

WHEREAS

The Engineer applied to the Company for the designation of Systems Engineer Trainee. Pursuant to such application, the Company appointed him/her as a Systems Engineer on the terms and conditions contained in the offer letter together with this Service Agreement, under which he/she is required to undergo training as may be determined by the Company;

AND WHEREAS the Engineer recognizes and accepts that at the time of appointment as Systems Engineer, except exposure to academic knowledge, he/she has received no formal, effective, technical or practical training to independently function as a Systems Engineer who is commercially viable to the Company;

AND WHEREAS the Engineer further recognizes and accepts that prior to and at the time of joining the Company, he/she has not been exposed to and, therefore, has not acquired any management or communication skills, which are essential to for performance of duties by the Engineer which meet the current business needs, parameters, standards and efficiency levels required by the Company;

AND WHEREAS consequently and in order for the Company to utilize the skills of the Engineer, the Engineer would need to undergo formal and extensive training in accordance with courses, modules and programmes prescribed or conducted by the Company;

AND WHEREAS the Engineer is aware that the Company would be expending substantial sums of money and incurring costs, expenses, man hours etc. in the process of selecting and appointing him/her as Systems Engineer and thereafter imparting training to such Engineer;

AND WHEREAS the Engineer recognizes and accepts that the Company would suffer substantial financial loss, inconvenience, loss of resources, man hours, computer time etc., in the event the Engineer fails to complete the training as prescribed hereunder and/or leaves the Company during the Service Period. In such event, the Engineer hereby agrees to reimburse and compensate the Company in the manner enumerated in clause 5 of this Service Agreement;

NOW THIS SERVICE AGREEMENT WITNESSES AS FOLLOWS:

1. The Engineer has been appointed as a Systems Engineer on training with the Company. The Engineer will undergo Foundation Programmed Training ("the FPT") as detailed in clause 3 of this agreement at the Company's location at Mysore, India which will commence on the Engineer joining the Company. The Service Period also includes the FPT period as detailed in Clause 3. If the Engineer takes leaves on loss of pay ("LOP"), such leave period shall not be included within the meaning of Service Period. The Engineer hereby acknowledges and agrees that his/her Service Period shall be extended by the number days of leave taken on LOP.
2. The Engineer shall be paid a total monthly fixed compensation of Rs.21,161/- As follows:
 - a) Basic Salary :Rs. 6,420/-
 - b) Dearness Allowance :Rs. 1,100/-
 - c) Basket of Allowances :Rs. 9,277/-
 - d) Personal Allowance :Rs. 2,935/-
 - e) Bonus / Ex-Gratia :Rs. 1,429/-

In addition to the monthly fixed compensation, the Engineer is also eligible for a training performance-linked incentive ("TPI"), upon allocation to a Practice Unit and based on the performance of the Engineer during FPT.



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3. The Engineer agrees to undergo training immediately upon joining. The objectives, methodology, content and evaluation procedures of the FPT are detailed in the assessment and evaluation policy which is available to the Engineer for inspection with the Education & Research ("E&R") department. The duration of the FPT would normally range up to a period of 23 weeks for Engineers with non-computer science background and 20 weeks for Engineers with computer science background unless otherwise expressly prescribed by the Company. FPT period will be determined by the Company on the basis of educational qualification of the Engineer at the time of entry into the Company and business requirements of the Company. The Engineer is expected to qualify in the FPT, which is intended to render him / her competent to undertake software development tasks that may be subsequently assigned to him / her. All modules of the FPT are compulsory.

Upon successful qualification in the FPT, the Engineer may, at the sole discretion of the Company, be deputed for On-the-Job training to a Practice Unit for such period as may be specified by the Company.

Notwithstanding any other provision, in certain cases, based on the business requirements of the Company, the Company shall depute the Engineer for "On-the-Job" training before undergoing or prior to completion of the FPT. However, within one year of the Engineer's date of joining the Company, the Engineer will be provided with the opportunity to undergo and complete the FPT.

4. Systems Engineer undergoing training is required to peruse the assessment and evaluation policy which is available with the E&R department. The content shall be presumed to be within the knowledge of the Engineer upon reporting for training.
5. The Engineer accepts, agrees and admits that the Company has incurred expenses and costs in the process of recruitment, such expenses being in the nature of advertisements, implementation of selection procedures, interviews, travel, etc. The Engineer is aware that in the event of his / her not completing the Service Period, the Company would, without option, be constrained once again to incur, similar expenses, which would be a direct result of him / her leaving the Company prematurely. The Engineer further accepts, agrees and admits that the nature, quality, intensity and content of training ("Exhibit A") to be imparted by the Company is not available or imparted by any other company of a similar nature. the FPT is designed to satisfy the exclusive requirements of the Company and that the opportunity to be trained in computers, with provision for exclusive working on computers is not available with or provided by any other company of similar nature. The Engineer is further aware that the Company would have earned considerable revenue by hiring out computer time instead of imparting such FPT training thereon to the Engineer. The Engineer admits and recognizes that the technical and management training involves substantial training costs, man hours, resource utilization and is the result of the Company's pro-active policies in encouraging leadership qualities.

