



TOYOTA

INDUS MOTOR COMPANY LTD.



POLICY MANUAL

2023

Indus Motor Company

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ATTENDANCE

1. Attendance

Scope: All IMC Employees

Purpose:

The purpose of this policy is to describe the procedure of marking presence while on duty.

Policy:

In order to implement a uniform procedure for attendance record of its employees irrespective of their status, IMC has formulated this policy. The monthly salary of an employee will be based on his/her daily attendance during the month.

Procedure:

1. RFID or biometric will be made for all IMC employees.
2. The RFID card will bear details as per following specimen.

Front Side

Employee picture
Employee name
Designation
Department

Back Side

Emergency contact no
Blood group
Employee no

1. Each employee will swipe his/her card through card reader when the employee enters or leave the company's premises.
2. In case an employee leaves the work place or company's premises, he will swipe the card in the exit card reader / terminal.
3. Each employee will swipe his/her own card only.
4. All employees will attend their duty at the notified working hours.
5. The entries of attendance will be considered for the purpose of salary of an employee and any employee who fails to record his/her attendance will be treated absent.
6. In case of time recording system fails to operate due to any reason, alternate method of attendance will be used.
7. Employees who have to be on official duty outside the company's premises including overseas visits will be required to send an intimation to Human Resource Department a day prior through attendance portal to regularize their attendance. However, if such intimation is not sent a day prior then the Human Resource department must be informed on the same day or at least during the reconciliation period of attendance otherwise the concerned employee will be considered "absent".

Official Timings Of IMC:

- | | |
|-----------------------------------|----------------------|
| 1. General Shift (G Shift) | 07:30 am to 05:05 pm |
| 2. Morning Shift (A Shift) | 06:30 am to 04:05 pm |
| 3. Evening Shift (B Shift) | 04:20 pm to 01:55 am |

Shift timings are subject to change according to the business needs.

Late Attendance of Shifts (G, A & B)

- a) Employees who arrive late after the start of their respective Shifts (G, A & B) will be marked late.
- b) The late comers will be treated as (i.e.) for G Shift arrival after 08:45 will be treated as follows:
 - Employee who arrives late on four occasions in a month will be penalized by deducting their one day annual leave.
 - Employee who arrives late on six occasions or more in a month will be penalized by deducting their two day annual leave.
 - If employee does not have any quota of annual leave then one day Leave without pay will be deducted against four late arrivals.
 - If an employee continues to come late for three months and does not improve his/her attendance, action will be taken against such employee.
 - Those employees who have not completed one year and do not have annual leave quota, their leave will be deducted in advance from annual leave quota, and will be settled on allocation of annual leaves.
 - For newly joined employees, upon arriving late thrice, an advance leave will be deducted since, in the first year, they will not have their quota for annual leave.

Early departure:

The company discourages and does not appreciate early departure from work. Such requests, however, will be reviewed by the concerned departmental head and it would be solely on his/her discretion either to allow or disallow such cases of leaving the office / plant. In all cases, the following procedure will be followed.

Departure before lunch:

Employees will be required to apply for full day leave. Full day attendance incentive (where applicable) will also be deducted.

Departure after lunch:

Employees will be required to apply for half day leave. In case of two half days' leave, one day attendance incentive (where applicable) will be deducted.

In case of availing half-day leave, an employee will be required:

- i. To fill a Half-day leave application form or apply through attendance portal.
- ii. To produce and hand-over half day leave application form and personnel exit authorization to administration department for verification of authorized signature of concerned shop / department (for JEs and below).
- iii. AM & GL have to enter their exit details in the register at the main gate before leaving.
- iv. Security staff will separate the personal exit authorization & send to administration department

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whereas the half day leaves application form will be sent to human resource department.

Disciplinary action will be taken against the habitual absentees and late comers as per law and policy.

Attendance Incentive:

In order to maintain normal production and overall effectiveness, maximum man-hours are required. To achieve this objective, "Attendance Incentive".

(For NON-MANAGEMENT)

| | Grade | Attendance Allowance | Attendance Incentive |
|-----------------|-------|----------------------|----------------------|
| Jr. Team Member | G-1 | Rs. 400/= per month | Rs. 4100/= per month |
| | G-2 | | |
| Team Member | G-3 | Rs. 550/= per month | |
| Team Member- I | G-4 | Rs. 700/= per month | |
| Sr. Team Member | G-5 | Rs. 900/= per month | |

Full incentive will be paid for 100% attendance only

(For Apprentice Team Member)

| | Grade | Attendance Allowance | Attendance Allowance |
|-----|-------|----------------------|----------------------|
| ATM | A | Rs. 400/= per month | Rs. 2500/= per month |

Full incentive will be paid for 100% attendance only

Deduction of Attendance Incentive:

Deduction of attendance incentive will be made as follow:

- An employee who is absent for one day or on one day leave in a calendar month due to any reason / account, 10% of attendance allowance and 24% attendance incentive will be deducted.
- An employee who is absent for two days or on two days leave in a calendar month due to any reason / account, 20% of Attendance Allowance and 100% Attendance Incentive.
- An employee who is absent for three days or on three days leave in a calendar month due to any reason / account, 40% of Attendance Allowance will be deducted.
- An employee will not be entitled for the Attendance Allowance if he is absent for four days or more leave in a calendar month due to any reason/account.

(For Management)

| | Attendance Incentive |
|-----------------|----------------------|
| ATL, TL and GLs | Rs. 2500/= per month |

Deduction of Attendance Incentive:

Deduction of attendance incentive will be made as follow:

An employee who is absent for one day or on one day leave in a calendar month due to any reason 24% attendance incentive will be deducted and if absent for two days or on two days leave in a calendar month due to any reason 100% Attendance Incentive will be deducted.

Non-Deduction of Attendance Incentive:

Deduction of attendance incentive will not be made from the salary of an employee on the following occasions when an employee:

- i. Meets with an accident in the plant and remains absent on medical ground.
- ii. Remains absent due to an extensive/complete strike in the city where no transport is available.
- iii. Avails his/her Annual Leave maximum three times during a fiscal year.
- iv. Leave availed on account of Shut-Down and on Non-Production Days (NPDs).

Best Attendance & CEO's Award:

All permanent employees (JE & Below) including Apprentice Team Members, who have completed one year of employment, will be considered for Best Attendance Award and those who have completed three years of employment will be considered for CEO's awards.

- Best attendance award in a fiscal year (i.e. from July 1 to June 30).
- CEO's award to those who have received best attendance award in last two consecutive fiscal years and current year (i.e. from July 1 to June 30).

Qualifying criteria:

- Eligible Apprentices and permanent employees (Jr. Executive, Team Leader, Assistant Team Leader and Team Members) those have completed One Year in IMC.
- No sick and causal leaves (with pay or without pay during the fiscal year).
- Planned annual leave for three times in fiscal years are condoned.
- Special Leaves and NPDs Leaves are condoned.
- Strike leaves are condoned, where transport is not available.
- Must have secured three consecutive best attendance award (for CEO's award).

Prize /Award:

A certificate of appreciation will be given to qualified employees under signed by functional head and HR Head.

- For Best Attendance Prize / Gift, value of prize is Rs.22, 500.
- For CEO Prize / Gift, value of prize is Rs.30, 000.



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IMC WORKING HOURS

2. Working Hours

Scope: All IMC Employees and Trainees working at Plant.

Purpose:

The purpose of this policy is to define the normal IMC workdays, work weeks and working hours observed by IMC.

IMC normal working hours:

Key:

G for General Shift Staff (7:30 am to 5:05 pm)

A for Morning Shift Staff (6:30 am to 04:05 pm)

B for Evening Shift Staff (4:20 pm to 01:55 am)

| DAYS | Shift | STARTING | Lunch/Dinner Break | Tea Break | | Weekly Working Hours |
|-------------------------------|--------|----------------------|-----------------------|--------------|--------------|---------------------------------|
| | | | | 1st | 2nd | |
| Monday to Thursday & Saturday | G | 07:30 am to 05:05 pm | 01:15 pm to 01:45 pm | - | - | 43.5.Hours excluding break time |
| | A | 06:30 am to 04:05 pm | 11:50 am to 12:20 pm | 08:45 ~ 9:00 | 02:00 ~02:15 | |
| | B | 04:20 pm to 01:55 am | 08:30 pm to 09:00 pm | 06:20~06:35 | 11:00 ~11:15 | |
| Friday | G | 07:30 am to 5:05 pm | 12:45 pm to 02:30 pm | - | - | |
| | A | 06:30 am to 04:05 pm | 12:30 pm to 01: 00 pm | 08:45 ~ 9:00 | 02:00 ~02:15 | |
| | B | 04:20 pm to 01:55 am | 08:00 pm to 08: 30 pm | 06:20~06:35 | 11:00 ~11:15 | |
| Saturday | Closed | | | | | |

The management may decide to make changes in normal working hours shown above table which will be notified to all employees.

In view of operational requirements, some employees are required to work in different shifts other than above. In such situation, department / section manager is required to inform the HR & Administration, However the department / section manager will ensure that total normal weekly working hours are completed by every employee.



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LEAVE

3. Leaves

Scope: All IMC Employees

Purpose:

The purpose of this policy is to define the entire scope of the leaves allowed at IMC and the conditions attached.

Eligibility:

For leave benefits, the employee is required to contact and notify his/her Sectional Head (not below the rank of Dy. Manager) that he/she is unable to work. Failure to notify in time may void the benefit of leave.

ANNUAL LEAVES

The company grants leave with pay on planned basis to its permanent employees on completion of one-year continuous service. Every eligible employee is allowed annual leaves with pay for each completed year of service in the following manner:

| Category | Annual Leave Quota | Leave Status |
|------------------|--------------------|---------------|
| Management | 21 | Working days |
| Non - Management | 14 | Working days |
| ATM | 15 | Calendar days |

Accumulation of Leaves

For Management:

- Annual leaves shall be availed within the same fiscal year, without continuing to the next fiscal year.
For example:

Leaves applied for: 10 days in total in the last week of June (25th June till 5th of July)

Leaves to be adjusted in the quota of same fiscal year: 5 working days of June (25th June till 30th June)

Leaves to be adjusted in the quota of next fiscal year: 5 working days of July (1st July till 5th July)

- Employee shall apply for leaves at least two weeks prior to the departure.
- Employee will be entitled to accumulate a maximum of 42 days.
- All annual leaves in excess of 42 days as per the entitlements will lapse and will not be encashed.
- Annual leave carry-over beyond 42 days will be allowed only in exceptional cases on the specific approval of CEO.
- In case of separation, till the employee's last working day, all remaining annual leaves that have not lapsed will be encashed. Also, full credit will be given for the month (after 15 days) in which the services are separated.
- Encashment of leave will be made at the monthly gross salary excluding Medical, Lunch and Conveyance Allowance.

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- The next year's leave entitlement will be calculated on the basis of fiscal year, which closes on June 30, each year.

For Non – Management (Team Member):

- Employee will be entitled to accumulate a maximum of 42 days.
- All annual leaves in excess of 42 days as per the entitlements will be encashed at the end of fiscal year.
- In case of separation, till the employee's last working day, all remaining annual leaves that have not lapsed will be encashed. Also, full credit will be given for the month (after 15 days) in which the services are separated.
- Encashment of leave will be made at the monthly gross salary excluding attendance incentive and medical allowance.
- The next year's leave entitlement will be calculated on the basis of fiscal year, which closes on June 30, each year.

For Apprentice Team Member:

- Employee will be entitled to accumulate a maximum of 45 days.
- All annual leaves in excess of 45 days as per the entitlements will be encashed at the end of fiscal year.
- In case of separation, till the employee's last working day, all remaining annual leaves that have not lapsed will be encashed. Also, full credit will be given for the month (after 15 days) in which the services are separated.
- Encashment of leave will be made at the monthly gross salary excluding attendance incentive and medical allowance.
- The next year's leave entitlement will be calculated on the basis of fiscal year, which closes on June 30, each year.

Advance leave:

Advance leaves can only be entitled to those employees who have no annual leave quota can get advance annual leaves in special cases such as:

1. Own Marriage
2. Educational Examination
3. Death of Relatives
4. Hajj

These, however, can only be approved by divisional heads. In case the employee leaves the company before the year completes, the annual leave availed will be adjusted against his/her final settlement.

