

Nova Company - Human Resources Policy Manual

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Policy Owner: Head of Human Resources (HR)

Approved by: Chief Executive Officer (CEO)

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31. Purpose and Objectives

This Human Resources Policy Manual sets out Nova Company's principles, standards and procedures for managing human resources across all India locations. The objectives are:

- To attract, retain and develop a high performing workforce aligned to company values and business objectives.
- To ensure fair, consistent, transparent and legally compliant HR practices across the employee lifecycle.
- To define roles, accountabilities and governance for HR processes.
- To promote a safe, respectful, inclusive and productive workplace.

This Manual contains mandatory policy statements. Operational procedures, forms and manager checklists are maintained separately in the HRIS or HR shared drive.

1. Scope and Applicability

This policy applies to:

- All employees of Nova Company India (full time, part time).
- Fixed term and contract employees directly engaged by the Company.
- Interns, apprentices and trainees engaged under written agreements.
- Third party/vendor/agency workers working on Nova premises or under Nova direction (subject to vendor contract).
- Board members or executives where not governed by a separate agreement (unless explicitly stated otherwise).

Where there is a conflict between this Manual and applicable law, the law prevails. State level Shops & Establishment rules and other local statutory provisions will be applied where relevant.

1. Policy Governance, Review and Amendments

- Policy Owner: Head of HR is responsible for interpreting, updating and implementing this policy.
- Review Cycle: Annual review or earlier in response to legislative change, major incidents or business transformation.
- Amendment Process: Material changes require HR leadership and CEO approval, and will be communicated to staff with updated training where necessary.
- Exceptions: Temporary exceptions must be documented, justified, and approved by Head of HR. All exceptions are time bound and reviewed regularly.

1. Definitions and Abbreviations

- Employee: Any person on Nova payroll.
- Probation: Initial assessment period following joining.
- EL: Earned / Privilege Leave.
- CL: Casual Leave.
- SL: Sick Leave.
- POSH: Prevention of Sexual Harassment at Workplace Act and rules.
- HRIS: Human Resources Information System.

(Complete glossary available on request.)

1. Roles & Responsibilities

- Head of HR: Policy owner, HR strategy, compliance oversight.
- HR Business Partners: Recruitment, employee relations, HR operational delivery.
- Line Managers: Performance management, approvals, escalation, people development.
- Employees: Compliance with policy, timely communication of issues, professional conduct.
- Legal & Compliance: Support on statutory matters and internal investigations.

1. Employment Types and Workforce Classification

6.1 Employment Categories

- Permanent / Regular employees: Engaged on an ongoing basis and eligible for full benefits and statutory contributions.
- Fixed term employees: Engaged for a defined period; benefits and entitlements defined in contract.
- Contract / agency workers: Employed by third party vendors; vendor responsible for statutory compliance; Nova sets minimum contractual standards.
- Interns / Apprentices: Time bound engagements with defined scope and limited benefits.
- Consultants / Contractors: Engaged under service agreements with defined deliverables.

6.2 Employment Records

A personnel record (electronic and/or physical) will be maintained for each employee containing appointment letters, statutory forms, identity verification, educational documents and other onboarding documentation.

1. Recruitment, Selection and Background Checks

7.1 Recruitment Principles

- Equal opportunity employer: hiring based on merit, competency and organizational need.
- All hires must follow an approved requisition and budgeted headcount process.

7.2 Selection Process

- Standard process: requisition → shortlisting → interviews → reference/background checks → offer.
- Interview panels should include at least one HR representative and should aim for fairness and diversity.

7.3 Pre employment Checks

- Background verification (identity, employment, education, criminal checks where permissible) is mandatory and conditional to the offer.
- Candidate consent is required; adverse results may lead to withdrawal of the offer.

1. Offer, Appointment and Onboarding

8.1 Offer Letters and Employment Contracts

- Formal written offers outline position, compensation, probation, notice period, confidentiality and statutory terms. Verbal offers are not binding.

8.2 Onboarding

- HR manages document verification, statutory registrations (PF/ESI where applicable), IT and security provisioning, orientation and mandatory trainings within the first 30 days.

8.3 Induction

- Managers must conduct structured 30/60/90 day reviews and provide feedback on performance and fit.

1. Probation, Confirmation and Probation Extension

9.1 Probation Period

- Standard probation is 6 months unless contract specifies otherwise.

9.2 Confirmation

- Confirmation is subject to satisfactory performance and HR/manager sign off.

9.3 Extension

- Probation may be extended up to 3 months for documented reasons with written notification.

