

Contract Employees /trainee

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Business exigencies may require induction of experienced or uniquely skilled people. The employment for such individuals will be for a specified, limited period, governed by special contracts spelling out the terms and conditions of employment.

This will include Accounts trainees, Graduate Engineering trainees, etc.

Contract employees can be the employees of firms with which XYZ company has contracted for services or self-employed individuals with whom XYZ company has contracted directly.

Probation Policy

When a Regular/permanent employee is first hired by the Company, he/she is considered to be on probation for the first 3 months.

On the successful completion of probation period, the employee may be considered for confirmation, depending on his/her performance. A mid period review of performance will be held at the end of 45 days of the probation period. In case the performance of the probationer is below the required standards written feedback will be provided on the same by the manager of the probationer.

The Company however reserves the right to extend the probation period or terminate the employment by giving 15 days' notice if employee performance is below expected standards or due to any disciplinary or ethical reason. In case the probation is extended on grounds of performance, the employee will be given clear performance goals which need to be achieved during the extension period. In case the employee does not meet these goals, services of the employee will be terminated at any time during the extension period.

If the employee decides to resign during probation period, he/she will be liable to give 15 days' notice or payment in lieu thereof.

Issuance of Confirmation Letter:

After successful completion of the probationary appraisal, the confirmation letter will be given to the employee by a member of the HR team.

***Note :** Employees on probation may not be eligible to avail the company benefits like leaves although the same will accrue to them as per policy. Kindly refer the respective policies for rules & regulations for probationary employees.*

This policy may undergo change from time to time at the discretion of the management.

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Employee Exit

Purpose

The purpose of this policy is to ensure the smooth separation of an employee from the services of the Company, ensure that all benefits as per law and company policy are provided to the employee, all dues in terms of company property and financials are collected while at the same time ensuring smooth handover of the responsibilities of the separating employee to the successor in the role.

Types of Separation from Employment

The various types of separation from employment can be divided into voluntary and involuntary separation. The various types of voluntary and involuntary separations are given below:

Voluntary

- a. Absconding from service
- b. Resignation

Involuntary

- a. Termination
- b. Position/role redundancy
- c. Death

Absconding from Service

- a. In case of any unforeseen circumstances that require an employee to be absent from duty, the employee must let his Manager /HR know about this absence and reasons thereof within 2 working days.
- b. Should an employee fail to alert his Manager/HR of the reason for his being Absent from Duty, it could form grounds for Disciplinary Action.
- c. An Employee who is absent from his/her work duties for more than 2 working days without having applied for leave or notifying his Manager/HR about the reasons for absence, will be declared as absent from duty. The Manager should notify the HR Department to hold his/her salary and all his benefits and allowances.

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- d. When the employee resumes work , he must submit a justification for his absence in writing. If justification is approved by the head of department, the days absent will be deducted from earned leave and salary and allowances will be released. In case justification is not approved, employee will be subject to Disciplinary Action as per company policy.
- e. Should an employee fail to come to work for more than 15 consecutive calendar days (even if it fall in two calendar years) or is absent from work for 15 discontinuous working days in a year, his employment could be terminated on grounds of "Absconded Employee". Such a termination is considered "with cause". The employee's manager should coordinate and inform HR department about the employee's continuity of absence to enable the HR department to take the action of separation from employment in respect of that employee.

Resignation

An employee may choose to resign from his/her employment in the company due to various reasons i.e. Better career opportunities, family or health issues, relocation etc.

The employee is required to submit written intimation or send an email intimating the last day of work to his/her manager with copy to HR. Once the same is accepted by the manager in writing the separation process will start.

All employees are required to serve a notice period of min 30 days to enable the company to conduct a smooth handover of duties to the next incumbent. Any exemption of notice period will have to approved by the head of the department of the employee. In case of employee request to shorten or exempt from notice period is approved, then employee will not be entitled for any compensation for this period and the period shall not be considered part of the employment at XYZ company.

Involuntary Separation

Termination

- a. Employment may be terminated "with cause" for a variety of reasons including, but not limited to: damaging the company's reputation, poor performance record (as defined by Performance Management process), unresolved disciplinary issues and misrepresentation of credentials or by decision of the investigation and disciplinary committee.
- b. The list of reasons under which an employee can be terminated "with cause" are enumerated in the disciplinary policy.

Position/Role Redundancy

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Due to changes in business needs, market forces, organizational or departmental priorities or a restructuring exercise; certain positions, departments or roles in the company may become obsolete and may lead to end of employment with the company. In any such case the HR team will provide adequate support in outplacement and the employee will be provided with terminal benefits as per law.

Death

- a. In the unfortunate event of the death of an employee while in service, the date of death will be considered as the employee's last day of employment .
- b. If an employee who during the course of his employment (death caused by non-work factor and not because of committing suicide) terminal benefits as per law will be paid to his/her legal heirs. If the employee did not specify a nominated beneficiary, the financial aid will be paid to his dependents (employee's spouse and/or children) as per advice of the company's legal advisor/lawyer.

Exit Interview

An exit interview will be taken by the HR team with all employees who are separating from the company at least 7 days before the last day of working of the employee. Record of the same will be maintained and kept in the employee's personal file.

XYZ company

Grievance handling and resolution mechanism

General

1. The grievance handling system lays down the various steps to be followed in case any employee has a grievance. A grievance is any problem of concern that an employee may be facing. This could be a work-related problem, concern or a complaint against a policy, process or a specific individual. The most common grievances include those related to compensation, training or confirmation, leaves, performance management, workplace harassment and interpersonal issues. To ensure that the employees feel valued and to

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foster a productive and positive work environment, it is imperative that grievances are handled promptly, in an impartial and fair manner and justly.

2. Grievances, if unresolved lead to several issues. A few of them are:
 - a. Poor and negative work environment.
 - b. Lack of communication across all levels of management.
 - c. Increased absenteeism and attrition.
 - d. Lower productivity and quality.
 - e. Loss of credibility as an employer.
3. A grievance handling and resolution mechanism clearly defines the process of handling all kinds of grievance and lays down the responsibilities of various roles across the various levels of management in a fair and transparent manner.
4. It is the duty of all managers and senior leadership to clearly understand that the responsibility of ensuring that all employees are aware of the grievance handling and resolution process. They are also responsible for ensuring that all grievances are handled in a proper manner as per the defined process.

Process

5. The most common grievances include those related to compensation, leaves, performance improvement plan, performance appraisals, confirmations, interpersonal issues, issues with manager or with other support services like transport, administration etc.
6. This process clearly lays out the escalation matrix for different types of grievances with roles and responsibilities for all concerned clearly laid out.
7. For any grievance that an employee may have, the first person whom the employee must raise the concern is the employee's immediate manager, unless the grievance is against the manager. In case the grievance is against the performance appraisal or outlier management program the grievance can be raised directly to the HR team. A detailed escalation matrix clearly defining the process is given below.