Special leave:

Employee who has an accident during employment will get special leave according to the conditions mentioned below:

1. 100% special leave on accident during working at IMC.
2. 100% special leave on accident while arrival / departure to IMC through IMC transport.

Other than the above cases, request of special or Advance leave will be considered on case to case basis with the recommendation of department head and approved by HR Head.

CASUAL LEAVE
(For ATMs & Team Members only)

The company grants 10 days leave with pay only for its Team Member & ATM for each fiscal year.

| Category | Casual Leave Quota |
|------------------|---------------------------|
| Management | 0 |
| Non - Management | 10 |
| ATM | 10 |

Casual leave is allowed when prior approval of the supervisor has been obtained at least one day before commencement of leave. However, in case of emergency, the employee is required to send a message or inform his/her supervisor on telephone for not attending duty and submit his/her leave application on the day he/she resumes his/her duty.

Casual Leave is not allowed for more than three days at a time and in conjunction with any other leave or holiday. Un-availed casual leaves are encashed at the end of fiscal year.

SICK LEAVE

The company grants sick leave with pay to its permanent employees & ATM for each fiscal year. An employee is eligible for sick leave if he contacts and notifies the Supervisor regarding the sickness and inability to work.

| Category | Sick Leave Quota |
|------------------|-------------------------|
| Management | 10 |
| Non - Management | 16 |
| ATM | 10 |

Sick Leave for more than three days requires a medical certificate issued by a registered medical practitioner. Un-availed Sick Leave is encashed at the end of the fiscal year for Non-Management, Jr. Executive, and Team Leader & Assistant Team Leader.

For Assistant Managers and above, sick leaves can accumulate to a total of 30 leaves after which the excess leaves will lapse.

The company has the authority to reject any medical certificate and direct the employee to be examined by a physician/Doctor of its choice. The decision of the Company in this respect will be final and binding on the employee.

MATERNITY LEAVE

Eligibility of Maternal benefits:

Benefits are available for all female employees under maternity benefits act 2018.

Mandatory maternity leave:

Employees will inform the company / HR through a written application 12 weeks before the expected date of delivery. An employer must be granting a mandatory maternity leave to a working woman during pregnancy in following order.

1. Four weeks before the expected date of delivery.
2. Twelve weeks after the delivery.

Additional maternity leave:

- Miscarriage: In case of miscarriage, there will be a one week of paid leave
- Still-born: In case of still-born there, will be paid leave of 4 weeks.
- Premature delivery: There will be paid leave of 16 weeks in case of premature delivery, leave will commence since day of the birth of premature neonate.

Conveyance facility for female staff during pregnancy:

- IMC will provide additional conveyance facility to its female employee during pregnancy.
- Employee who are expecting can ask for conveyance facility from Human Resources department 12 weeks before the expected date of delivery.
- Conveyance facility will not apply during maternity leaves.
- Cost of conveyance facility should be charged to the respective department.



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OVERTIME

4. Overtime

Scope: All Management and Non-Management employees at IMC

Objective:

The objective of this policy is to define the method of overtime working and to prescribe rules for compensating those who are engaged to work on overtime.

Propose:

Employees may occasionally be required to work overtime to meet an exigency of work or any sudden change in work schedule. The Company's attempt to maintain a lean and flexible organization may also necessitate occasional extra working by its Staff Members, by maintaining these "effective" levels of employment, the Company believes that it can encourage long-term employment for all its employees.

Scheduling of overtime:

- The supervisor will be responsible for scheduling all overtime hours. Prior to working overtime, an employee will receive the approval of his/her Group Leader/Assistant Manager.
- The concerned employee will be intimated as soon as possible if he is required to work on overtime.
- Employees required to work on Weekly/Gazetted holidays will be informed before the end of their regular working hours of the previous day.
- Overtime of a particular month will be paid with the next month's salary. For example, the overtime from 15th Jan to 16th Feb will be paid with the salary of February.

Free meals for plant premises:

- Employees working for more than three hours on normal working days/Holidays observed by IMC will be provided free meal from canteen/outside by the Administration.
- Breakfast will also be provided to those employees who perform their duty during night and their duty timings exceed 8 hours.

Calculation of overtime:

(for Non – Management Staff)

- Overtime of an employee will be calculated on the basis of two times of an employee's pay for all hours worked in excess of specified working hours on working day and on Weekly/Gazette Holidays.
- Apprentice Team Members when required to stay for extra training hours will be paid extra stipend.

Calculation of Overtime of Non-Management:

Formula

$$\text{Overtime Rate} = \frac{\text{Monthly Pay} \times 2}{225}$$

Overtime Payment = Additional Hours x Overtime Rate.

Where Additional Hours = Hours exceeding Normal Daily Working Hours.

Monthly pay includes:

- | | |
|-------------------------|---|
| 1. Basic Salary | 7. COLA - 98 |
| 2. House Rent Allowance | 8. Attendance Allowance |
| 3. Conveyance Allowance | 9. Indexation Allowance |
| 4. Medical Allowance | 10. Washing Allowance |
| 5. Lunch Allowance | 11. SESA Allowance |
| 6. COLA | 12. Adjustment to Min Wage/ (Special payment for ATM) |

Calculation of Overtime of Management:

For AMs, JEs & GLs:

(Compensatory leave includes)

Formula (per day)

$$\frac{\text{Basic Salary} + \text{House Rent} + \text{Utility Allowance}}{30}$$

For ATls & TLs:

Compensatory leave will be made @ 1.5 times and the component includes:

Formula

$$\text{Basic Salary} + \text{House Rent} + \text{Utility Allowance} / 30 * 1.5$$

For Management Staff – (General Shift):

On performing overtime hours on working days, overtime for management staff in G shift will be calculated on a weekly basis (Minimum 2 hours in a day). After 9 hours of overtime have been accumulated in a week, one day compensatory leave will be added in the leave account of the employee through the system which can only be availed in the next 15 days.

On performing overtime in off day's calculation of payment will be made as shown above.

For DM & Managers:

If performing overtime on off days, DM & Manager will be entitled for one day compensatory leave valid for the next 15 days.

Fractions of hour:

- Overtime performed for more than 30 minutes and less than 45 minutes will be considered as half an hour.
- Overtime performed for more than 45 minutes will be considered as an hour.
- Overtime of less than 30 minutes will not be considered for overtime payment.
- Overtime performed in a calendar month will be accumulated i.e. (hours + total minutes); minutes in addition to the total hours will be treated in accordance to the aforesaid clauses (1), (2) and (3).

Example

| Days | Hours | Minutes |
|-------|-------|---------|
| 1 | 03 | 22 |
| 2 | 09 | 23 |
| 3 | 08 | 16 |
| 4 | 07 | 22 |
| Total | 27 | 83 |

In this case accumulated Overtime hours are 28:23. OT payment will be made only for 28 hours; 23 minutes will not be considered for OT payments.

Overtime monitoring:

- As per existing system, all employees will swipe cards on arrival and departure.
- All employees staying back for OT will swipe card on departure also. This will be mandatory to claim OT.
- If any employee forgets to bring / swipe the attendance card he would inform HR the same day through time keeping system duly approved by departmental head or biometric system, however it is envisaged that such cases will be minimal.
- HR will be informed in advance by the line management if any change is made in the shift (I.e. Shift "A" to "B" or "G") other than the planned changes for the entire shifts
- For outdoor duty, if any, the concerned departmental head will send intimation to HR accordingly on the same day.
- Line management will continue to co-ordinate with Admin for Transport, Meals, Logistics, Security and all other matters as previously done.
- In case of card swiping machine failure, Line Manager (GL/TL) will administer OT through Time Keeping System. However, all relevant data will be sent to HR on the same day for necessary records and actions. HR will scrutinize the same for compliance to rules and pass on the same to payroll.



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LEAVE FARE ASSISTANCE

5. Leave Fare Assistance

Scope: All permanent Non-Management employees.

Purpose:

The Company encourages its employees to spend their annual vacation away from their place of work for enjoying and relaxing themselves.

Keeping in view the concept, the company provides financial assistance in order to meet the expenses incurred towards traveling etc.

Eligibility:

LFA will be equivalent to 10% of annual basic salary as prevalent at the time of completion of one-year continuous service from the date of joining and will be synchronized with the fiscal year thereafter by adding LFA on prorata basis.

Procedure

- Request for LFA will be made along with the annual leave application not less than five (5) days in accordance with the departmental leave schedule.
- Encashment of LFA (if due/outstanding) will also be payable if an employee wishes to proceed on leave but he/she is not allowed to proceed by his/her Departmental/Divisional Head due to any reason whatsoever.
- In case an employee's family wishes to proceed on vacation and the employee is unable to accompany the family due to any work emergencies, he/she will be allowed payment of his/her LFA (if due/outstanding) on his/her request.
- The approved request for the leave and LFA will be forwarded to Human Resource department.
- HR will verify the payment of LFA for the year and advise Finance for payment of LFA.

Rules:

- LFA will become due on completion of one year's service with the company from the date of joining. Employee may avail this LFA while proceeding on leave between this date (the date on which he completes his/her one-year service) and the next 30th June of coming year.
- The second LFA entitlement will be calculated on the basis of IMC's accounting year (i.e. 30th June) each year. This means that the LFA entitlement will be calculated on prorata basis for the period in which he completes his/her first year & the next 30th June. This amount may be drawn upon by the employee any time during the next financial year (i.e. 30th June) on request.
- Subsequent LFA will become due as per standard IMC financial year (i.e. 1st July to 30th June) and can be drawn by the employee during 12 months. Normally LFA will be paid when an employee proceeds on annual leave, however he may be paid his/her LFA on request without availing leave if his/her annual leave has been refused.
- At the start of the fiscal year, i.e. July, an employee is entitled to his/her LFA.
- The first 12 months, LFA will be calculated at the basic salary when the LFA becomes due.
- The next year's LFA will be calculated at the basic salary prevailing during the period.

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- For all subsequent year's LFA, the amount will be paid at the basic salary prevalent for the period for which LFA is being paid (i.e. the salary as on 30th June).
- If an employee has completed one year service in the company before June 30, he will be allowed to draw his/her advance LFA any time during the next financial year. In case such an employee leaves the organization before completion of the financial year, prorated deduction of LFA will be made from the final settlement. In case the employee has not availed his/her LFA earlier, he will be paid his/her LFA along with his/her final settlement at the time of his/her departure.



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RECRUITMENT AND SELECTION

6. Recruitment & Selection

Scope: This policy is applicable to the hiring of all management and non-management positions in IMC.

Purpose:

To outline a standard process to be followed for recruiting employees at IMC.

Recruitment Process (Management & Non-Management):

1. Personal Requisition Form

To be approved by Head of Department and submitted to HR. Other approvals may be sought as per HR discretion.

2. Sourcing of profiles / CVs

Various sourcing platforms may be used depending on HR's strategy which includes website, social media, newspaper, head-hunter, etc.

3. Shortlisting applications (CVs)

CVs will be shortlisted based on the required criteria.

4. Evaluation of candidates

Depending on HR's strategy the candidates can be evaluated using written test, interviews, or any other tools deemed necessary.

5. Verbal offer

The selected candidate will be made a verbal offer after the offer has been proposed by the Compensation & Benefit function and approved by the Head of HR.

6. Pre-employment medical examination

All candidates must go through a pre-employment medical examination from the designated laboratory.'

7. Offer letter and joining

The offer letter will be shared with the selected candidate once the medical is cleared. After which a joining date will be agreed on.

Recruitment Process for Apprentices:

1. Hiring request from Department

The concerned department will make a request to HR for hiring of Apprentices through email. It may be agreed, in advance, between HR and the concerned department to hire Apprentices regularly considering the manpower shortfall.

2. Sourcing of profiles / CVs

Various sourcing platforms may be used depending on HR's strategy which includes website, social media, newspaper, head-hunter, etc.

3. Shortlisting application (CVs)

The eligible candidates are shortlisted and invited for the next step.

4. Evaluation of candidates

Candidates are evaluated through written test and interviews.