1. Working Hours, Attendance, Overtime and Flexi work

10.1 Working Hours

- Standard office hours and shift patterns will be notified by location. Core hours and flexible models may apply as per team arrangement.

10.2 Attendance

- Attendance is recorded via the HRIS/attendance system. Manipulation or fraudulent reporting is misconduct.

10.3 Overtime and Compensatory Off

- Overtime for non exempt staff is compensated per statutory rules or provided as compensatory time off with manager pre approval except in emergencies.

10.4 Flexible & Remote Work

- Hybrid and remote work arrangements may be allowed subject to role suitability, manager approval and operational needs.

1. Leave, Holidays and Time off Policies

11.1 Annual Holiday Calendar

- An annual holiday calendar listing national and local holidays will be published for each location.

11.2 Leave Types & Entitlements (typical framework)

- Earned / Privilege Leave (EL): accrual and carry forward rules defined locally (e.g., 18 days/year with carry forward cap).
- Casual Leave (CL): short notice personal leave (e.g., 8 days/year).
- Sick Leave (SL): medical leave entitlement (e.g., 12 days/year); medical certificate required for extended absence.
- Maternity Leave: as per Maternity Benefit Act (current statutory entitlements apply).
- Paternity Leave: company provides paid paternity leave per policy (e.g., up to 15 working days).
- Bereavement / Compassionate Leave: paid leave for immediate family bereavement (e.g., up to 5 working days).
- Unpaid Leave and Sabbaticals: discretionary and subject to approval.
- Other statutory leaves: adoption, surrogacy, etc., per law.

11.3 Leave Administration

- Leaves to be applied via HRIS or prescribed form with adequate notice. Emergency leave should be communicated promptly.

1. Compensation, Payroll and Benefits Administration

12.1 Salary Structure

- Salaries comprise fixed and variable components; breakdown provided in appointment letter.

12.2 Payroll

- Salaries paid on scheduled dates by bank transfer after statutory deductions; payslips issued electronically.

12.3 Increments and Bonuses

- Annual increments and variable pay determined based on performance, market benchmarks and business performance.

12.4 Advances and Loans

- Salary advances in emergencies can be provided subject to approval and repayment terms.

1. Statutory Compliance (India)

13.1 Overview

- Nova complies with applicable Indian employment laws (EPF, ESI, Gratuity, Payment of Wages, Shops & Establishment, POSH, Contract Labour Act where applicable, Income Tax).

13.2 PF & ESI

- Deductions and employer contributions processed per prevailing statutory rates. Employees will receive PF account details and contribution statements.

13.3 Gratuity

- Gratuity as per Payment of Gratuity Act for eligible employees (generally after 5 years of continuous service).

1. Performance Management, Promotions and Increments

14.1 Performance Cycle

- Annual performance reviews with periodic check ins and mid year reviews.

14.2 Appraisals and Ratings

- Process includes self assessment, manager review and calibration. Ratings influence promotions, increments and variable payouts.

14.3 PIP

- Underperforming employees may be placed on a Performance Improvement Plan (PIP) with defined objectives and timelines.

14.4 Promotions and Transfers

- Promotions based on merit; internal transfers subject to line manager and HR approval.

1. Learning, Development and Career Progression

15.1 Training

- Induction and mandatory compliance trainings offered; role based technical and soft skills training supported.

15.2 Career Development

- Employees encouraged to seek development opportunities; high potential employees included in succession planning.

1. Code of Conduct, Ethics and Conflict of Interest

16.1 Code of Conduct

- Employees expected to act ethically and professionally; fraud, falsification of records, theft and misuse of company property are strictly prohibited.

16.2 Conflicts of Interest and Gifts

- Employees must disclose conflicts of interest and must not accept gifts that could influence business decisions beyond nominal thresholds.

1. Prevention of Sexual Harassment (POSH)

17.1 Policy Commitment

- Nova provides a workplace free from sexual harassment in line with the POSH Act.

17.2 Internal Complaints Committee (ICC)

- An ICC is constituted in accordance with the law. Employees can lodge complaints in writing; investigations are confidential and timely.

17.3 Training & Awareness

- Mandatory POSH training will be provided annually.

1. Discipline, Grievance Redressal and Whistleblower Protection

18.1 Disciplinary Process

- Discipline is applied proportionately, from counseling to termination depending on severity. Serious misconduct may result in summary action.

18.2 Grievance Mechanism

- Employees should raise grievances with their manager or HR. Unresolved matters escalate through HR for formal resolution.

18.3 Whistleblower Policy

- A secure channel exists for reporting unethical conduct. Retaliation against whistleblowers is prohibited.