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GRIEVANCE RESOLUTION MATRIX						
S.No.	Broad Category	Specific Category	Check	1st level	2nd level	3rd level
1	Compensation	Salary	Check your salary slip, take help from immediate Manager to understand issues, if any.	Raise it with the HR team in case issue unresolved	Manager	Head of Department
		Attendance and salary/ Bonus/Incentives	Understand the various components of bonus/incentive, take help from immediate manager to understand attendance and total salary calculations.	Raise it with the HR team in case issue unresolved	Manager	Head of Department
2	Confirmation of probation	Confirmation delay/ extension	Resolve by discussions with immediate manager	HR team	Manager	Head of Department
4	Problems with Administration/housekeeping/ Office supplies etc	Admin/Transport		Administration Manager	HR	Head of Department
5	Issues with Manager	Process/ policy related (leave, performance, incentives, etc)	with HR/Manager	Manager of manager	Head of Department	MD
		Interpersonal Respect & Dignity				
6	Leave	All Types	Check leave balance. Speak with your manager on leave sanction. Understand manager's explanations/ issues on granting of leave.	Manager/HR	Head of Department	MD
7	Performance management	Goal Setting/conduct/support from manager	Check from HR team on how the appraisal score is calculated	HR team	Head of Department	MD
8	Policy clarification		Immediate Manager/HR	HR team	Head of Department	MD
9	Resignation/Asked to leave	Process	Immediate Manager/HR	Manager	Head of Department	MD
		Clearance	Immediate Manager/HR	Finance Manager		
		Full and Final clearance and experience certificate	HR	Finance Manager		

8. It is important to understand that the levels of escalation have been defined based on the severity of the issue. In most cases, the immediate manager or the HR team will be able to resolve the issue. Please do not bypass any level or encourage your team to do so.
9. If you are a manager, you would be able to advise the employee on most of the issues which may come up. Only in case you feel that the issue is beyond your level to resolve, should you encourage the employee to go to the next level. It would also be pertinent to advise the next level of escalation of all the actions that have been taken at the previous level.
10. **Methods of raising a concern or a grievance:** Any of the following methods could be used to raise a grievance.
 - a. "One on One" interaction with the manager/HR.
 - b. Email to the immediate manager/HR team.
 - c. E mail to grievance helpdesk(hr@xyzcompany.com).
 - d. Telephone (based on the escalation matrix).
 - e. Grievance drop box.
11. An effective grievance handling and resolution mechanism leads to improved employee satisfaction and a positive work environment.

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Travel and Entertainment Expense Reimbursement Policy

Objective:

To provide guidelines for reimbursement of travel and entertainment expenses to the employees and staff for reasonable and necessary expenses incurred during approved travel and entertainment on behalf of the company.

Guideline:

Most importantly always act in the best interest of XYZ company.

Reimbursement of expenses is allowed within the parameters of the guidelines, and when reimbursement is not received from any other source. In the case of group or team travel or entertainment, the group leader will be responsible for all expenses. Claims for reimbursement of travel expenses must be submitted to appropriate manager for approval and forwarded to the Head Office on the Company Travel Expense Report within fourteen (14) calendar days to travel (Any other source indicates that, lodging and meal expenses paid by client).

Food Allowance

Employees traveling out of station on Company business will receive a food allowance with respect to their Band. XYZ company encourages its every employee to eat at respectable and neat/clean eateries. The authorization for food allowance is given below

Employee Category	Allotment (Out of Pune)	Allotment (In Pune)
Band 3 & Above	Rs. 600 / Day / Person	Rs. 200 / Day / Person
Band 2	Rs. 550 / Day / Person	Rs. 200 / Day / Person
Band 1 B	Rs. 500 / Day / Person	Rs. 200 / Day / Person
Band 1 A	Rs. 350 / Day / Person	Rs. 200 / Day / Person

Commercial Air Travel:

The cost of commercial airlines for company business will be reimbursed at the most economically reasonable rate available.

Train Travel (Out of Station):

Employee Category	Allotment
Band 3 & Above	2 AC & Above / Flight (up to 600 Kms Train/Bus AC & above 600 Kms Flight)

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Band 2 (A, B)	3 AC
Band 1	3 AC

Receipts are required for train /air travel and are to be attached to the travel expense report.

Local City Travel:

Employee Category	Allotment
Band 3 & Above	Cab /Car
Band 2 (A, B)	Auto, Trains, Metro & Cab
Band 1	Bus, trains & Metros

Expenses receipt should be provided with the claim to document this expense.

In case of using personal vehicle for official purpose, for two-wheeler the reimbursement will be done as Rs. 3.5 per kilometer and for car, it will be as Rs. 7.5 per kilometer.

Only Band 2A and above are eligible to use and claim the reimbursement against personal car expenses used for official purpose. Also, the car must be in the employee's name and he/she must claim this monthly with details of travel as well as the client visited/exact work approved by the HOD.

This travel does not include Home to Office and Office to Home travel.

Travel Expense Claim (Policy & Procedure):

When an employee needs to travel on Company business out of his reporting location (Plant/ Office/permanent location), he will need to seek an approval or is given approval from his reporting manager (in same location or otherwise) on email/HRIS.

The amount of advance to cover his initial expenses on such business trips is required to be approved by the manager on email, which will then be forwarded to the Accounts for their action. Post submitting travel expense report on email to the manager, manager needs to approve the same and will forward it to accounts for clearance. Here Accounts team will ask for original bills from employee and post validation will clear the claim.

In case of any unclaimed advance, the same amount will be recovered from concerned employee's next month salary.

The travel expense claim approved by manager needs to reach accounts within 15 days of end date of journey. Any delay will need an exceptional approval of the MD.

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In case the claim is not preferred due to various reasons, complete amount will be recovered from the employee's subsequent month salary.

Lodging:

Lodging arrangement are the responsibility of each traveler. Lodging expenses should not exceed the hotel's normal corporate rate for a single room. All claims for lodging reimbursement or company cheques issued in advance must be substantiated by the original receipt or other bills specifying dates and rates. All receipts must be attached to the Company Travel Expense Report from when it is submitted for reimbursement.

Tier 1 Cities

Sr. No.	Employee Category	Allotment
1	Band 3 & Above	Rs. 2500 / Night / Room
2	Band 2	Rs. 1200 – Rs. 1500 / Night / Room
3	Band 1	Rs. 800 – Rs. 1000 / Night / Room

Tier 2/3 Cities

Sr. No.	Employee Category	Allotment
1	Band 3 & Above	Rs. 1500 / Night / Room
2	Band 2	Rs. 900 – Rs. 1500 / Night / Room
3	Band 1	Rs. 600 – Rs. 1100 / Night / Room

The employees can benefit by booking the rooms while traveling out of station on Company business as below:

- If employee books the hotel room which charges less than the maximum amount of allotted slab, then he will receive 25% of the difference amount as a cash reward.
- For example, for Tier 1 City Band 1 employee has got maximum limit of Rs. 1000 per night to book a room.
- If he manages to book the hotel room in Rs. 800 per night, he has saved Rs. 400 (1200 – 800) per night here.
- Hence, he will receive Rs. 100 per night (25% of 400) as a cash reward.

Please note that even if employee managers to find a hotel room with rate below the maximum amount of the mentioned slab, the difference will be calculated only on the mentioned slab

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rates. This is to ensure that the employees stay in hygienic, clean and safe accommodation while being away from home.