5. Pre-employment medical examination

All candidates must go through a pre-employment medical examination from the designated laboratory before they can be hired.

6. Joining

The selected candidates are informed about the joining date where relevant documentation is completed. Their stipend will be fixed and may be revised by HR if need be. After joining they go through a 3 month Fundamental Skills Training (FST) that is managed by the Training Center.

7. Confirmation of ATM

After successfully completing the FST, the ATMs may then be confirmed on payroll where their 3 years Apprenticeship period will start.

Employment of Relatives:

Hiring of blood relatives (brothers, sisters and children) is not encouraged. However, exception can be made, after CEO or Head of HR's approval, if there is no conflict of interest between the two relatives and they are not working in the same department.

Employment of Staff from HOH/ Group Companies:

No serving employee or ex-employee of HOH and other Group Companies will be offered a job in IMC unless prior NOC from the concerned company is obtained and only after the approval from the Group Head of HR (HOH).

Employment of dealers /vendors staff:

No employee of dealers/ vendors will be offered a job in IMC unless prior NOC is obtained from the concerned company and only after the approval of CEO.

Hiring of Ex-Employees:

Hiring of ex-employee will be subject to his/her past performance, attendance and attitude. For Non-Management staff Head of HR will make final decision of rehiring. For all Management positions, CEO's approval will be required.

Probation of Employees:

All new hired employees must go through a probationary phase in which their performance will be thoroughly evaluated. At the end of the probation duration, the concerned line manager and departmental head will evaluate the performance of the probationer on the prescribed form and submit it to HR. The probationer can either be confirmed, terminated or the probation period could be extended as per following table.

| Level | Probation Duration | Extension (maximum) |
|--------------------------------|--------------------|---------------------|
| Management (JE & Above) | 6 months | 3 months |
| Management (Trainee) | 1 Year | None |
| Non – Management (Team Member) | 3 months | As per Law |
| Apprentice Team Member | 3 months | None |

- At the completion of the probation, HR will issue either:
 - Confirmation letter
 - Extension letter
 - Termination letter



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**MANAGEMENT TRAINEE
& TRAINEE ENGINEER**

7. Management Trainee & Trainee Engineers

Scope: All Trainees - Business & Engineering graduate.

Purpose:

To hire graduates from Management, Engineering and other professional Institutions, impart training and after evaluation induct them in IMC against approved positions.

Procedure/ Entitlement:

- HOH will conduct a recruitment drive for all the universities.
- After following the standard hiring procedure, candidates will be offered training for 1 year as Management Trainee or Trainee Engineers.
- An orientation program would be conducted for each trainee.
- Leave will be allowed as per company policy.
- Benefits such as Leave Fare Assistance, Bonus, PF, Loans, etc, normally allowed to permanent employees, are not allowed to Trainees.
- However, medical coverage, group life insurance, subsidized lunch and transportation as per rules of the company will be available to trainees.
- During the training period, the trainee will receive a fixed stipend which will be determined at the start of the training period.
- Each trainee may go through multiple rotations in different department. At the end of each rotation the supervisor will evaluate the performance of the trainee and send feedback form to Human Resources.
- After completion of 1-year training period the trainee may be confirmed as a permanent employee against an available position.

ACCA TRAINEE PROGRAM & ICAEW QUALIFICATION

8. ACCA Trainee Program & ICAEW Qualification

Scope: All ACCA students/affiliates inducted through the ACCA Trainee program.

Purpose:

To attract, train and retain the best ACCA students/affiliates so they become a source of a good talent pool. The policy outlines the various entitlements of the ACCA Trainee and also the process to be followed to induct them.

Hiring Process:

The ACCA Trainee recruitment will be conducted via the following process:

1. Personal Requisition will be raised by the concerned department in case of a requirement.
2. A job ad will be posted at various platforms to gather applications.
3. CVs of candidates who have cleared at least 9 papers will be shortlisted.
4. A written test will be conducted.
5. At least one interview will be conducted.

Terms & Conditions:

- The ACCA Trainee will be hired on contract which will be for a period of 24 months from the date of joining.
- On completion of 1 year of training, performance review will be conducted by the departmental head for each trainee and then shared with HR.
- On completion of 24 months, performance of the trainee will be evaluated by the concerned department and then shared with HR.
- The trainee may be recommended to be confirmed as an Assistant Manager-I in any department subject to the fulfillment of the following conditions:
 - Satisfactory performance evaluation
 - Achieved the status of ACCA Affiliate (all papers passed)
 - Availability of a vacancy
- In case any of the above-mentioned conditions are not met, the trainee's contract can be extended by maximum 6 months. After which he/she may either be confirmed or released.
- Those trainees who are hired part qualified, will be entitled to a salary increase on achieving ACCA Affiliate status.
- An ACCA Trainee who has attained 1-year experience in IMC and also an ACCA Affiliate status will be entitled to a salary increase.
- Any salary increase arising due to the conditions mentioned above will be effective from the first day of the next month in which the change took place.

Entitlements:

An ACCA Trainee during their tenure will be entitled to the following benefits:

- Fixed stipend
- Paper preparation leaves of 7 days per paper (maximum 15 days for each attempt)

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- Sick leaves up to 10 days per year will be allowed
- 50% reimbursement of examination fee, in case it is cleared in first attempt
- 50% reimbursement of ACCA subscription fee per annum
- Bonus after 1 Year of service
- As IMC is registered with ICAEW, ACCA Trainees while working at IMC can pursue ICAEW qualification

Certification: Terms & Conditions of ICAEW:

ICAEW Certificate will only be issued on completion of 3 years of service in a ICAEW registered firm. IMC was registered on 3rd June, 2014.

- In case employee leaves IMC (ICAEW registered company) before completion of ICAEW, he/she may receive an experience letter for the tenure served.

Cost:

IMC will support in bearing the Registration Cost as per following:

- For Permanent Employees: Payment of Registration Cost for 5 employees per year.
(In case of more than 5 applicants, selection will be based on service years)
- For ACCA Trainees: Reimbursement of Registration Cost on completion of successful 3 years with IMC.

For papers, employees and trainees will have to bear the cost by themselves which will not be reimbursable by IMC.

This policy is effective 1st October, 2022.

PROJECT TRAINEE

9. Project Trainee

Scope: This policy is applicable to all department heads hiring for project trainee at IMC.

Objective:

- Mutually benefit IMC with cost effective additional resources and educational support to the candidate by providing practical experience.
- A means of identifying potential candidates for careers with IMC.
- Support for Department requiring temporary manpower for timely project execution.

Purpose:

To define the criteria of hiring fresh graduates as project trainees, keeping in view the temporary manpower requirement by different departments for timely execution of multiple projects and kaizen activities.

Criteria:

- Project Trainee / Temporary Resource will only be allowed where the project timeline is at least 4 months.
- Project trainees will be recruited based on business requirement approved by Divisional Head and Head of HR along with the project timelines and job description.
- The selection process will comprise of interview as per the recruitment matrix for Assistant Managers.
- At the end of the training period, each trainee will present a project report to their line manager, department head and HR.

Stipend:

- The project trainee stipend will be fixed per month at Rs. 40,000.
- Project trainee will not be eligible for company bonuses or any other company benefit except for transport and meal.

Cost:

Project trainee cost will be charged to the concern department project cost.



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INTERNSHIP

10. Internship

Purpose:

- A means of identifying potential candidates for careers with IMC
- Support for Department requiring research studies
- Educational support by providing students with practical experience
- A mutually beneficial relationship with educational institutions

Selection Criteria

All internships will be offered based on business requirement in the form of a project. The selection process may comprise of:

- Written test
- Interview assessment

Responsibilities:

| Human Resources Department | Line Management |
|---|---|
| <ul style="list-style-type: none"> • Maintaining liaison with accredited institutions • Competitively screening and short-listing applicants • With relevant Managers, jointly determine final selection of successful applicants • Decide on the period in which internships will be offered | <ul style="list-style-type: none"> • Providing an internship program/project approved by the Departmental Head prior to the internship period • Day to day management of attendance and approval of work related expenses of the Intern • Ongoing review of the project and intern's performance |

Stipends / Duration

The internship stipend will be fixed on their duration mentioned below.

| Duration (weeks) | Stipend (Rs.) |
|------------------|---------------|
| 4 | 12,000 |
| 6 | 18,000 |
| 8 | 24,000 |

- The normal duration of an internship is 4 to 8 Weeks, with free pick and drop facility and meals.
- Any extension of this duration requires the written approval of the HR Head.
- In case of extension the stipend of an intern will be Rs.3, 000 per week.

Intern Project / Program

All project-related expenses will be approved by the supervising Department Manager, and funded by their cost center. At the end of the internship, each intern will present a project / program report to the Department Manager, Department Head, and HRD.

Confidentiality

Interns will sign a written undertaking on confidentiality prior to the commencement of their internship. HR will obtain the signed undertaking from the intern. This undertaking ensures interns understand the requirement to maintain confidentiality if they are exposed (during the internship) to sensitive business information.

As a general practice, however, sensitive information should not be disclosed to interns.



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CLASSIFICATION OF SECRETARIES

11. Classification of Secretaries

Scope: All IMC Secretaries

Objective:

To establish classification of existing employees working as secretaries.

Entitlement:

Senior General Managers and above will be entitled to a Secretary.

Classification:

Secretaries working with the Chairman, Vice Chairman and CEO will be classified as Executive Secretaries. The position can be up till the level of Manager (M6).

Secretaries working with the Directors, Senior General Managers and will be classified as Secretaries and the position can be up till the level of AM – II (M4) depending upon their qualification and experience.

The designations of those who are classified as executive secretaries or secretaries will be mentioned on their visiting cards as their position and other information are only for their salary grades and not for job responsibilities.

If a secretary, during the course of his/her service with IMC, develops managerial skills and other expertise or attains postgraduate or specialized education, he/she can be considered for transfer or promotion to another department or grade at the sole discretion of the management.



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DOMESTIC RELOCATION

12. Domestic Relocation

Scope: All IMC Employees.

Objective:

- To establish levels of Company assistance to employees required to relocate
- To ensure equitable levels of relocation assistance across the company
- Recognize the impact of household relocation of individual

Purpose:

To support the achievement of IMC objective an employee may be required to move to a different work location which entails the transfer of residence. In this situation, it is the policy of IMC to assist each employee in this transfer, considering specific individual circumstances. Any exception to this policy requires prior approval of the CEO.

Transfer Allowance:

To assist the employee to settle into their new location, transfer allowance equivalent to one month gross salary will be paid. This allowance will be paid to cover all incidentals and out of the pocket expenses attributable to the relocation.

Travel to new location:

The company will provide airfare tickets as per employee travel entitlement for the employee and their immediate family. Travel arrangement will be made by PR & Admin Department as per approved Request for Travel Booking form.

Temporary Accommodation:

The employee and their family may avail a maximum of 15 days hotel / guest house accommodation (as per employee travel entitlement) upon arrival at the new location while they find rental accommodation. Such temporary accommodation should be arranged through PR & Admin department using the Request for Travel Booking Form. Meals for employee and family during this stay in temporary accommodation will be in accordance with existing Travel Policy entitlement.

Transfer of Household / Personal Baggage:

The company will reimburse the cost of transporting household effects from the employee residence to the new location up to a maximum of one truck load (20 feet container) including the packing and unpacking charges. Logistic Department of IMC will arrange the transportation of the household and personal baggage.

School Fees:

The company will reimburse the cost of school admission fees (per child) on relocation and return to original work place on submission of school bills subject to a max of Rs.50,000/-.

| School Admission and Monthly Fees Structure | |
|---|--------------|
| Admission Fees (One time) | Rs. 50,000/- |

Charges for Utilities

IMC will also bear cost of utilities as per the given schedule:

| Utilities | In Case of married | In Case of single (50%) |
|-------------------------------|--------------------|-------------------------|
| Apartment Maintenance Charges | 6,000 | 3,000 |
| Electricity | 8,000 | 4,000 |
| Gas | 1,000 | 500 |
| Maid | 10,000 | 5,000 |
| Total | 25,000 | 12,500 |

Rental Assistance

- Assistance with the cost of renting accommodation in the new location will be provided to the maximum levels including Tax impact as given below:

| Place* | Deputy Manager & Managers | JE to AM |
|-----------|---------------------------|------------|
| Karachi | Rs. 80,000 | Rs. 50,000 |
| Lahore | | |
| Islamabad | | |

Other locations: To be decided by CEO and Head of Human Resources.