The Engineer, therefore, agrees that in the event of his / her leaving the Company before completion of the Service Agreement Period with the Company for any reason whatsoever, he / she shall be liable to pay to the Company compensation / damages calculated as follows and / or reimburse all costs and expenses incurred in or connected with the training:



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- a. Fixed cost of **Rs. 23,000** which includes **Rs. 15,000** Recruitment cost and **Rs. 8,000** Training cost.
- b. 75% of fixed salary (Excluding PF and Gratuity) paid by the Company to the Engineer during the FTP period, which is calculated at **Rs. 529 per day** (Average calendar day per month is considered at 30 days. In case the Engineer resigns in middle of any month, the number of days worked in that month would be considered for calculating the % of salary amount deductible).
- c. 50% of Total computer time utilized is calculated at **Rs. 625 per day** (Average working day per month is considered at 22 days. In case the Engineer resigns in middle of any month, the number of days worked in that month would be considered for the calculation).
6. The Engineer, Company and Surety accept, agree and admit that the amounts calculated on the a forementioned basis is a genuine, fair and reasonable estimate of the damages, loss and expenses that the Company would suffer on providing training to the Engineer.
7. The Engineer agrees that he / she shall faithfully and diligently undergo and imbibe the training prescribed as per the FPT. The Engineer acknowledges that failure to complete the FPT successfully or leaving the Company within the Service Period shall mean and include:
 - a. Failure to complete FPT by being absent for any reason(s) whatsoever from the Company;
 - b. Leaving the Company for the purpose of higher studies, research, alternate employment, alternate training or any other purpose during the Service Period.
 - c. Dismissal of Engineer by the Company for any act of misconduct, indiscipline, absence, refusal to obey orders, breach of internal policies of the Company or unsatisfactory response of the Engineer during the Service Period.
8. The Surety hereby undertakes and accepts that his / her liability is co-extensive with that of the Engineer. The Surety shall be jointly and severally liable with the Engineer for payment of all amounts that may become due and payable under this Service Agreement. The Surety hereby acknowledges that he/she is aware and accepts the special nature and character of deputation of the Engineer as well as the manner of computation of damages / compensation enumerated in clause 5 of this Service Agreement. The Surety hereby agrees and accepts that the Company shall be at liberty to enforce this guarantee furnished by him/her without necessarily seeking to enforce the same against the Engineer in the first instance. The Surety hereby agrees and accepts that the Company shall be entitled to proceed either against the Engineer or Surety or both for recovery of any amounts due under this Service Agreement. The Surety hereby agrees and accepts that any demand made on the Engineer under this Service Agreement shall be deemed to be sufficient notice of such demand to the Surety also. The Surety and Engineer hereby state that they have entered into this Service Agreement voluntarily and after being fully aware of all legal consequences arising out of this Service Agreement. IN WITNESSES WHEREOF the parties have signed this Service Agreement on the date, month and year first above written before the following witnesses:



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WITNESSES:



WITNESS 1

COMPANY

WITNESS 2

ENGINEER

WITNESS 3

SURETY

NOTARY:

(Please tick the appropriate box and initial / sign against the chosen option)

- The Engineer has signed before me ☐
- The Surety has signed before me ☐
- The Engineer & Surety have signed before me ☐



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Exhibit A

The Foundation Programme Training (FPT)

The FPT may consist of several training modules (hereinafter the terms "module" and "programme" are used interchangeably).

Currently there are two training modules, namely:

- (i) Technical Training; and
- (ii) Management Skills Training

Technical Training further comprises of 2 distinct modules

- (i) Generic Stream; and
- (ii) Technology Specific Stream

All references to "Technical Training" shall include both Generic Stream and Technology Specific Stream.

I. Technical Training :

The Engineer would be required to undergo Technical Training in all or any of the following Company designed courses as a specified programme. The curriculum may be modified based on the Company's requirement from time to time. At present there are two modules (also called stream programmes) of technical training as enumerated below:

- a) Generic Stream Programme: programming principles, database concepts, quality systems concepts, computer hardware & S\software, UI design issues and other subjects.
- b) Technology Specific Stream Programme: mainframe systems or internet based systems or open systems or AS400 systems, stream project and other subjects.

II. Management Skills Training:

Every Engineer shall undergo pre-determined management skills programme during and as a part of the FPT. These programmes would cover communication skills and business skills and such other components as the Company may determine from time to time depending upon varying business requirements of the Company.

It is mandatory that every Engineer qualifies in the manner specified both in Technical Training and Management Skills Training. All evaluation criteria and training process / methodology shall be exclusively determined by the Company and may be reviewed by the Company from time to time.



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