Note: in case of any exceptions to the above policy, prior permission from the Department head should be taken.

This policy may undergo change from time to time at the discretion of the management.

Leaves and Holiday Policy

The following types of leaves are applicable to all employees:

- A. Earned Leave**
- B. Casual Leave**
- C. Maternity Leave**
- D. Paternity Leave**
- E. Compensatory Off**
- F. Leave without Pay**

LEAVE PERIOD:

Leave for calculation is from 1st January to 31st December. While counting the leaves availed by employees, the intervening weekly-offs and holidays will not be considered.

Employees, who join the organization in the middle of the year, can be allowed to avail the leaves proportionately as per rules mentioned further.

To avail half day leave, employee must complete minimum four and half hours of working in a day. Less than prescribed hours of working will be considered as a full day leave.

A. Earned Leave:

EL will be accrued at the rate of 1.5 leaves per 30 calendar days for a maximum of 18 days of earned leaves per year.

In case of Probationers, earned leave can be availed only after completion of Probation period. The leave will be calculated from the date of joining.

EL will not be granted more than 10 days at a stretch and the total entitlement can split in maximum of 3 times.

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Leave will be sanctioned only after prior approval of HOD and should be applied at least 30 days in advance.

Total 10 days of leave can be carried forward to next year. The total EL accumulated should not be more than 45 days. On 31 Dec of every year, any leave accumulated over and above 45 days EL if not availed will automatically get lapsed.

At the time of leaving the organization or regular retirement, the number of days of un availed EL will be encashed at the rate of 3 months average salary for preceding 3 months from date of leaving the organization.

B. Casual Leave:

Employees can avail 8 casual Leaves for each calendar/ financial year at the rate of 2 CLs per quarter. Any CLs not availed in that quarter are carried forward to the next quarter.

Casual leave will not be granted more than 1 day at a stretch.

CL cannot be combined with any other leave.

Leave will be sanctioned only after prior approval of HOD.

CL can neither be carried forward to next year nor be encashed at the time of leaving the organization. If not availed, it will automatically get lapsed.

C. Maternity Leave

Eligibility

All female employees on confirmed employment and have completed 180 days of continuous service with the company are eligible for Maternity Leave.

The maximum period for which any female employee be entitled to maternity benefit shall be twenty-six weeks of which not more than eight weeks shall precede the date of her delivery.

Eligibility of benefit is restricted up to two surviving children only.

Regulations

- a. The applicant should inform about her pregnancy to the HR department minimum 2 months in advance before proceeding on leave.
- b. The application should be supported by a medical certificate confirming the pregnancy and expected date of child birth.

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- c. Maternity leave may be combined with accrued Earned leave with **prior approval** of the MD
- d. The applicant can avail eight weeks leave before the date of delivery and the balance post-delivery. **The maximum leave benefit under normal circumstances will be 26 weeks.**
- e. Un availed Maternity Leave cannot be encashed.
- f. The weekly offs and holidays falling during this period will be part of the leaves availed.

D. Paternity Leave

All male employees who complete one year of service with the company are eligible for paternity leave.

Regulations

- a. All married male employees on confirmed employment are eligible for Paternity Leave maximum of 3 days.
- b. The male employees can avail paternity leave either before 3 days of child-birth or within a period of one week post the delivery.
- c. Eligibility of benefit is restricted up to two surviving children only.
- d. The application should be supported by a medical certificate confirming the pregnancy of wife and expected date of child birth.
- e. Paternity leave cannot be combined with any other leave or compensatory off, however, it can be combined with a weekly off.

E. Compensatory Off:

Employees who work on their designated weekly offs or on any Public holidays due to exigencies of work will be eligible for compensatory off on below mentioned conditions:

- a. Comp off will only be given if HOD asks or permits the employee to come to the office on off days to complete the work and endorses his Comp off application.
- b. If an employee has worked for less than 4 hours on an off day, he/she will not be eligible for Comp-off. If he/she has worked for minimum of 4 hours, he/she will be eligible for half day comp-off. And if he/she has worked for more than 7 hours, he/she will be eligible for availing full day comp-off.
- c. Comp-offs cannot be clubbed together or with any other kind of leave as well as holiday.

Whenever an employee working on his/her weekly off or any public holiday he/she will have to fill a comp-off form, get it approved from the HOD and submit to the HR department within the next 5 working days.

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If the above-mentioned comp-off form is not submitted to the HR department, a compensatory off cannot be availed by the employee.

The compensatory off should be availed within a period of 6 months. Any compensatory off which is not availed within the said period will lapse.

F. Leave without pay:

Under the extraordinary circumstances employees may require leave of absence beyond the above leave provisions. Leave without pay would be granted on a case-to-case basis with the approval of Heads of respective Departments and sanctioning authority.

Leave without pay is allowed only after the consent of respective HOD.

Holidays

The Company observes national and festival holidays to a maximum of 9 days in a year, of these 26 Jan, 1 May, 15 Aug and 2 Oct are declared as national holidays. Balance 5 days leave will be decided based on the festivals and circulated by the HR department by 25th of Dec of each year for the next year. The HR team will circulate a list of 8 possible holidays out of which each employee has to select 4 holidays which he/she will take in the next year. The option of each employee for the year needs to be submitted to the HR team by the 15th of Jan every year. Employees who are required to work on these holidays will be given compensatory off in lieu of the day worked.

Unauthorized Absence/ Overstay of Leave

If an employee overstays the period of sanctioned leave up to three days without authorized extension of the leave, it will be treated as "absence without pay" and disciplinary action will also be initiated against the employee. If an employee overstays the period of sanctioned leave more than three days without authorized extension of leave, disciplinary action up to and including termination from services may be taken.

This policy may undergo change from time to time at the discretion of the management.

Prevention of Sexual Harassment at the Workplace

General

XYZ company is strongly committed to having a workplace that ensures an Equal Employment Opportunity. The Company commits itself to will provide a congenial environment where

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employees can work without any inhibition and ensure that every woman employee is treated with dignity and respect and afforded equitable treatment.

XYZ company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. The company has a "zero tolerance" policy towards all kinds of sexual harassment.

In line with the enactment of the law on prevention of sexual harassment at workplace (The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013), XYZ company is committed to ensure a safe environment for all its female employees at work. Sexual harassment is considered as a violation of the fundamental right of a woman to equality as guaranteed under Articles 14 and 15 of the Constitution of India. This policy lays down the guidelines to handle all case of alleged sexual harassment at the workplace.

Definition

As per the law, presence or occurrence of circumstances of implied or explicit promise of preferential treatment in employment; threat of detrimental treatment in employment; threat about present or future employment; interference with work or creating an intimidating or offensive or hostile work environment; or humiliating treatment likely to affect the lady employee's health or safety may amount to sexual harassment.

"Sexual Harassment" includes

- An unwelcome demand or request for sexual favors
- Unwelcome sexual advances, Innuendoes and taunts
- Gender based insults or sexist remarks
- Textual or graphic representations of a sexual nature, including display of pornographic or other offensive or derogatory pictures, cartoons, pamphlets
- Forcible physical touch or molestation
- Making remarks or comments of a sexual nature, about a person, to others.
- Any other unwelcome physical verbal or non-verbal conduct of sexual nature.