- For first five (5) years. IMC would reimburse 100% of the standardized cost. The above-mentioned rent subsidies may be reviewed from time to time keeping in mind, rental property trends. Rental assistance of Directors and Sr. General Managers, General Managers and Sr. Managers who are transferred will be approved by the CEO.
- Actual rent or rental assistance level (above), whichever is the lesser will be the payment basis for rental assistance. To qualify for this assistance the employee relocation should be for more than twelve (12) months and actual accommodation should be rented by the employee. To substantiate any claim for rental assistance, the original rental deed or agreement should be provided to the HR Division for verification when requested.

Return to Original Location:

In case an employee transferred back to original home location as per company requirement, rental assistance will be provided for the first six months of transfer. In addition, air ticket for self and immediate family, transfer of household / personal baggage will be reimbursed by the company.

Agent Fee:

The company will reimburse the estate agent's fee (up to maximum to one (1) month's rent once only per relocation). The amount will be reimbursed on submission of estate agent's paid invoice

Promotion / Demotion:

Where a relocated employee is promoted / demoted their level of rental assistance will change to their new position level at the effective date of promotion / demotion.

Relocation Assistance (for Management Trainees & Trainee Engineers):

1. Amount of Rs. 20,000/- per month for first 3 months of training will be provided to the candidate.
2. 15 days hotel stay covering room rent only will be provided to the candidate on arrival to Karachi.
3. Hotel room will be provided as per entitlement of AM-I level.
4. One-way air ticket will be provided.



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INTERNAL JOB POSTING

13. Internal Job Posting

Scope: All management cadre employees from IMC contractual staff to Managers will be covered by this policy.

Purpose:

To provide an opportunity to the existing employees to move freely into different departments/roles to further enhance their skills through a fair and transparent process.

Eligibility / Criteria:

- Must have completed at least 2 years in their current position
- A minimum performance rating of “Meets Expectation” in the last year
- Applicants can apply for a position on the same job level and one level up only
- Additional criteria maybe included based on the job requirements

Process:

- Personnel Requisition form to be filled and approved as per mandate
- Position will be advertised through email
- Employees will have minimum 5 days to apply along with their CV and are expected to inform their line manager and departmental head (not less than Senior Manager)
- Applications will be screened based on the criteria advertised in the job posting
- Shortlisted candidates will then be interviewed

In the 1st interview, an HR representative will be accompanied by the concerned departmental manager as per the mandate mentioned below:

| Job Level of IJP | 1 st Interview | Final Interview |
|-------------------|---------------------------|-------------------------|
| Manager | Senior Manager & above | General Manager & above |
| Deputy Manager | | |
| Assistant Manager | Deputy Manager & above | Senior Manager & above |
| Junior Executive | | |

- Additional steps may be included in the short listing and selection process as deemed fit by HR
- After the candidate is selected, his/her existing department will be given 30 days to release the candidate, unless it is agreed mutually between the releasing and receiving departments
- Once the release date is finalized, HR will issue a letter to the successful candidate.

Manpower Transfer:

This describes the process to be followed and approvals to be sought before transfer of any manpower within IMC. It is applicable on management employees up to Manager Level and all non-management employees.

Prerequisites

- Both Relieving and Receiving department must agree to the transfer
- A vacant position must exist in the Receiving department
- In case a vacant position does not exist:
 - The transferred manpower's position will be eliminated from the relieving department
 - Additional manpower approval may be sought from the Management

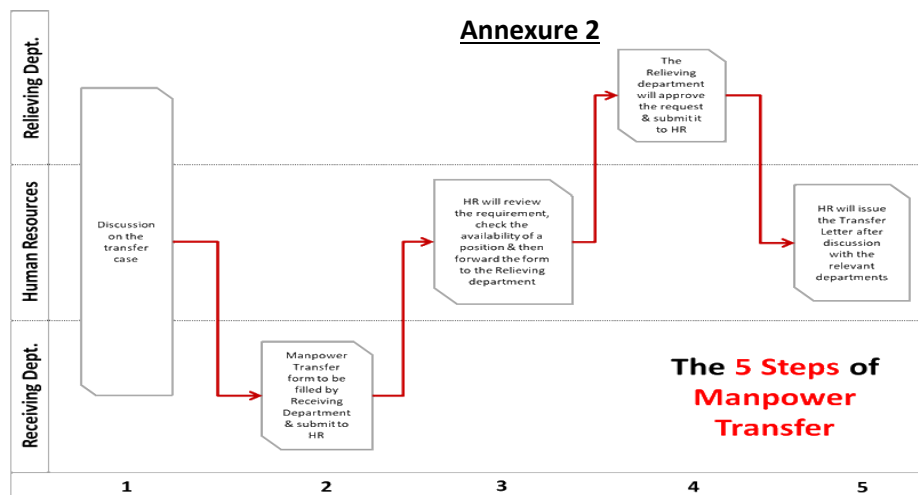
Process

1. Before the transfer form is initiated, a discussion must take place between:
 - a. HR department
 - b. Receiving department (where the manpower is being transferred to)
 - c. Relieving department (where the manpower is being transferred from)
2. Manpower Transfer Form (Annexure 1) must be initiated by the Receiving department and sent to HR & then to Relieving department for approval (Annexure 2)
3. The transfer date should be agreed on mutually between the relieving and receiving departments
4. HR will then finally issue a transfer memo to the employee (Annexure 3)

Approval Matrix

| Position | Minimum Approval Required |
|--------------------------|---------------------------|
| ATM, TM, STM & JE | Senior Manager |
| ATL, TL, GL & AM | General Manager |
| Specialist, DM & Manager | Head of Division |

Transfer of Senior Manager and above will be discussed and approved in the HR Committee.





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UNIFORM

14. Uniform

Scope: Technical Division Employees

Purpose:

To define uniform for technical division employees to give a neat look, maintain the decorum and create an enterprise culture.

Procedure:

IMC has provided the following guidelines in order to maintain a professional atmosphere that will promote a positive company image.

Deputy Managers & Above excluding Specialist

Deputy Manager and above excluding specialist & Sr. specialist are allowed 1 Cap 1 pair of shoes annually and 1 Jacket in every two years.

Group Leaders, Specialist & Sr. Specialist

Uniform for Group leader, Specialist, Sr. Specialist will be a white shirt with Red TOYOTA logo and blue denim jeans. Female staff will follow the same dress code as for the corporate, marketing & sales plus IMC jacket.

Allocation of uniform will be of 3 shirts and 2 blue denim jeans 2 caps 1 pair of shoes annually and 1 Jacket every two years.

Assistant Team Leader / Team Leader:

Uniform for ATL/TLs will be a T-Shirt (Beige Color) and blue denim jeans.

Allocation of uniform will be of 6 shirts (Beige Color) and 3 Blue Jeans 2 caps 1 pair of shoes annually and 1 Jacket every two years.

Team Members & (ATM on payroll)

Uniform for Team Members & ATM on payroll will be a T-Shirt (white color) and blue denim jeans. Female Team Members will be wearing a grey long shirt, dark grey long coat, jeans and black scarf.

Allocation of male uniform will be of 8 shirts (white Color), 4 blue Jeans 2 caps and 1 pair of shoes annually and 1 Jacket every two years.

For females, allocation will be of 4 Grey long shirts, 2 coats, 2 blue denim jeans and 2 black scarves annually.

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ATMs (On Job Training)

Uniform for ATM will be a T-shirt (red color) and blue denim jeans. They will be allocated 2 shirts, 1 blue denim jeans 1 cap and 1 pair of shoes.

- Only exception to this policy JE Security will wear uniform white shirt with red TOYOTA and grey trouser.
- The purchase of above uniform will only be done on the GL code of uniform of the respective departments and through PD- Purchase department only.

In case of an employee's repeated or deliberate violation of uniform guidelines, appropriate corrective action will be taken.



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VISITING CARD

15. Visiting Card

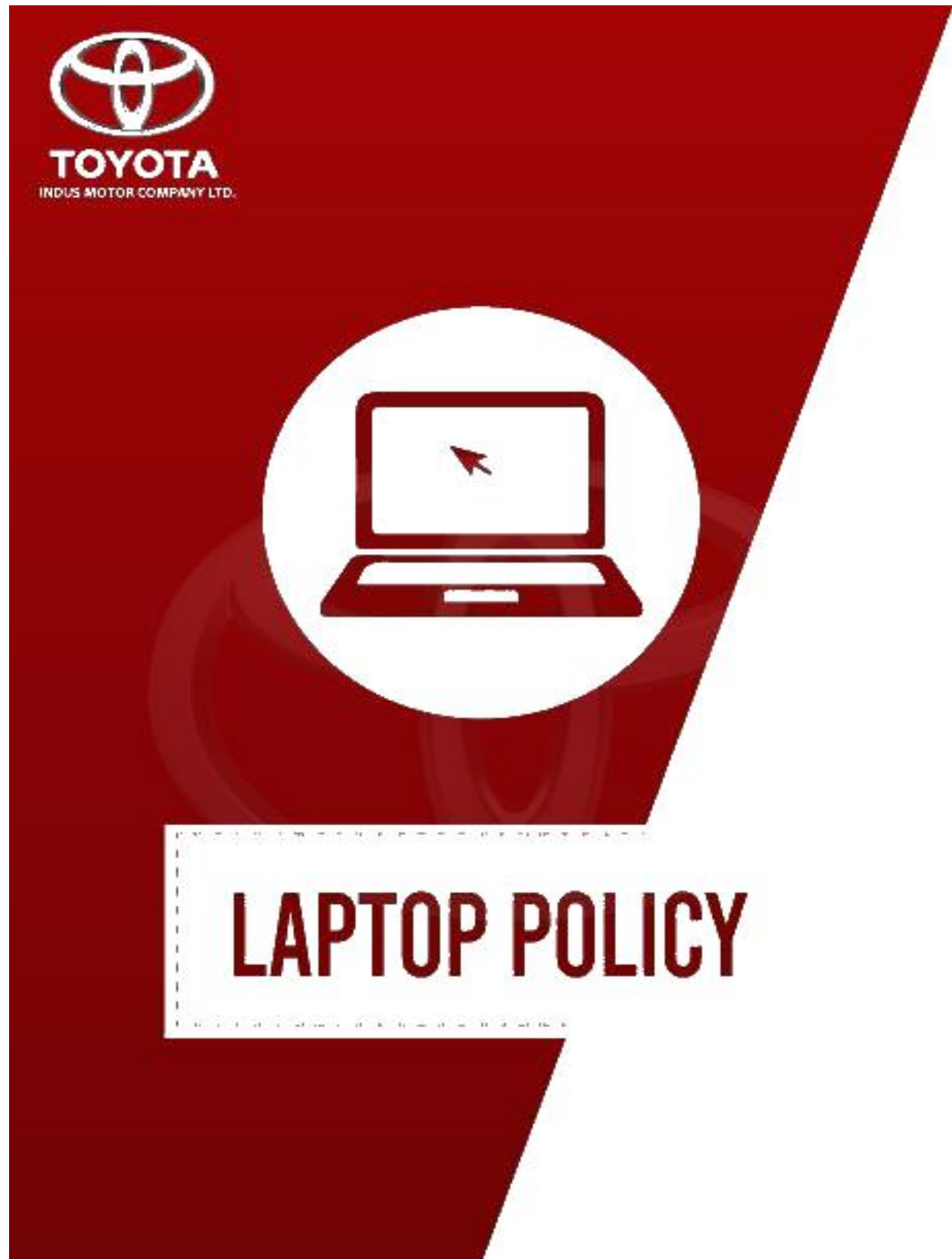
Scope: All authorized management employees

Purpose:

To establish a uniform system for issuing visiting cards to those employees who are required to represent the Company in connection with business.