1. Termination, Resignation, Exit Formalities and Final Settlement

19.1 Notice Periods

- Notice periods as per appointment letters and statutory norms (often 1–3 months depending on role).

19.2 Termination

- Termination may be for cause or without cause; due process followed for disciplinary or performance based terminations.

19.3 Resignation and Exit

- Employees must provide written resignation; knowledge transfer and handover must be completed. Exit clearance includes return of company property and access revocation.

19.4 Final Settlement

- Final dues processed within a reasonable timeline (target 30–45 working days) subject to statutory timelines.

19.5 Rehire

- Former employees may be rehired subject to eligibility and business requirement.

1. Employee Data Privacy, Records and Retention

20.1 Data Handling

- HR collects and processes personal data for employment purposes. Processing is limited, purposeful and compliant with applicable data protection obligations.

20.2 Access and Confidentiality

- Access to personnel records is restricted; HR will obtain consent if required for any processing outside normal purposes.

20.3 Retention

- Records retained per statutory requirements (payroll, tax records, etc.) and company retention schedule.

1. Health, Safety and Wellbeing

21.1 Workplace Safety

- Nova provides a safe working environment and complies with safety norms. Employees must follow safety procedures and report hazards.

21.2 Occupational Health

- Facilities for first aid; periodic medical checks for roles with health risks.

21.3 Wellbeing & EAP

- Access to Employee Assistance Programs and wellbeing initiatives available.

21.4 Emergencies

- Business continuity and emergency response protocols will be maintained and tested.

1. Employee Travel, Expenses and Relocation

22.1 Travel Approvals

- Official travel pre approved and booked per policy with preferred vendors.

22.2 Expense Claims

- Reimbursements require original receipts and submission via HRIS within timelines.

22.3 Relocation

- Company initiated relocation managed under relocation policy including support for transit, temporary accommodation and settlement assistance.

1. IT & Acceptable Use

- Employees must adhere to the Company's IT Acceptable Use Policy for email, internet, devices and data. Misuse may result in disciplinary action.

1. Non Compete, Confidentiality and Intellectual Property

24.1 Confidentiality

- Employees sign confidentiality obligations covering business information during and post employment.

24.2 Intellectual Property

- IP created during employment vests in the Company as per employment agreement and applicable law.

24.3 Restrictive Covenants

- Post employment restrictions (non compete/non solicit) may apply to certain roles and will be enforceable only to the extent permitted by applicable law.

1. Contract/Third party/Agency Workers and Interns

25.1 Agency Workers

- Vendors supplying manpower must comply with statutory provisions; Nova includes minimum contractual standards and audits vendor compliance.

25.2 Interns / Apprentices

- Interns engaged under agreements; stipend and responsibilities defined; not normally entitled to full employee benefits.

25.3 Consultants

- Consultants engaged under service agreements with clear deliverables, confidentiality and payment terms.

1. Employee Recognition, Rewards and Employee Engagement

26.1 Recognition Programs

- Formal recognition (spot awards, service awards) to encourage performance and engagement.

26.2 Engagement

- Pulse surveys, town halls and action plans to maintain employee engagement.
1. HR Systems, Reporting and Metrics
 - Employee data maintained in HRIS. Key metrics include headcount, attrition, time to hire, training hours, leave utilization and engagement scores. Dashboards shared with leadership periodically.
 1. Policy Enforcement and Sanctions
 - Violations of this Manual may result in disciplinary action. HR and Legal will advise on serious breaches. Employees may appeal disciplinary decisions through the grievance process.
 1. Annexures, Templates and Forms (available on request)
 - Standard templates (offer letter, resignation acceptance, PIP, leave forms, grievance form, and others) are maintained in HRIS and available upon request.
 1. References and Legal Framework
 - This Manual is guided by applicable Indian laws including but not limited to EPF, ESI, Payment of Gratuity Act, Maternity Benefit Act, POSH Act, Shops & Establishment Acts (state specific), Contract Labour Act (where applicable), Code on Wages and Income Tax laws. HR will maintain updated references and statutory guidance.

Implementation & Next Steps

- Publish the Manual on internal HR portal and circulate to all employees for acknowledgement.
- Conduct manager briefing sessions and employee awareness communications on key policies (POSH, code of conduct, leave, performance).
- Ensure HR operational procedures and templates are aligned with this Manual and accessible in HRIS.

Disclaimer

This Manual is an internal governance document and does not constitute a contract of employment. Individual employment terms are set out in the employment agreement. Where statutory entitlements differ from Company policy, statutory entitlements prevail.