The policy on Sexual Harassment applies to all employees of the company; to relationships between supervisors and subordinates; and to peer relationships. The policy also applies to contract/temporary workers and trainees as well as representatives of vendors who are present at the premises.

Responsibility

All employees of the company are to ensure that their own behavior is not contrary to the provisions of this policy. All employees are also duty bound to report any case of sexual harassment in case they are aware of it to the Internal Complaints Committee (ICC).

Confidentiality: The identity of the complainant will be kept confidential and not be communicated to anyone other than the members of the ICC, the accused and relevant witnesses.

Framework

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Internal Complaints Committee (ICC): Details of the ICC are given below:

Chairperson: To be senior woman employee

Members: ABC, DEF, GHI, JKL, LMN (at least half to be women)

All complaints will be heard by a minimum quorum of 3 of which 2 must be women. The chairperson of the committee will be a woman.

The committee will maintain a register of all complaints received by it, and a summary of the proceedings and findings. All cases of the sexual harassment will be investigated and closed within 90 days of the date of reporting of the case.

Complaints and investigation process

All complaints of sexual harassment are to be made in writing within 90 days of the occurrence of the incidence. In case of multiple incidences, it should be within 90 days of the last occurrence in the series of incidences.

The complainant will be required to give out name and contact details so that the ICC members can contact her. Details of the complainant will be kept confidential.

Based on the nature of the complaint and preliminary investigation, the chairperson of the ICC will decide if the issue reported is a case of sexual harassment or not. In case it does not fall within the ambit of sexual harassment, the chairperson will record the same with reasons and communicate the same to the complainant. In case it falls within the purview of sexual harassment, the ICC will investigate the case and recommend action against the accused. The ICC can call for witnesses and documentary and electronic evidence during the course of the investigation. The accused will be given adequate opportunity to present his case and defend himself in line with the laws of natural justice.

The ICC is responsible for ensure that once the investigation is complete, recommendation of the action to be taken against the offender in case allegations of sexual harassment are proved. Depending on the severity of the case the following action can be recommended by the ICC.

- a. Counseling.
- b. Written apology.
- c. Written warning
- d. Termination of services.

Reporting of cases of sexual harassment: All cases of sexual harassment are to be reported by the victim in writing to the internal complaints committee. In case the complainant is not able to write, help will be provided by the HR team in writing the complaint to the victim.

Final report: Final report of the investigation must be submitted by the ICC to the management within 10 days of the completion of the investigation.

Protection of the complainant

The company will ensure that the complainant is not discriminated against or victimized, however, disciplinary action will be taken in case the complaint is found to be malicious/false.

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Ethics and Conflict of Interest Policy

Code of Ethics

XYZ company would like to be known as a Company that maintains very high standards of Ethical Integrity and Fairness while keeping total focus on Performance, thus contributing to the overall wellbeing of all our stakeholders including Customers, Employees, Vendors, Suppliers etc. This Code of Conduct & Ethics Policy sets forth legal & ethical standards that apply to all employees of XYZ company.

The purpose of this document is to articulate the high standards of honest, ethical and law-abiding behavior expected of every employee and encourages the observance of these standards to protect and promote the interests of all stakeholders. Any Code, however, cannot possibly address every situation we face at work. Therefore, the Code is by no means a substitute for our good judgment, upon which the company depends. We must remember that each of us is responsible for our own actions and that the ethical choice is always the best choice.

Ethical and Honorable Conduct

All employees shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties. Employees are expected to deal with other colleagues in an honorable and respectful manner, without any gender bias / harassment. All employees, vendors and service providers should be selected on merit, without any conflict of interest or favoritism. Appropriate disclosures should be made wherever required to maintain transparency.

Desired Behaviors

The company desires to promote a culture of open communication and collaboration between all levels of hierarchy. There are certain behaviors which are not desirable in employees of the company and a few of them are enumerated below:

- Speaking Rudely/using foul and abusive language with colleagues, team members, vendors, customers and suppliers of the company.
- Any other action which portrays the company in poor light.

Alcohol & Substance Abuse

The use or possession of alcohol, illegal drugs, and other controlled substances in the workplace and being under the influence of these substances on the job and during working hours is

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strictly prohibited. However, possession of prescription medication for medical treatment is permitted.

Legal / Regulatory Compliance

All employees shall always ensure compliance with all the relevant laws and regulations affecting operations of the Company. They shall keep abreast of the latest developments in relevant laws, rules and regulations related to their area of work.

We should never offer, directly or indirectly, any form of gift, entertainment or anything of value to any government official, suppliers and vendors, customers or their representatives to:

- Obtain or retain business.
- Influence business decisions; or
- Secure an unfair advantage

Equal Opportunity Workplace Free of Discrimination or Harassment

XYZ company is committed to following fair employment practices that provide equal opportunities to all employees. We do not discriminate or allow harassment based on race, color, religion, disability, gender, national origin, sexual orientation, gender identity, gender expression, age, genetic information, health status, or any other legally protected status. We value diversity and believe that a diverse workplace builds a competitive advantage.

To put these values in practice, all of us must ensure that decisions affecting employees are based on business factors only. For instance, decisions regarding hiring, promotion, termination, transfer, leave of absence or compensation should only be based on relevant business factors. We must also ensure that we never verbally or physically mistreat others or engage in offensive behavior, and we should not tolerate those who do. This includes harassing, bullying, abusive or intimidating treatment, inappropriate language or gestures, disorderly conduct, violence and any other conduct that interferes with a co-worker's ability to do his or her job. The Company's Prevention of Sexual Harassment policy and Anti-Harassment Policy applies to all employees of the company and covers their behaviors towards other employees as well as outside vendors and customers. In case you come across any instance of such behaviors please follow the process as given out in the policy on Grievance Handling and Resolution.

Fair Dealings and Equal Opportunities

XYZ company respects human rights and encourages fair dealing (nondiscriminatory) across all levels and to all stakeholders. There shall be no discrimination on grounds of race, religion, gender, place of origin or caste. Accordingly, the Company expects each employee to deal fairly

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and with equality with other employees, customers, suppliers, competitors, auditors, creditors and advisers of the Company and encourage others to do the same.

Business Interests

An employee shall not engage in any business, relationship or activity, which might conflict with the interest of the Company. All are expected to devote full attention to the business interests of the Company, and are prohibited from engaging in any other activity that interferes with their official performance of responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company.

Company Resources

All the assets of the Company (both tangible and intangible) shall be deployed for conducting the business for which they are duly authorized for. None of these should be misused or diverted for any personal commercial use or benefit, unless such use is allowed under the terms of employment.

Confidentiality

Employees come across many confidential information which may take many forms. They must take proper care of such information and ensure that it is not misused in any way which is detrimental to the Company's business or used for own commercial benefit. They must also not disclose actions or activities relating to our business operations to outsiders, unless they concern or impact them.

Employees who have access to proprietary and confidential information must take precaution to keep it confidential. Information should be disclosed on a NEED TO KNOW basis to people who need to know such information.