Procedure:

- The entitlement of visiting card will be based on assessment of interaction of an employee with others in connection with IMC business.
- Departmental / Divisional Heads will recommend & approve the requisition of an employee for eligibility of visiting card under the policy.
- Purchase department will have a standard specimen of visiting card for all employees irrespective of their designation.
- Purchase department will send all the requests to HR for verification of Job title to be printed on the card.
- Employees, who are given the privilege of visiting card, should be advised to use this facility in the company's interest and avoid its misuse.
- No payment will be made by finance department to any department regarding printing of visiting cards (in any case) if it has not been processed through purchase department.
- In case of promotion or transfer, a fresh copy of cards will be issued for that employee.



16. Laptop

Scope: All Management Employees.

Entitlement:

| Designation | Models | Remarks |
|------------------------------------|--|---|
| Job Need Basis, AMs, MTs | HP ProBook 440 | No Upgrades allowed |
| DM & Managers | HP EliteBook 440/450 | May upgrade to Higher Model (Price difference for the upgrade will be borne by employee and will not be refundable) |
| Senior Managers | HP EliteBook 1040x360 | |
| General Manager | HP EliteBook Folio x360 / MacBook Air 13.3 | |
| Sr. GM / Directors / Sr. Directors | HP Spectre Folio x360 / MacBook Air 13.3 with Retina Display | |
| Chairman, VC, CEO | MacBook Pro 13.3 | |

Procedures:

- Laptops will only be purchased by commercial department on recommendation of IT department.
- Employee interested in upgrading the laptops will exceeding their entitlement can do so by paying (upfront) the price difference to their current eligibility. The company will only bear for the original entitled.
- As technology evolves, laptops tend to change rapidly. The models of the laptops being provided can vary as per availability of the laptop in the market. Moreover, the laptop's models are to be finalized by the IT department and will not be at the user's discretion.
- The insurance of the laptop will be at its invoice value, which will be borne by the company to the extent of original entitlement.

Buy Back Option:

- DM and above may opt buy back at the end of Four years at 10% of Invoice value or entitlement limit (in upgrade cases).
- Employee may replace in case of promotion or completion of four years.
- No buy back option is available in case of resignation.
- In case of upgrade cases, If Insurance claim is received less than the Invoice value then loss will be shared between employee and employer in the ratio of entitlement and Invoice value.
- In case the employee is promoted, he/she can continue to use his current laptop or he can opt for buy-back at WDV+5% of invoice value.
- In Order to avail new laptop against new policy employee has to exercise buy back option at WDV+5% of invoice value.

Any exception to this policy can only be approved by CEO on HR recommendation.



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MOBILE PHONE

17. Mobile Phone

Scope: IMC Employees

Purpose:

To define the company's policy pertaining to Mobile Phone.

Entitlement:

Provision of phone is only for employees having a designation of Senior Manager and above. All other employees can only get a phone on job need basis.

| Designation | Approved Limit | Models | Remarks |
|------------------------------------|----------------|---|---|
| Job Need Basis , AMs , MTs | PKR 25000 | USD 167/- | No upgrade allowed |
| DM & Managers | PKR 31000 | USD 207/- | May Upgrade to Higher Model (Price difference for upgrade will be borne by employee and will not be refundable) |
| Senior Managers | PKR 60,000 | USD 400/- | |
| General Manager | PKR 210,000 | Latest iPhone Pro (256GB) or Equivalent Samsung Mobile (PKR 600K – USD 2,140 @ 280) | |
| Sr. GM / Directors / Sr. Directors | PKR 250,000 | Latest iPhone Pro Max (256GB) or Equivalent Samsung Mobile (PKR 650K – USD 2,320 @ 280) | |
| Chairman, VC, CEO | No Limit | Latest iPhone Pro Max (512GB) or Equivalent Samsung Mobile (PKR 750K – USD 2,680 @ 280) | |

For SM below mentioned USD amount is the approved entitlement. At the time of purchase PKR amount will be calculated based on prevailing USD/PKR selling interbank rate.

For GM above mentioned mobile phone is the approved entitlement. USD/PKR amounts are mentioned for reference only.

Procedures:

- The revised entitlement will apply only to future instances. Staff who have received a mobile device will be given a new one upon completion of 03 years period.
- Mobile handset will be provided for a period of 03 years. On completion of the stated period new mobile handset will be provided.
- Cellular handsets will be purchased by Commercial department on recommendation of IT department.
- Employee interested in upgrading the mobile handset exceeding their entitlement can do so by paying (upfront) the price difference against their current eligibility. Company will only pay the approved entitlement amount.
- The insurance of the mobile phones will be at its invoice value, which will be borne by company up to the extent of original entitlement.
- Mentioned models are approved and will be procured as per market price. For upgrade purpose approved limits will be used to calculate differential amount.

Buy Back Option:

- User can buy back the mobile handset on completion of 03 years at WDV + 10%.
- Incase user entitlement changes or the user retires, he / she can opt to buyback the mobile handset at WDV + 5% of invoice.
- Incase employee resigns, subject to HR approval they have the choice to buy the mobile handset at WDV + 10% of invoice otherwise mobile should be handed over to IT support as a part of employee clearance.

Any other exception to this policy can be approved by CEO on HR recommendation.



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CAR

18. Car

Scope: All Deputy Managers & Above.

Purpose:

This policy discusses the entitlement of a company-maintained car and equity base vehicle which is applicable to all Deputy Manager and above employees.

Entitlement – Senior Manager & Above:

All senior manager and above employees are entitled for company-maintained vehicles as per following entitlements.

| Position | Entitlement | Upgrade Option | Cash Allowance | Fuel | Monetization option for Fuel only | Buy Back |
|----------------------------------|---------------------------------|--|----------------|------------|-----------------------------------|---|
| Director/ Sr. General Manager | REVO - VAT | Upgrade to Fortuner Sigma4(4x4 Hi) (on upfront payment) | Rs. 355,000 | 200 Liters | Rs. 15,500 Fixed Amount | After 5 years at 30% of original cost. & - Entitlement for new car after 5 years. |
| General Manager | COROLLA ALTIS 1.8 Grande CVT | REVO VAT / FORTUNER G (on upfront payment) | Rs. 172,000 | | | |
| Senior Manager | COROLLA ALTIS 1.6 AT | Upgrade to COROLLA ALTIS 1.8 Grande CVT/ CROSS HV 1.8x (on upfront payment) | Rs.163,000 | | Rs. 11,625 Fixed Amount | |
| * Manager / Deputy Manager | YARIS GLI AT 1.3 | Upgrade to YARIS 1.5 CVT (on upfront payment) | Rs.115000 | 100 Liters | - | |

*30% of employee contribution to be recovered by DM & Manager over 5 years or as a residual value at the end of 5 years.

Vehicle Tyres Change:

As per Toyota guidelines and safety protocols, on average tyres will be replaced after 50,000 kilometers, where amount will be limited to the prevailing price of tyres of entitled vehicle. Expense over and above the entitlement will be borne by employee.

DM & Above

- Replacement of tyres after 3 years or 50,000 km, whichever comes first.
- Replacement can only be made once in vehicle useful life of 5 years.

JNB Vehicle

- Replacement of tyres after every 50,000 km.
- Replacement can be done multiple time in vehicle useful life of 5 years.

Car Insurance

The insurance cost of all cars registered in the name of IMC will be borne by the company. Hence any amount paid by the employee, due to depreciation of vehicle, will be reimbursed by the company on actual basis.

Car Cash Allowance

In case an employee does not opt for a car, he/she will be entitled to receive a fixed car cash allowance (limits stated in tables above).

Promotion:

In case of promotion to a higher grade, employee will have 30 days to decide amongst the following options:

1. Continue to use his/her current vehicle until completion of 5 years and then buy it back.
2. Buy back the car as per the schedule below and opt for Car Cash Allowance.
3. Buy back the current vehicle in use as per the schedule below and opt for a new vehicle.

Cost of vehicle less payment made by employees. This payment can be made in equal installments spread over maximum two years.

End of 1st Year = 90%

End of 2nd Year = 80%

End of 3rd Year = 70%

End of 4th Year = 60%

End of 5th Year = 30% (Pro rate basis will be used to calculate monthly depreciation schedule).

New Vehicle will be provided as per new entitlement of new grade.

Separation:

In case the employee decides to leave, company may offer buy back of car on payment as per following schedule.

1st Year = 100% cost of vehicle less payment made by employee.

2nd Year = 90%

3rd Year = 80%

4th Year = 70%

5th Year = 60%

On retirement, employee can buy vehicle in use at WDV less payment made if any.

Job Need Base Car (JNB):

This section covers all employees Manager and below who are working on a position that is eligible for JNB car.

Criteria:

A position may be categorized as a JNB position if the job description requires the employee to travel, by road, extensively within Pakistan.

Entitled Positions:

| Level | Sales | CFD | T-Sure | Technical | Admin |
|-------------------------|-------------|-----------------------------|-------------|--|--|
| DM & Manager | Field Sales | Parts Sales Service (field) | Field Sales | Logistics & Imports x 1 Quality Improvement x 1 Component Engineering (PD) x 3 Product Planning (PD) x 1 Commercial (Purchase) x 1 | Public Relations (Protocol) & Security/CMR |
| AM or below | Field Sales | Parts Sales Service (field) | | | |

For any position not listed in Entitled Jobs, it must be discussed in the HRC and then approved by the CEO. Management reserves the right to make changes in the list of entitled positions at any time.

Entitlements:

| | Car | Fuel | Buy Back |
|-------------------------|--|---------------------|-----------------------------|
| DM & Manager | As per entitlement according to Car policy | 280 Litters / month | After 5 years as per policy |
| AM or below | YARIS GLI AT 1.3 (white colour) | | Will be auctioned |

In case a Deputy Manager/Manager opts for car cash allowance, he/she will be given a fuels card (280 liters/month) and a fixed allowance of Rs. 3,000/- per month for vehicle maintenance. Hence, they will be not authorized to carry out any R&M works through IMC.

Process:

IMC employee will visit the authorized dealerships themselves as per the maintenance schedule.

The following are the authorized dealers:

- Toyota Port Qasim - Karachi
- Toyota Central Motors - Karachi
- Toyota Walton Motors - Lahore
- Toyota Islamabad Motors - Islamabad

Use of JNB Car:

| | |
|---------------------|---|
| Registration | All vehicles will be registered in the name of IMC in Karachi until sold or transferred. |
| Log Book | All JNB vehicle/fuel users (at all levels) are responsible to maintain a log book that must specify the details of usage reconciled with the milometer (a template is attached for reference). The log book must mention details of all official visits. Concerned supervisor/department head will sign off the log book on monthly basis to monitor usage. |

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| | |
|-------------------------|---|
| Running Expenses | Expenditures relating to Maintenance & Fuel exceeding the limit will require the approval of Department/ Division Head; & in case of personal usage, it will be dealt as per company policy. All vehicle expenses must be recorded in the correct GL & CC only. |
|-------------------------|---|

Replacement of JNB Car:

All JNB cars completing 5 years (60 months) should be replaced with new cars. The old car will then be auctioned / buyback as per entitlements mentioned above.

Allocation of JNB Car:

In case there is a used car available in company pool, Administration department will allocate that vehicle to a user after consultation with HR and subject to that car not being older than 5 years.

In case there is no car available in the pool, HR will raise purchase request to the Commercial (Purchasing) department.

Roles & Responsibilities:

| Department | Responsibilities |
|-----------------------------|---|
| Human Resources | <ul style="list-style-type: none">• Identification of entitled positions• Approval for any new JNB position and timely intimation to Admin & concerned department• Changes in the JNB status of any position and/or employee• Allocation of car to user based on requirement• Raising a request to Finance for budget approval for new car• Raising purchase requisition for new car• Timely updating Finance regarding changes in the user of any vehicle. |
| Administration | <ul style="list-style-type: none">• Registration of vehicle• Repair & Maintenance work• Issuance of fuel card• Replacement of old vehicles (after 5 years) |
| Finance | <ul style="list-style-type: none">• Keep / Maintain an updated record of all JNB vehicles and user departments in Fixed Asset Register (FAR)• Providing budget approval to purchase new car• Arrange insurance coverage of vehicles |
| Concerned Department | <ul style="list-style-type: none">• Request Admin & HR for a JNB vehicle• Maintaining log book• Raise repair and maintenance expense in the correct GL/CC |

Maintenance Schedule:

The maintenance of vehicles will be as per the owner's manual at following frequency:

| Vehicle | Frequency |
|--------------------------------------|---|
| Revo/ Fortuner Diesel | After every 3 months or 5,000 km (whichever comes first) |
| Fortuner (Petrol), Corolla and Yaris | After every 6 months or 10,000 km (whichever comes first) |

The following parts & services will be carried out during the 5-year life of the vehicle:

| | |
|--|---|
| > Oil & oil Filter replacement | > AC service |
| > AC filter replacement | > Battery inspection & replacement |
| > Air filter replacement | > Floor mat inspection and replacement |
| > Spark plug replacement | > Wiper rubber replacement |
| > Brake pads, fuel filter, brake/clutch fluid, transmission fluid etc. | > Drive belt replacement & other moving parts inspection etc. |
| > Tyres replacement | |

Refer to annexure for detail.