The Company has procedure for entering into confidentiality agreements with various vendors, which shall be executed before any information is shared with them. An employee is expected to accept only such information that is necessary to accomplish the purpose of receiving it, and not for any other purpose.

Intellectual Property Rights

All inventions and innovations during course of business should belong to the Company. These include new products, processes, services that get developed during the course of business. Every employee should take precaution to prevent any loss of such IP rights, by keeping things confidential & safe. Disciplinary and legal action will be taken against any employee who is found to have violated the confidentiality agreement

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Acceptance of Gifts

Any employee of XYZ company who is given gifts, vouchers, service offers, or promised any payment/commission by Customers, distributors, suppliers, vendors, consultants, sub-contractors and others, must not accept any such gift, no matter what the monetary value, as it creates the impression of compromised decision-making.

Gifts given to individuals must be declined politely, explaining the reason for doing so.

The only exceptions to declining gifts can be:

- Gift baskets of edible items or flowers sent to a group of individuals or a Department as appreciation for their level of service and care.
- Promotional merchandise or samples that bears the donor company's logo, and has no resale value, and which cannot be seen as influencing a deal or decision
- Gifts exchanged internally by XYZ company colleagues with one another at special occasions that cannot be seen as creating a culture of favoritism or bias. However, value of such gifts should not exceed Rs 1000/-

If an employee is unsure about how to handle a situation regarding a gift, they should refer to their Manager and/or HR team for guidance. Should an employee accept a gift they must declare that they are doing so on behalf of XYZ company and inform the HR team of the nature of gift and its assessed value.

The Employee is strictly forbidden to request any gift or financial aid for himself or others from customers, distributors, vendors, suppliers, consultants, sub-contractors and others of XYZ company. Deliberate violation of this policy forms grounds for disciplinary action up to and including termination.

Conflict of Interest

All employees of XYZ company are required to respect the Organizational Code of Conduct and to maintain the highest level of integrity and professionalism in their business dealings and interactions.

A conflict of interest could arise in many situations. For example, it can come from knowing someone personally, having access to additional information unintended for you, and serving in more than one capacity, and being personally involved in something important for business.

All employees are requested to guard against situations where there may be the appearance of a potential conflict of interest and their judgments could be compromised, or even questioned. If an employee anticipates a situation could pose a potential conflict of interest, the employee is

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required to identify that situation, declare the potential conflict, and remove himself from any associated decision-making. ***Failure to do so could form grounds for Disciplinary Action up to and including termination.***

XYZ company

Policy on Performance Management System

General

The Performance management system (PMS) provides a mechanism for team members to contribute to the achievement of XYZ company's vision and organizational objectives. An effective and well-designed PMS process facilitates communication between employees and their immediate supervisors, improves the performance of the employees, supports employee development and provides inputs in a transparent manner for human resource management. This process note has been designed to clarify the performance management process for all the employees and managers.

Purpose of PMS

Increased Communication

- a. Improving communication between managers and staff members by providing a formal structure for communication.
- b. Clarifying job responsibilities and standards and setting expectations.
- c. Providing feedback to the employees on their performance.

Improved Performance

- a. Establishing challenging and mutually agreed-upon performance goals in support of organizational objectives.
- b. Encouraging individuals and work teams to strive for continuous improvement and quality.
- c. Identifying and eliminating obstacles to performance.

Employee Development

- a. Focusing upon and addressing employee growth and career development.
- b. Recognizing individual and team performance.
- c. Optimizing employee skills, abilities and interests for mutual benefit.

Human Resource Management

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- a. Providing inputs for compensation reviews, promotions, transfers, work assignments and training and development interventions.
- b. Help in planning for staffing.

Components of the PMS system

The PMS process consist of the following components:

- a. Goal setting.
- b. Performance monitoring.
- c. Feedback and coaching.
- d. Performance appraisal and discussion.
- e. Compensation Review.

Goal setting

During the Goal Setting process the manager writes down the performance goals for the employee for the year. He/she ensures that these are aligned to the team objectives which in turn are aligned to the organizational objectives. These are then shared with the employee and employee's commitment on achieving them is taken. The yearly goals are then broken down into half yearly, quarterly and monthly targets with clear performance criteria so that the employee's performance can be monitored throughout the year.

Goal setting for the year will be done in the month of Nov every year. Senior leadership will share the organizations goals for the next year with the operations and functional heads by 1 Nov every year and goals for all employees should be set and accepted by 30 Nov.

SMART goals: Goals set should be SMART as they place an emphasis on the result rather than the task. i.e. They should be:

- a. Specific: Explicit, clear and concise.
- b. Measurable: Quantifiable (quantity, quality, time or cost).
- c. Achievable: Challenging but achievable.
- d. Relevant: Relevant to the role.
- e. Time related: Have clear timelines for achieving the tasks.

Some goals may change during the year due to the changed business environment and should be revisited throughout the review period. Whenever there is a change in the goals, the same should be incorporated in the written performance appraisal.

Performance Monitoring

Monitoring performance is an ongoing effort throughout the review period and a responsibility of both the manager and staff member. It is through an effective and consistent two-way communication that performance improvement and individual development can be achieved.

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Throughout the appraisal period, the manager monitors performance by reviewing and documenting the work performance against the agreed milestones. If performance expectations change throughout the year, the manager will update the goals to reflect the change.

Consistent and accurate documentation during the appraisal period facilitates regular feedback and performance improvement throughout the year, rather than leaving this to the annual performance appraisals. Communication between the manager and employee during the performance appraisal period must be open, honest and ongoing. Employees can and should initiate the communication, particularly when there is a significant change in the situation/environment. Similarly, in case the employee feels that he/she is facing any specific issue that the manager should be aware of, the same should be informed to the manager at the earliest.

Quarterly data including performance achieved versus the target will be shared with the employee by the 10th of each month of the quarter (Apr, Jul, Oct and Jan) and a meeting to provide feedback to the employee will be scheduled between 15th and 25th of that month by the manager of the employee.

Feedback and coaching

For a team member to improve, develop or take on more responsibility, they need regular feedback on how they are performing. In addition, when they are performing well, their efforts should be acknowledged and supported.

The managers role is that of a coach who motivates, provides feedback, offers encouragement towards the achievement of goals and helps the employee when he/she is struggling to meet the required standards. The manager has to ensure that he/she spends at least 90 minutes once a quarter in providing feedback in a formal and structured manner to the employee. The purpose of the feedback is to:

- a. Providing constructive inputs to change or improve performance.
- b. Recognizing and encouraging good performance.

Feedback is effective when it is specific, timely (as close as possible to the time of the event), focuses on the behavior/performance and not the person and is a two-way dialogue. The manager should cite specific examples of behavior with performance data to gain acceptance from the employee and then jointly develop an action plan to improve the performance in areas where it has not met the required standards. The manager should also take ownership of supporting the team member and coaching him to achieve the required standards.

Performance feedback will be provided by the manager to all employees of his/her team once a quarter for at least 90 minutes and at the end of the annual appraisal cycle.

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Performance appraisal

Each employee's performance will be formally appraised four times a year, once during every quarter. The appraisal of Mar of each year will also be used to appraise the yearly performance and provide feedback to the employee on his/her annual performance. The procedure for conducting the quarterly appraisal will be same as the process for conducting the annual appraisal. Merit increase if any will be aligned to the annual appraisal.

The performance appraisal

The performance appraisal is the last component of the PMS process and it is a summary of the performance of the employee over the appraisal period. Performance appraisal includes the following aspects:

- a. Self-appraisal.
- b. Review by the Manager.
- c. Appraisal discussion and feedback.
- d. Action plan for the next quarter.

Self-appraisal: Effective and successful performance appraisal requires self-appraisal by the employee as the first step. All employees should track their own performance and to keep a list of accomplishments and/or results relating to their documented performance goals, job responsibilities, objectives and professional development goals. The employee uses this information to rate their own performance by completing Sections A of the Performance Appraisal Form as follows:

- a. Fill in the scores on the quantitative KRAs (para A-1) based on information given by the production head.
- b. Fill in the qualitative measures for the KRAs (para A-1).
- c. Fill in behavioral attributes in para A 2
- d. Fill in the final rating based on scores of Para A -1, A-2
- e. Fill in the top five achievements for the year in para A-3 (a).
- f. Fill in training /development needs based on the employees understanding of his/her own capability in para A-3 (b).

Manager's Appraisal of team member's performance: After the manager has received the team members self-appraisal and consolidated their own observations, notes, reports and other documentation, they evaluate the team member's performance by completing Sections B- 4 to B-8 of the Performance Appraisal Form.

Appraisal discussion and feedback: The appraisal discussion is one of the most important aspects of the complete PMS process and hence it is imperative that adequate thought and time is given to it.

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Preparation: Prior to the actual performance appraisal discussion the manager is expected to give a copy of the completed appraisal form to the employee. This gives the employee an opportunity to plan for the meeting and facilitates a two-way communication. For the discussion to be productive, the manager and team member need to:

- a. Set aside at least at least 90 minutes of uninterrupted time for the discussion.
- b. Prepare a list of questions(employee) and anticipate possible questions(manager).
- c. Bring a copy of the completed Performance Appraisal Form to the meeting.
- d. Focus on actual behaviors and skills.
- e. Actively listen to each other.

No surprises: Employees may not always appreciate or agree with what they hear during the performance appraisal process, but if the manager and team member have communicated consistently and continuously throughout the appraisal period, there will not be any surprises. Appraisal and discussion should simply be a culmination of previous communications. Surprises occur when there has been little or no specific communication regarding performance during the review period, a practice that is unproductive and contrary to organizational objectives.

Signature: Once the employee agrees with the feedback as well as the rating given by the manager, he/she signs the form to confirm that the manager rating has been shown to the appraisee.

Action plan for the next six months: Based on the appraisal discussion and the areas of strengths as well as development, the employee prepares and shares an action plan to improve his/her performance with the manager within 15 days of the appraisal discussion

Eligibility: All employees who have completed 90 days in the company as on 31 Mar of each year are eligible for the appraisal.

Ratings: A five-point rating system will be employed to assess performance. The ratings are

- a. Consistently Exceeds Expectations (5): The employee exceeded the performance criteria for all KRAs/Team management/developing others attributes as per the goals set for the appraisal period.
- b. Exceeds Expectations (4): The employee exceeded the performance criteria in some of the KRAs/Team management/developing other attributes and has met the performance criteria for some of the KRAs/Team management/developing others as per the goals set for the appraisal period.
- c. Meets Expectations (3): The employee effectively met the performance criteria for all KRAs/Team management/developing others attributes as per the goals set for the appraisal period.
- d. Below expectations (2): The employee did not meet performance criteria in some of the KRAs/Team management/developing others and has met the performance criteria for

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some of the KRAs/Team management/developing others attributes as per the goals set for the appraisal period.

- e. Consistently Below Expectations (1): The employee did not meet the performance criteria for all KRAs/Team management/developing others attributes as per the goals set for the appraisal period.

Quantitative: The quantitative part of the KRAs will be calculated using the data from the relevant organizational metrics for each KRA.

Review by MD: The final review of all the ratings will be done by the Function head/MD who would consider the ratings of all the employees of the organization and then decide the final ratings.

Appraisal Cycle: The appraisal cycle is from 1 Apr to 31 Mar. Timelines for various activities is given as appx.

Compensation Review

As an organization, XYZ company is committed to reward performance and although performance appraisal is not directly linked to compensation review it does provide one of the most important inputs for deciding the percentage of the annual review. In addition to the appraisal, the percentage also depends on the business environment, profitability and increase in business.

Based on the above factors, calculation of compensation review will be made on a pro rata basis depending on the number of months of the appraisal period that the employee has spent in the org.

Example A

Employee A joined company on 1 Aug 2018

Appraisal cycle: 1 Apr 2018 to 31 Mar 2019

Number of months spent in the company = 7

Rating: 3 (meets expectations), compensation increase for rating 3 = 8%(say)

Compensation increase for employee A = $7/12 \times 8 = 4.67\%$

Example B

Employee B joined company on 1 Jan 2018

Not eligible for compensation review for year 2018 (1 Apr 2017 to 31 Mar 2018)

Eligible for compensation review for year 2019 (1 Apr 2018 to 31 Mar 2019)

Number of months spent in the company = 14

Rating: 3 (meets expectations), compensation increase for rating 3 = 8%(say)

Compensation increase for employee A = $14/12 \times 8 = 9.33\%$

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Appx to PMS policy

Appraisal timelines

S No	Event	Timelines
1	Collection of data and validation for quarterly appraisal	1 to 10 of Jul, Oct, Jan and Apr
2	Sharing of validated data with employees	10-12 of Jul, Oct, Jan and Apr
3	Self-appraisal	13-20 Jul, Oct, Jan and Apr
4	Review by manager	21-24 Jul, Oct, Jan and Apr
5	Appraisal discussions and feedback	15-25 of Jul, Oct, Jan and Apr
6	Final review and normalization by operations/function head	1 to 5 of Aug, Nov, Feb and May
7	Final ratings to be sent to HR	6 to 10 of Aug, Nov, Feb and May
9	Formulation of action plans	1 to 15 of Aug, Nov, Feb and May

Annual appraisal timelines

S No	Event	Timelines
1	Goal setting	Jan
2	Collection of data and validation for annual appraisal	31 Mar to 10 Apr
3	Sharing of validated data with employees	10-12 Apr
4	Self-appraisal	12 Jan -20 Apr
5	Review by manager	21 Jan – 25 Apr
6	Appraisal discussions and feedback	15 Jan -25 Apr

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7	Final review and normalization by operations/function head	1-5 May
8	Final ratings to be sent to HR	6 -10 May
9	Discussion on compensation increase	10-20 May
10	Formulation of action plans	1 -15 May
11	Sharing of annual compensation review letters with employees	25 - 31 May

Performance improvement plan (PIP) Policy

A performance improvement plan (PIP) is a great way to give struggling employees the opportunity to succeed while still holding them accountable for past performance. This policy lays down the process of PIP in the organization to ensure that the organization allows an open dialogue with a non-performing employee and provide feedback to the employee during the PIP.