Any exception/addition to the maintenance schedule needs to be approved by the respected HODs, CFD, HR and Finance.

Travelling for Company Work:

- Employees, who are not entitled to company fuel or maintenance, using their vehicles for company work, will be reimbursed for conveyance expenses.
- If any Manager / Deputy Manager uses their car for any official purpose, they can get reimbursement for fuel / conveyance expenses.



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MEDICAL

19. Medical

Scope: All IMC Employees

Purpose:

To assist employees and their immediate families in maintaining a high standard of health and physical fitness.

- Hospitalization Insurance
- Group Life Insurance

Hospitalization Insurance:

In order to provide coverage for in-patient treatment (hospitalization), the company has arranged a medical policy with an insurance company. The policy is optional for management employee and is compulsory for non-management.

Anyone who is willing to avail the policy is required to fill the insurance company's enrollment form giving details of persons to be covered under the policy (spouse & kids).

An employee is required to inform the HR about any changes in his/her family status.

The benefits/reimbursement of medical expenses is restricted to hospitalization in a recognized hospital for at least 24 hours.

Medical expenses overseas:

Eligible Employees & immediate family members, while overseas and having incurred medical expenses may be given reimbursement up to their medical limit.

The maximum amount of reimbursement for consultation and tests will be based on charges for similar items at the Agha Khan Hospital in Karachi.

IMC will be bearing the major cost of this hospitalization insurance while employees will share the annual premium as under:

| Position | Description |
|--------------------|-----------------------|
| Sr. GM & Above | 33% of annual premium |
| GM & SM | 26% of annual premium |
| DM & Manager | 20% of annual premium |
| AM/GL | 13% of annual premium |
| JE/TL/ATL/ TM/ ATM | 10% of annual premium |

Premium will depend on the employee's family size. The employee's share will be deducted from the monthly salary and will be indicated in the pay slip.

Employees Executive Checkup:

IMC assist and take care wellbeing of its employees who have reached age of 50 years by facilitating them for early detection of any serious illness.

Procedure:

- After every two years, Human Resources will facilitate employees above 50 years of age, in getting comprehensive medical/physical examination done.
- This examination will comprise of a series of tests that maybe necessary at this age.
- The tests will be carried out from pre-approved reputable hospital/laboratory.
- The results of the examination will be shared with employees only and confidential.

Group Life Insurance:

To support the demise employee's family through Life insurance with different limits according to their grade.

- In case of accidental death, the amount of life insurance will be double.
- All employees are required to fill the PF & pension nomination form giving details of the beneficiary, family limited to wife children and parents only.
- In case if the beneficiary is not nominated or has passed away. Succession certificate is required from family.



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LOAN

20. Loan & House Rent Advance

Scope: All permanent employees.

Purpose:

To provide financial assistance to meet contingency needs of employees.

Loan description for Management (up to AMs):

| Position | Max. Loan Amount | Max. Application /month | Recovery Procedure | Interest % |
|----------|------------------|-------------------------|------------------------------------|------------|
| AM ~ GL | 150,000/- | Max 10 | 24 instalments @ Rs. 6250 / month. | Free |
| TL ~ JE | 75,000/- | Max 15 | 24 instalments @ Rs. 3125 / month. | Free |

Loan description for Non- Management:

| Position | Max. Loan Amount | Monthly Loan Amount | Recovery Procedure | Interest % |
|-------------|------------------|---------------------|-------------------------------------|------------|
| Non - Mgmt. | 50,000 | Up to Rs.3,600,000 | 12 instalments @ Rs. 4167 / month. | Free |
| | 75,000 | | 12 instalments @ Rs. 6250 / month. | |
| | 100,000 | | 12 instalments @ Rs. 8333 / month. | |
| | 150,000 | | 12 instalments @ Rs. 12500 / month. | |
| | 200,000 | | 12 instalments @ Rs. 16667 / month. | |

Procedure:

- In case, there are more applications, than funds available, the disbursement priority will be on first come first serve basis.
- Loan applications after due scrutiny by HR will be approved by Manager / HOD of Human Resources.
- Employees whose applications are approved for loan will be transferred by the 10th of every month and the deduction of loan will start from the same month.
- The loan amount will be recovered in 24 equal installments for Management and 12 equal installments of Non-Management.
- Employee can re-apply for the loan after a period of 3 months of repayment of his/her loan. His/her case will only be re considered if there is no fresh loan application.
- The total amount of installments for recovery of this loan, along with other loans, if any, will not be more than 30% of the monthly gross salary.
- Respective departmental supervisor/ Manager will approve the loan application.
- Budget for loan per month is Rs. 2,625,000 for management & 3,600,000 for Non-Management.
- Revolving Fund shall be limited to Rs. 31.5 million, and may go up by Rs. 0.5 million in case of any uncertain circumstances.

House Rent Advance for DM & Above:

Criteria:

| HRA Amount | Eligibility-Criteria | Documents | Approving Authority |
|-----------------|--|--|----------------------|
| Up to 24 Months | 1. Marriage (Self or Children) 2. Medical (Self, Children, Dependent Parent) 3. Religious Ceremony 4. Education 5. House Repair/ Renovation/ Extension 6. House Rental Support 7. Purchase of Vehicle/ Home Appliances | Relevant Document(s) | Head of HR |
| Up to 60 Months | 1. House Purchase* 2. Plot Purchase* 3. Construction *Purchased in last 12 months | Copy of Sale Deed/Land or Property Documents/Quotation | Head of HR, CFO, CEO |

Terms and conditions:

- An employee will be eligible for a maximum advance to the extent of his/her five years house rent allowance with an interest/markup of 3.5% per year.
- If an employee is close to retirement, the applicable loan limit will be based on whichever is lesser between the remaining tenure of the employee and maximum policy limit.
- For up to 24 HR Advance employees with at least one-year service with IMC will be eligible.
- For up to 60 HR Advance employees with at least 5 years of service with IMC will be eligible.
- The entire advance amount will be recovered from the salary of an employee through deduction of his/her monthly gross salary in either 24 Equal installments or 48 installments with 40% of loan amount recovered in the first 24 installments and remaining 60% is to be recovered in next 24 installments.
- The employee will only be eligible for applying for another HRA of up to 24 months, if the entire repayment of the previous advance is made.
- HRA exceeding 24 Months may be taken only twice in a service period by an employee, after 2 years of completion of first loan payout tenure.
- For any loan amount above 24 HRA, employee will sign an undertaking and bear premium charges for the insurance of the payout amount by IMC against employee's life.
- HRA will be disbursed based on the document's verification provided in support of the application. Employee will submit all final document within 90 days of loan disbursement.
- In case, there are more applications, than funds available, the disbursement priority will be on first come first serve basis.

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- If an employee resigns from the company or his/her services are terminated due to retirement, dismissal or otherwise, he will be required to pay the entire balance outstanding against his/her name in lump sum failing which the same will be recovered from his/her provident fund contribution, and /or other payments, if any.
- IMC may, at any time, at its sole discretion, alter, modify, withdraw or rescind any or all of these provisions and such alterations, modifications, withdrawal or recession may apply to existing and/or future advances.
- Budget for the HRA for DM & Above will be Rs. 125 million and can go up to Rs. 240 million as per the approval of HRC.



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CLUB MEMBERSHIP

21. Club Membership

Scope: All Senior Managers & above.

Purpose

Based on the concept of “Healthy Body, Healthy Mind”, IMC would like to encourage its Management to make an effort to focus on their physical fitness and enhance networking.

Proposed Monthly Subscription:

For GM & Above:

IMC offers Rs. 10,000 or actual whichever is lower monthly club membership fee reimbursement along with the membership of DHA Golf or Creek club or as per availability.

For Sr. Managers:

IMC offers Rs 4000/month as club membership fee reimbursement.

Criteria:

An employee can claim the accumulated amount for the number of months that he has availed the facility of membership for; however, he cannot claim this amount in advance.

DAY CARE

22. Day Care

Scope: All permanent and contractual employees of Indus Motor Company having a child between the ages of 4 months to 4 years.

Objective:

The objective of this policy is to describe the procedure of handling, running and utilizing our Daycare Facility.

Propose:

Employees who are young parents often find it challenging to leave their kids at home, especially without caretakers. IMC has established a Daycare facility at IMC to increase employee satisfaction and retention.

General Guidelines:

- The Day Care facility will be run on a full day basis.
- The Day Care will be operational 5 days a week from 07 00 AM to 05 00 PM. It will not be operational on Saturday, Sunday and any holidays announced by Indus Motor Company.
- The Day Care has a maximum capacity of 5 children in total which will be available to all eligible mentioned employees on a first come, first serve basis. This capacity can further be increased on a need basis.
- The Organizational Development team will be managing all applications related to the Day Care.
- Employees will not be allowed to bring in their personal maids/house help to the Day Care Facility.
- In order to utilize the Day Care facility, the employee needs to be present within the premises of Indus Motor Company.
- Consequently, if the employee is on leave/s, the employee will not be able to utilize the Day Care facility for their child.
- The Day Care facility is not an educational center. Any education provided will only be for purpose of engagement and will not be counted as a children's formal years of education.
- Every employee who is availing the facility 100% is not expected to pay any charges for the facility. However, any employee who wishes to avail the facility for 50% of the time or less has to pay PKR 3,000 every month which will be automatically subtracted from their payroll.
- No charges will be deducted for an employee availing the Daycare Facility when he/she is on leave(s).
- Any parent who avails the Daycare Facility will sign an indemnity clause beforehand.
- CCTV surveillance will be provided by Indus Motor Company.

Visiting Parents:

- Nursing mothers will be allowed to visit their children for feeding as and when required. However, they must keep their supervisor in the loop at all times and also, must keep the Day Care staff informed.
- Parents are allowed to visit their children in the Day Care Facility. However, in order to ensure smooth operations, it is requested to them to limit the time (15 minutes approximately) and the number of visits (2 approximately) per day.
- No person other than the parent will be allowed to visit the Day Care facility.

Child Health Guidelines:

- Parents will have to provide complete details pertaining to their child's health at the time of registration and on an ongoing basis regarding their health issues, special needs, dietary requirements and so on.
- In case a child is ill, parents are advised to keep them at home. Any child with a serious infection (such as chicken pox, measles) or any other contagious disease will not be allowed to enter the Day Care Facility unless cleared by the doctor as fit and healthy to return.
- If the child seems distraught (crying too much, shouting) or indulges in chronic anti-social behavior such as hitting other children, the parent will be called. Parents may be asked to withdraw their child if this continues for a long period of time.
- Although the Day care will keep food for emergency purposes, parents will be required to bring food; prepared, packed, and labelled with their child's name on a daily basis.

Modification and Interpretation of the Policy:

The company deserves the right to terminate/modify this policy, in whole, or in part, at any time. This policy will be administered and interpreted by the Head of Human Resources.



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TRAINING AND DEVELOPMENT

23. Training & Development

Scope: All IMC Employees.

Purpose:

To provide an appropriate climate and opportunity to employee's in which individual growth can be achieved within personal capacities for development.

Procedure:

Training and Development of employees will be achieved in the under mentioned manner:-

- Training Need Assessment
- Skill Development Program
- Behavioral Development Program
- Foreign Training
- Intra Company Transferee Program
- Career Development Program

Foreign training:

The employees of IMC will be considered for foreign training so as to broaden/enrich their exposure if it is not possible through the local training.