The reason for poor performance might be:

- The employee does not receive appropriate training or supervision.
- The employee does not understand the expectations of the job.
- The employee may lack the requisite skills to perform as per the desired standards for the role.
- There might be some unforeseen roadblocks in the way.
- The employee may lack the desire to work (attitude issues).

Step 1: Placing an employee in PIP

An employee can be placed on PIP under the following two circumstances

- a. Any employee who for two quarters is rated 1 of 2 in the quarterly performance review will be put on a PIP.**
- b. A manager may also put an employee on PIP for behavioral issues at any time during the employment, however, the issue needs to be documented and shared with the HR team. HR team will conduct an independent investigation to validate the issue, post which approval of the HOD will be required to put the employee on PIP. Examples of behavioral issues are Absenteeism, being late for work more than 3 times a month, not supporting team members when required, not following through on instructions given by the supervisor/any other role holders in the company, misbehaving with /abusing other employees etc.**

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Step 2: Document performance issues

The first step in the PIP process would be for the immediate supervisor to document the areas of employee's performance that need improvement. In documenting the main performance issues, it is important to be objective and specific and provide facts and examples to further clarify the severity or pattern of performance concerns.

Step 3: Develop an action plan

Next, the supervisor will establish an action plan for improvement. This action plan should include specific and measurable objectives that are accurate, relevant and time-bound (otherwise known as SMART goals).

The supervisor shall determine if the employee may need any additional resources, time, training or coaching to meet these objectives. Identify in the plan exactly what management will do or provide to assist the employee in achieving these goals.

This action plan should help set performance expectations and should include a statement about the consequences for not meeting these objectives. If termination is a possibility, it should be clearly communicated in the plan document.

Step 4: Review performance plan

Prior to meeting with the employee, the supervisor will seek assistance of the HR team to review the PIP. This third party will ensure the documentation is stated clearly and without emotion. The third party can also review the suggested action plan to ensure it is specific, measurable, relevant and attainable **within the PIP timeline of 60 days.**

Step 5: Meet with the employee

During this meeting, the supervisor will clearly lay out the areas for improvement and plan of action. There may be a need to modify the action plan slightly after receiving the employee's input and feedback. Make any changes to the plan before the supervisor and the employee sign the PIP form.

Step 6: Follow up

The employee and the supervisor will **establish regular follow-up meetings every 15 days.** These meetings should discuss and document progress toward objectives. It is required that the employee is provided the opportunity in follow-up meetings to ask questions and seek guidance or clarification on performance expectations. The supervisor should ensure any potential roadblocks are discussed and that the employee has been provided the necessary tools and training. The supervisor will submit a monthly review on the employee's performance.

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Step 7: PIP conclusion

If the performance of the employee does not improve during the duration of the PIP, the employee refuses to commit to the PIP, or his or her performance gets worse, then the manager will close the PIP and terminate the employment.

When the employee does show some improvement, but is unable to achieve some or all the established action plan objectives within the PIP timeline, one of the below mentioned options will be followed:

- a) If the employee is trying his or her hardest but just can't meet one or more objectives, the employer may agree to extend a PIP for a further period of one month.
- b) If the manager determines the employee just isn't a good fit or isn't really trying to improve even after all this effort, then the manager will close the PIP as unsuccessful and terminate the employment.

When the employee has responded positively by meeting the objectives, the manager will formally close the PIP as successful and allow the employee to continue employment but ensure that the employee understands that continued good performance is expected.

Performance Review Form

Instructions:

- a. This form has three parts. Part A is self-appraisal which has to be filled by the appraisee, Part B is the Review which has to be filled by the appraisee's manager and Part C is to be filled by Departmental/Functional head.
- b. Data for the quantitative part of the appraisal will be validated and provided by the manager/HR team to each employee.
- c. Each employee is eligible for an appraisal only if he/she has completed 90 days in the company.
- d. There are five possible ratings; Consistently below expectations (1), Below expectations (2), Meets expectations (3), Above expectations (4) and Consistently exceeds expectations (5).
- e. Criteria for rating for quantitative parameters is given below:
 - i. KRA Achievement 99% & Above Consistently exceeds expectations (5)
 - ii. KRA Achievement 90% to 99% Above expectations (4)
 - iii. KRA Achievement 80% to 89% Meets Expectations (3)
 - iv. KRA Achievement 70 to 79% Below expectations (2)
 - v. KRA Achievement 50 to 69% Consistently below expectations (1)
- f. The appraisee will be shown the rating post review and will sign the appraisal to confirm that he/she has been shown the rating given by the manager.
- g. The final rating may change based on the decision of the functional/department head who would review the ratings of all employees. The final rating will be communicated to all employees by their manager.

Personal and other details

Name		Designation	
Employee ID		Review Quarter	
Process/Function		Reviewer's Name	
Date of joining		Reviewer's Employee ID	

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Part A: Self Appraisal

1. KRAs Quantitative (weightage 100%)

KRAs	Weightage	Rating	Qualitative comments
KRA 1	15		
KRA 2	15		
KRA 3	15		
KRA 4	10		
KRA 5	5		

2. Overall Rating:

3. Qualitative inputs

a. Significant Achievements (top 5)

b. Development areas/Training Needs

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Part B: Manager Review

4. KRAs Quantitative (weightage 100%)

KRAs	Weightage	Rating	Qualitative comments
KRA 1	15		
KRA 2	15		
KRA 3	15		
KRA 4	10		
KRA 5	5		

5. Overall Rating:

6. Qualitative inputs

c. Significant Achievements (top 5)

d. Development areas/Training Needs

7. Feedback Provided

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8. Action Plan

Part C: Functional/Departmental head Review

9. Final Overall Rating:

The rating given by my manager has been communicated to me

Signature of Reviewer

Signature of employee

Compensation Policy

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Grade structure, Compensation and benefits: XYZ company

Compensation

1. XYZ Company compensation strategy is designed to ensure that it becomes an employer of choice and remains competitive in the XYZ Company market. Towards this end, the company would want to pay at about 65% (You can choose where you want to be in the market and change this number) percentile of the market as far as compensation is concerned. The company has unique business model in the geography, and it is important that the company pays at ABC percentile to enable it to attract the best talent while competing with other companies. The company would also want to provide benefits as per what is prevalent in the industry. In addition, the company has a policy of "Pay for performance" and the Merit Increase and bonus structure is based on rewarding employees for consistently stretching performance standards.
2. At XYZ Company the team members are broadly divided into four broad bands based on their role and responsibilities. The four basic gradations correspond to the following levels in the organization
 - a. Band 1: Team Members who are mainly individual contributors
 - b. Band 2: Team Members who lead a team or interact extensively with external stakeholders
 - c. Band 3: Heads of Departments
 - d. Band 4: Senior Leadership
3. The four bands are further subdivided into two sub bands each to differentiate team members for their skills, qualification and experience.
4. **Compensation structure:** The following parameters have been used to set the compensation for each of the bands
 - a. Market rates for each band as in per Compensation survey of 2019 (you can use any of the benchmarking surveys in the market (for key roles, market understanding (from Naukri other job portals and salary of prospective candidates in the company) and Job evaluation based on KRAs and roles and responsibilities.
 - b. The total compensation includes the following components:
 - i. Basic salary (from 30% to 50% of total compensation).
 - ii. Children education allowance (INR 200 per month per child up to 2 children).