Intra company transfer program:

The ICT (intra company transferee) program aims at the optimal use of global human resources and the support for overseas affiliates in achieving self-reliance through development of local staff.

Training Feedback/Evaluation:

After completion of training or attending a seminar/workshop, an employee (till manager level & below) will be required to submit a report evaluating the course/seminar/workshop's usefulness for the company with some suggestions if considered necessary.

Budget provision:

Keeping in view the company-wide training and development program, human resource department will be responsible for budget approval and monitoring the training and development.

Recovery of foreign training expenses:

An employee (Manager & Below) will be required to sign a "Training Bond" before proceeding on Foreign Training related to certification purpose. If an employee leaves IMC before completion of qualifying period mentioned in the "Training Bond", he/she will be required to pay all the necessary expenses incurred on his/her foreign training otherwise recovery will be made from his/her final settlement and an appropriate action be taken.

Bond period & amount for foreign training:

An employee will be required to complete the following formalities before proceeding on foreign training. Bonds will have to be obtained for safeguarding the company's interests for the period as given in the table below:

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| Training Period | Trainee (Employment bond Period for each) | Bond Amount |
|---|---|---|
| Upto 1 Week ,T3 or Certification Program Workshop/ seminar excluded Or Where training fee exceeds Rs. 100 K | 1 Year | Actual airfare, boarding & lodging expenses + Rs. 50 k |
| Above 1 Week to 4 weeks | 2 Year | Actual airfare, boarding & lodging expenses + Rs. 50 k |
| Above 4 weeks& Upto 6 months | 3 Years | + Rs. 100 K |
| Above 6 months | 4 Years | + Rs.200 K |

For ICT assignment:

| ICT location | Employment bond Period for each Trainee | Bond amount |
|--|--|--------------------|
| Toyota Motor Corporation (TMC) - Japan | 4 Year | 3,000,000 |
| Toyota Motor Asia Pacific (TDEM Thailand & TMAP-MS Singapore) | 4 Year | 2,000,000 |

Intra Company Transferee Program

24. Intra Company Transferee Program

Scope: All Employees

Purpose:

The purpose of this policy is to describe the procedure of intra company transferee (ICT) program. The ICT program aims at the optimal use of global human resources and the support for overseas affiliates in achieving self-reliance through development of local staff.

Policy:

Planning:

- Based on the ICT Survey Form shared by TDEM/TMC in March/April each year, IMC will prepare an ICT Plan and assign a budget.
- Any special ICT requests shall be shared by the Home Company, before the survey, with the Host Company.
- By June/July, TDEM/TMC shall complete the evaluation process and submit the finalized ICT position(s) to IMC.

Candidate Selection:

- As per the assignment and candidate requirements received from the Host Company, each HOD at IMC will nominate employees through the ICT Selection Form.
- HRC will review and finalize the nominated candidate most suitable for the project and the Candidate Notification Form will be shared with the Host Company.

Candidate Documentation:

- IMC shall share ICT employee's compensation information with the Host Company through a Basic Salary Information sheet.
- IMC and ICT employee shall agree and sign on the final compensation offered by the Host Company.
- Six Months before the departure of ICT, relevant employee documents shall be prepared and submitted to the Host Company in line with the Checklist of Incoming ICT Documents (COE).
- Visa process for the ICT employee shall be initiated by the Home PR department once the formal Invitation Letter from the Host Company is received.

3 Way Communication:

- Home Supervisor, ICT Employee, and Host Supervisor will be engaged in a 3 Way Communication throughout the ICT process to ensure smooth flow of processes.
- 3 Way Communication System is to enable a candidate to focus on job assignment with high motivation and realize clear objectives by continuous sharing of dispatch information among ICT, Host Supervisor, and Home Supervisor.

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Member Responsibilities

- **ICT**

Manage and use 3 Way Communication regularly to maintain clarity on job assignment, expectations and goals and resolve any misunderstandings.

- **Host Supervisor**

In the planning phase, exchange information with Home Company regarding dispatch plan, objectives, job assignments, and ICT candidate requirement.

During the dispatch, ensure mutual understanding of responsibilities and expectations and support, lead and motivate the ICT for constant work progress and development.

- **Home Supervisor**

In the planning phase, clarify ICT mission and expectations.

Maintain regular contact with ICT, follow ICT work progress, development of skill and knowledge, and provide assistance if required.

Rejoining:

- Three Months before ICT employee's return, Home Department is to confirm his/her assignment in accordance with the ICT assignment to HR which will be reviewed and locked against organizational chart.

Appraisal & Increment:

- If an employee leaves for ICT before completing at least 6 months of a performance year with IMC, he/she may not be evaluated for his/her performance of the year and subsequent years until ICT is completed.
- During the ICT, where employee is not rated for the performance at IMC, increment shall be given on an average basis.
- On return from ICT, if an employee completes at least 6 months of performance year with IMC, his/her performance evaluation will resume as per IMC Appraisal policy.



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TRAINERS INCENTIVE

25. Certified Trainers Incentive

Scope: All Certified Trainers.

Purpose:

This will help the Company in motivating good performers for their retention and will encourage them to develop their peers and subordinates accordingly. The trainer incentive scheme will be implemented from July 01, 2010 and will be reviewed every year for changes and further improvements.

Background:

To have a policy that recognizes and rewards all trainers in IMC with IMC or auto – specific skills that are certified by TDEM, TMC or IMC internally.

Incentive:

| Areas | SAP | | SQA | FST | Service - Diagnostic Master Trainer | Certified Trainers | Press Die Maintenance |
|--------------|------------|-------------|-------|------|-------------------------------------|--------------------|------------------------|
| Certified by | In-House | | TMC | TDEM | TMC / TDEM | TDEM / TMC / IMC | (Level 3 / 4) Internal |
| Amount | Power User | Backup User | 3,000 | | | | 5,000 |
| | 5000 | 3000 | | | | | |

Applicable for all areas

Incentive allowance is to be added to their monthly salary and will be paid as follows:

- Half of allowance will be paid as fixed allowance along with the monthly salary.
- The remaining half amount per month will be paid as variable allowance on a semi-annually basis based on the performance of the trainer or after recommendation by HODs of respective area.
- This incentive is applicable only up to Managers.

Conditions:

The incentive will only be given to:

- All Trainers involved in Certification training.
- Personal involved in actual implementation of certified skills (SQA, SAP)
- The above incentive is applicable only up to AM, Specialist or Sr. Specialist level.

Incentive will be discontinued in the event of:

- Transfer of Trainer/expert full time to any other department or function.
- If the Trainers' performance is not satisfactory.
- If the Training program is discontinued.
- If Trainers' certification period expires.
- If the Trainer is unable to re-certify/re-validate himself.



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TRAVEL

26. Travel

Scope: All IMC Employees.

Purpose: This policy ensures that employee travel is consistent with the business objectives of IMC. It also ensures fair and equitable treatment of employees by defining procedures for travel and guidelines for expense reimbursement.

Hotel Stay:

Domestic:

- Limits specified covers boarding and breakfast.
- Meal allowance will be settled as per defined meal allowance limit.
- In all cases use of mini bar, room service breakfast, and personal long-distance calls will be charged on personal account.
- Hotel booking should be through administration from amongst hotels specified. If for any reason, administration is unable to book hotel in advance, and booking is to be done through external party, hotels for opted should remain within the limit specified by administration department.

International:

- In case of training / conferences / workshops / seminars where the arrangements (payments) are made by principals, only daily allowance will be provided.
- In case of trainings / conferences / workshops / seminars where hotels are specified, payment for hotel stay will be at actual as per invitation received excluding meals and conveyance, which is covered through daily allowance. (hotel bill required)
- Hotel booking should be through administration from amongst hotels specified. If for any reason, administration is unable to book hotel in advance from Pakistan, and booking is to be done through external party/vendor/TMC/TTC/TMAP/TDEM, Hotels opted for should remain within the limit specified.

Daily allowance: (Only for International trip)

- Daily allowance is to cover meal and transportation expenses as per limit mentioned in policy.
- In case of transit case (more than 3 hours stay) **US \$30** will be provided as meal allowance.

General Guidelines:

- Original bills are to be submitted with expense statement within 1 week of arrival including hotel bills.
- In case of own arrangements, no bills are required. Expenses should be within limits specified. Claims of reimbursement will not be entertained.
- Expenses like entertainment/gifts incurred while on visit should be charged off in relevant department and not in travel.
- For Hotel arrangement and daily allowance all bills are required to settle within 1 week after traveling. Any expenses other than limit will not be entertained and will be deducted from salary.

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- Job need basis car holders are not entitled for Rent A Car within their own region and relevant staff outside region can travel with them.

Domestic Travelling:

| | Directors & SGM | General Managers | Sr. Managers | DM & MGR | AMs | Jr. Executive |
|-------------------|--|---------------------------------------|--|---|------------------------------|---------------------------------|
| Mode of travel | Economy Plus | | | Economy | | |
| HOTEL ENTITLEMENT | | | | | | |
| Karachi | P.C. MARRIOTT MOVEN PICK AVARI RAMADA | P.C. MOVEN PICK AVARI RAMADA | P.C. RAMADA AVARI | REG. PLAZA MEHRAN | COUNTRY - INN | |
| Lahore | P.C AVARI NISHAT | | NISHAT FOUR POINT PARK LANE | FOUR POINT LUXLUS GRAND RESIDENCY | SMART SUNFORT | SMART SUNFORT CONTINENTAL |
| Islamabad/ Pindi | P.C. MARRIOTT SERENA | | MARGALLA ISB – HOTEL CROWN PLAZA | | | ENVOY CROWN PLAZA |
| Peshawar | P.C. | | | SHIRAZ IN | | |
| Quetta | SERENA | | | LOUDERS | | |
| Faisalabad | SERENA | SERENA, AVARI EXPRESS | | AVARI EXPRESS | | HOTEL GRAND |
| Multan | RAMADA | RAMADA, AVARI EXPRESS | | AVARI EXPRESS | SINDBAD, AVARI EXPRESS | SINDBAD |

| | Directors & SGM | General Managers | Sr. Managers | DM & MGR | AMs | Jr. Executive |
|-------------------|---------------------------------------|------------------|--------------|--|---------------|---------------|
| Meal (Per day) | Actual but on submission of receipts. | | | | | |
| | Actual | | Max Rs. 2000 | | Max Rs. 1500. | |
| Conveyance | Rent A Car (Through Admin) | | | Rent A Car (Through Admin) / Actual receipt (UBER & CAREEM) | | |
| Launder/Pressing | Actual | | | Pressing: 2 Piece/day Laundry: 2 Piece/day only if stay is > 5 days | | |

| Own Arrangement | Hotel + Meal Arrangement, Excluding Transportation | | | | | |
|------------------------|--|-----------|----------|-----------|-----------|-----------|
| | Rs.10,000 | Rs. 7,000 | Rs.6,000 | Rs. 5,000 | Rs. 4,000 | Rs. 3,000 |

Foreign Travelling:

| | Directors & SGM | General Managers | Sr. Managers | DM & MGR | AMs | Jr. Executive |
|------------------|--|------------------|--------------|---|-----|---------------|
| Mode Of Travel | Business Class (In case flight less than 3 hrs. Economy Class will be entitled) | | Economy | | | |
| Launder/Pressing | Actual | | | Pressing & Laundry: 2 Piece/day if stay is more than 5 days Or as per Hotel complementary Policy. | | |
| Meal Allowance | > US \$50 / day will be entitled as Meal Allowance. | | | | | |
| Traveling | > US\$ 50 will be provided to cover all international traveling except Shinkansen. > Shinkansen will be settled on providing Actual Bill. > Home to Airport to Home (domestic) will be paid on Actual payment Receipt. If local taxi used Rs. 600 (Max) will be provided of single way. | | | | | |

HOTEL ARRANGEMENTS

| | SINGAPORE | JAPAN | KOREA | TAIPE | BANGKOK Vietnam, Indonesia Philippines | EUROPE & AMERICA | MALAYSIA | OTHERS |
|----------------|-----------------|-----------------|-----------------|----------------|---|------------------------|-----------------|----------------|
| SM to Director | US\$ 200 | | US\$ 150 | | US\$ 125 | US\$ 200 | US\$ 100 | |
| DM & Managers | US\$ 150 | US\$ 125 | US\$ 100 | | US\$ 80 | US\$ 150 | US\$ 70 | US\$ 80 |
| AMs | | US\$ 100 | | US\$ 90 | | | | |
| Jr. Executive | US\$ 130 | US\$ 90 | US\$ 80 | | US\$ 60 | US\$ 130 | US\$ 60 | US\$ 70 |

OWN ARRANGEMENTS

Fixed allowance of **US \$ 50** will be provided for all sort of transportation for own arrangement

| | SINGAPORE | JAPAN | KOREA | TAIPE | BANGK, Vite, Indo&Phlip | EUROPE & AMERICA | MALAYSIA | OTHERS |
|----------------|-----------------|-----------------|-----------------|-----------------|----------------------------|------------------------|-----------------|-----------------|
| SM to Director | US\$ 250 | | US\$ 200 | | US\$ 155 | US\$ 250 | US\$ 130 | |
| DM & Managers | US\$ 200 | US\$ 175 | US\$ 150 | US\$ 150 | US\$ 110 | US\$ 200 | US\$ 100 | US\$ 110 |
| AMs | | US\$ 150 | | US\$ 140 | | | | |
| Jr. Executive | US\$ 180 | US\$ 140 | US\$ 130 | | US\$ 90 | US\$ 180 | US\$ 90 | US\$ 100 |



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PROMOTION

27. Performance Management & Promotion

Performance Appraisal – Management staff:

Scope: This policy applies to all Management Employees who have been confirmed on or before 15th January.