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- iii. HRA (40% or 50% based on metro or non-metro city).
 - iv. Food coupons (INR 2167 per month is tax free).
 - v. Leave travel allowance (LTA) – as per government guidelines.
 - vi. Uniform allowance.
 - vii. Special allowance – balance amount can be provided as special allowance.
- c. In addition, the following statutory components also need to be part of the compensation structure:
- i. Provident fund – 12% of basic salary.
 - ii. ESIC – as per government guidelines.
 - iii. Bonus – 8.33% of basic salary.

Benefits

5. The company provides benefits which the team members' value and to increase the economic security of the employees while ensuring that it helps in team members' retention. The following benefits are provided by the company:
- a. Health insurance.
 - b. Life insurance.

Increments and Merit increase

6. To be eligible for a merit increase, a team member must be employed with at least three months of continuous service before the increment due date.
7. A team member whose pay is at the maximum of the salary range may not be granted an increase that would cause the base salary to exceed the maximum of the range for that position.

Determination of merit increase

8. The following factors are the basis for awarding merit pay to team members:
- a. The team member's performance as reported in the annual performance review.
 - b. The appropriate pay level within the range for the team member considering the team member's performance and performance of others in the range (Comparative ratio).
 - c. Pro rata based on amount of time employee has been part of the appraisal cycle.
 - d. Overall funds available for merit pay.

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- e. Recommendations of Manager, as approved by the head of department.

Review of merit increase

Merit increases will be based on the recommendation of the team member's immediate supervisor and the approval of the head of human resources.

Rewards and Recognition (R&R) and Career progression

1. **Objective:** The Rewards and Recognition (R&R) Policy of XYZ company is designed to encourage employees to give their best performance either individually or through team efforts. It also intends to build higher employee engagement level leading to increased job satisfaction.
2. The policy recognizes achievements and accomplishments of employees who exceed performance expectations to contribute to the objectives of their departments and ultimately to the overall objectives of the XYZ company.
3. **Applicability:** This policy is applicable to all the permanent employees of XYZ company.
4. The following awards will form part of this policy:
 - a. Employee of the month
 - This award will be given to the best performing employees in Band 1, on monthly basis.
 - The candidate will have to excel in the following criteria to be eligible to win this award
 - Target achievement
 - Regular attendance
 - Teamwork and co-operation
 - Nomination methodology: Team supervisors and managers will nominate the best performing employee to HR on 27th of every month. One employee from each department will be awarded as employee of the month.
 - Award type: Certificate + Box of Chocolates
 - b. Team player
 - This award will be given to the greatest co-worker as nominated by peers on quarterly basis.
 - The award can be given to any member belonging to the band 1, 2 and band 3 for excellent teamwork, intra or inter-department collaboration.
 - Nomination methodology: Any employee of XYZ company. (Band 1, 2 and Band 3) can nominate one of the co-workers for extraordinary support and teamwork during a particular assignment/project. These nominations will be

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assessed by HR head/manager Functional/departmental heads and Director and a maximum of one band 2/3 employees will be selected to receive this award on quarterly basis.

- Award type: Gift vouchers worth Rs 1500.

c. Best Manager

- This award will be given to the manager who displays the best leadership ability belonging to band 2 and band 3 on quarterly basis.
- The candidate will be selected on following parameters
 - Result driven attitude.
 - Best self and team performance.
 - People management ability.
- Nomination methodology: Functional/departmental heads and HR head/manager (along with inputs from Managers) will decide the name of the employee to be awarded with "Best Manager" award based on above mentioned criteria.
- Award type: Certificate plus Cash Prize of Rs 2000/-

d. Superstar of XYZ company: This award will be given to the one employee of XYZ company who has exhibited exceptional performance throughout the year.

- Nomination methodology: CEO and HR Director will decide the name of the employee to be awarded with "Superstar of XYZ company award"
- Award type: Certificate + Rs 5000/-

e. Kaizen award:

- This award will be given to the up to 4 employees of XYZ company who has played a significant role in the area of innovation and process improvements during the year.
- The candidate will be selected on following parameters.
- Outstanding contribution in
 - Implementing innovative ideas.
 - Process Improvements and automation.
- Nomination methodology: functional/departmental heads and HR head/manager will decide the name of the employee to be awarded with "Kaizen" award based on above mentioned criteria.
- Award type: Certificate a+ Rs 1500.

5. All the monthly awards will be distributed on the last Friday of every month.
6. All the quarterly awards will be distributed on last Friday of following months – March, June, September and December of every year.
7. Annual awards will be distributed either on the last Friday of the month of December or during annual function of the company

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Career Progression

General:

8. The Promotion Policy of the Company aims at providing and maintaining appropriate resources and environment for the effectiveness, efficiency and satisfaction of the employees and motivating them to apply and develop their abilities and capacities to achieve the objectives of the Company.
9. It will be the policy of the Company to provide its employees with appropriate opportunity, encouragement and career growth, consistent with their contribution to the growth of the Company, based on the following basic principles:
 - a) To ensure fairness, consistency and uniformity in the matter of promotion of employees in the Company.
 - b) To provide equality of opportunity in growth and career prospects.
 - c) *To create and sustain the morale of the employees by informing them of the kind of career promotion opportunities that exist in the Company and the basis of and the way such promotion will be affected.*

10. Purpose of Policy:

- a. To recognize and reward performance.
- b. To develop existing employees to meet the future needs of the organization.
- c. To improve organizational and functional effectiveness.
- d. To provide career opportunities and a clear personal growth path to the employees of the Company.

11. Applicability: *This policy shall be applicable to all regular employees on the rolls of the company.*

12. Promotions are possible in two ways:

- a. When a vacancy arises, the best suited employee would be elevated to the vacant position.
- b. When job scope gets increased in line with requirements and the employee has demonstrated consistently high levels of performance.

13. The policy caters to the following issues: -

- a. Time bound promotion across the board irrespective of the vacancy to recognize loyalty to the Organization.

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- b. Faster promotion for deserving employees based on performance to recognize efficiency and excellence.
 - c. Appropriate residency period in each grade to make the promotion ladder stable and yet attractive.
 - d. Adequate remunerative incentive between grades.
14. Any employee promoted to any of the grades will be under training/ observation for first six months. This period could be extended to one year in 3-monthly periods. After the training is over, he/ she will be confirmed in appropriate grade on the recommendation of the concerned HOD.
- 15. Promotion from one level to another shall be on the basis of: -**
- a. Overall performance and merit as assessed through performance appraisals.
 - b. Employee's ability to perform at higher level.
 - c. Having competencies for effective functioning at higher level.
 - d. Soft skills such as Communication, People Management, Leadership, Multitasking, and willingness to take additional responsibilities.
 - e. Performance: at least two 4 ratings (above average) out of last 3 annual appraisals.
16. Promotions will be declared in the month of May every year and it will be effective from 1st Jun. Depending on the business need promotions may happen more than once a year.
- 17. *This policy may undergo change from time to time.***