Purpose:

The Purpose of the Performance Management is to provide a channel to improve organizational performance by linking and aligning individual and team objectives with the organizational goals.

It also provides an opportunity to recognize and reward good performers, to manage under-performers and address developmental areas.

Procedure:

The Performance Management process starts every year in April by setting company Hoshin and company objectives for the coming year.

The company objectives are then translated into departmental and then employee objectives.

IMC's performance management system believes that the guiding principles of every employee are their individual work objectives & IMC competencies. Hence employees are required to set SMART objectives at the start of the year on which their performance will be evaluated.

Employees are evaluated during the midterm review and finally at the yearend on their individual objectives and competencies. Each employee is assigned a performance rating for which the bell curve system is used (explained later in this document).

During the midterm review, the employee and their supervisor are required to evaluate the progress made so far on the employee's objectives. It is encouraged that informal feedback is given to employee throughout the year, however in the midterm review a formal feedback needs to be given.

On the year end of the performance cycle, the employee is required to do a self-assessment of their performance in that year. This is followed by the supervisor's formal evaluation of the employee's performance. At this stage the employee and their supervisor are required to have a detailed dialog discussing the employee's achievements and the areas of improvements. The supervisor finally submits the employee rating to HR without disclosing it to the employee.

If employee does not agree with his/her manager's feedback in the one to one session, then the head of department sits together to close the issue. But if the disagreement remains open then the HR department mediates to resolve the issues.

HR establishes the format and timing of all review processes and set up cross functional team to review every individual performance evaluation.

The HR Committee finally approves the appraisal ratings, and then Human Resources department circulates it to all management employees individually.

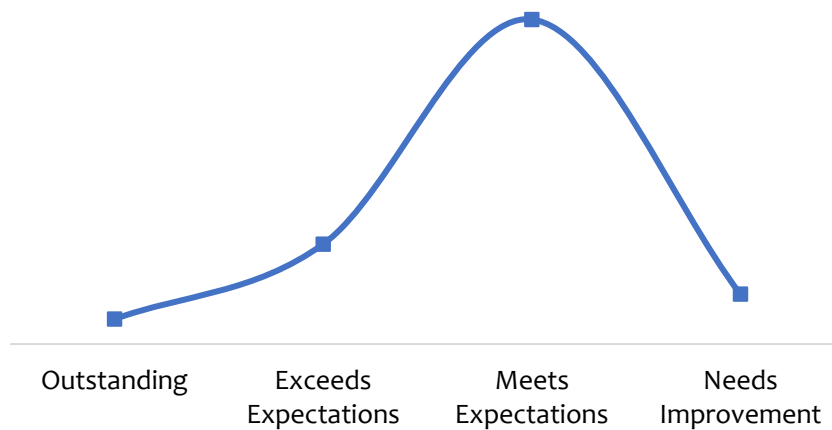
Human Resources also distribute increment & promotion letters to employees at the end of the performance management cycle.

Performance Ratings:

| Rating | Percentage Allocation | Description |
|----------------------|-----------------------|---|
| Outstanding | 5% | One who has mastered every element of the assigned position and is performing at a level well beyond that normally expected of the vast majority of experienced employees with similar duties |
| Exceeds Expectations | 20% | One whose performance is clearly and substantially above required performance and which occasionally excels |
| Meets Expectations | 65% | Performance is generally at the required level. Employees at this performance level may exhibit some particular strengths and typically, the strengths would offset the weaknesses |
| Needs Improvement | 10% | Performance is at borderline. The employee meets limited few targets and has below average job knowledge and skills for the position |

Bell Curve:

Bell curve is a general term that's used to describe a graphical depiction of a normal probability distribution. Every department is expected to follow the bell curve so that the organizational bell curve is met.



Performance Appraisal – Non – Management staff:

Scope: All Team Members who have completed at least 6 months service with IMC as on 30th June. Given that the current appraisal cycle is from July to June.

Procedure:

Non-Management Appraisal also starts every year in April.

Supervisor/ Manager appraise the employee as per rating scale for each job factor and core value in the column Rate 1-4. (Explained later in this document).

The supervisor finally submits the employee forms duly signed by employee and his/her manager along with rating and promotion “if any” as per circulated guideline to HR without disclosing it to the employee.

HR establishes the format and timing of review processes. Head of Technical and Human resources final the appraisal.

Performance category:

| Rating | Percentage Allocation | Points |
|-------------|-----------------------|-----------|
| Outstanding | 10% | 351 – 400 |
| Very Good | 20% | 301 – 350 |
| Good | 60% | 201 – 300 |
| Average | 10% | Up to 200 |

Promotion and Up-gradation:

Promotion / Up-gradation will be based on merit as per promotion criteria with a minimum period of 3 years in one grade.

Employee should have an above-average rating for consecutive 3 years.

Up-gradation to G4 (Team Member-I)

The maximum strength at any time in this grade should not exceed more than **20%** of total strength of Team Members including Apprentice Team Members.

Team Member–I having potential of management capabilities could be promoted as Assistant Team Leader subject to a position available in approved organogram.

Up-gradation to G5 (Senior Team Member)

The Maximum strength at any time in this grade should not exceed more than **5%** of total strength of Team Members including Apprentice Team Members.

The Head of Technical & Human resources finally approves the appraisal rating and promotion.

Human Resources distribute increment & Promotion letters to its all management & non-Management employees at the start of fiscal year i.e. July.

Promotion:

Scope: All confirmed employees who have served at least three years in their current grade/designation will be eligible for promotion.

Policy:

The promotion should be based on the following principles:

- Whenever possible vacancies arise, they should be filled in by the most suitable people available within the Company.
- Promotion should not be affected by race, creed, sex or marital status.
- Promotion procedure (outlined below) should be followed in all promotional cases.
- Vacant Position available in the approved organogram.
- Must have worked 3 years in the existing grade.
- Required qualification.
- Potential.
- Employee should have an above average rating.
- Fast track promotion can be considered for HIPO candidates.
- All management promotions are to be approved by HR Committee.

Procedure:

- When a vacancy arises and a natural successor is not available within the department, an effort should be made to first search for a potential candidate from within the Company. For this purpose, the relevant information should be sent to the HR department who will first inform all the divisional heads and later, if found necessary, advertise outside the Company.
- A promotion will normally be made effective from July 01st of the year. In case, however, if a vacancy emerges during the year and a potential candidate is available in succession, then the potential candidate could be asked to officiate on the senior position for a reasonable period which will provide an opportunity to assess his/her capability after which he/she could be promoted to the new position during the year.
- In case of promotion, in the management cadre, the departmental manager will be required to fill-in the additional information in the "Performance Appraisal Forms" which then Head of Technical & Human resources finally approves.
- In case of promotion within Non-Management cadre, approval of only divisional head is required.

Salary Increase Formula For Promotion:

The salary increase in the compensation of a promotee will be composed of:

- Merit increase in accordance with the performance evaluation rating.
- Promotional increase percentage would be 5%, 10% or 15%, depending on the employee comp Ratio.



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LONG SERVICE AWARD

28. Long Service Award

Scope: All IMC Employees

Purpose:

The objective of this policy is to reward and recognize employee's service and contribution to the company and its growth.

Procedure:

To recognize the contribution and affiliation with Indus Motor Company all employees are awarded with long service award after completing 15 years & 25 years' service. The award will be presented in Indus family day.

Eligibility:

- For 15 Year service: 5 Gram, 21 Karat Gold Engraved with IMC Logo and a Plaque.
- For 25 Year Service: 10 Gram, 21 Karat Gold Engraved with IMC Logo and a Plaque.
- For 35 Year Service: 20 Gram, 21 Karat Gold Engraved with IMC Logo and a Plaque.



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PENSION

29. Pension

Scope: All IMC Employees

Purpose:

1. To provide financial security:
2. To motivate employees for longer association with the Company.

Eligibility Conditions:

Retirement Age: 60 years.

Service : 10 years continuous service with the Company.

Early retirement: Minimum at 55 years of age with 20 years' service.

Benefits:

Pension Formula / Employer Contribution:

- 9% of basic per month
- 100% commutation of actuarial calculated employee Liability as of cutoff date, plus subsequent employer contribution and income thereon on cumulative amounts.

On Resignation:

No entitlement on resignation

Death during Service:

In case an employee passes away during service, his calculated employee liability and subsequent additions will be paid to his inheritor after employee declaration.

Defined Benefit Plan vs. Defined Contribution Plan

| Salient Features | Defined Benefit Plan | Defined Contribution Plan (Effectively July 01, 2008) |
|--|---|--|
| Plan Cover (Same Policy) | All Employees, Management, and Non-Management. | |
| Retirement Age - Normal | 60 year of age and 10 Years' Service | |
| Retirement Age - Early | 50 Years and 15 Years continuous service Above with Company consent | 55 Years and 20 Years continuous service. Above with Company consent (Also termed as Vesting Conditions. |
| Pen. Discount (Early retire) | 3% per yr. upto age 55 | N/A |
| Pensionable Salary | Last 36 months Av. Basic | |
| Pension Formula / Employer Contribution | 1% Salary X years of eligible service LESS 1% EOBi wage limit X insured service years | 9% of basic per month. 100% commutation of actuarial calculated employee liability as of cutoff date, plus subsequent employer contributions and income thereon on cumulative amounts |
| On Resignation | No entitlement on resignation | No entitlement on resignation |
| Family Coverage | Spouse – 50% and Children | N/A |
| Death During Retirement | 10% up to 21 years 20% in case of no living spouse Max. 4 children covered | |
| Death During Services | Same as above Pensionable salary X deemed full service years | Actuarial calculated employee liability and subsequent additions. Employee declaration / inheritance |
| Pension Increase | 4% per year | N/A |



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DEMISED EMPLOYEE'S FAMILY SUPPORT

30. Demised Employee's Family Support

Scope: All IMC Permanent Employees.

Purpose: To support family of the demise employee financially through company assistance.

1. IMC will support demise employee's family by paying gross monthly salary to the beneficiary nominated by the employee before his death.
 - In case of natural/accidental death 6 month's salary.
 - In case of on-Job/ IMC premises 1 year's salary.
2. The salary will be paid through a cheque to the beneficiary on a monthly basis.
3. In addition to company assistance IMC will support in securing pension and compensation from EOBI & SESSI as per law.
4. The beneficiary will not be liable to claim any other amount paid by the company during the year to employees such as WPPF or Bonus.
5. In case of the demise of the beneficiary, the payment will be stopped.
6. The assistance will be given spouse only (if demise is married and kids fewer than 18) otherwise assistance will be given to parents only.
7. Approval from CEO/HR head is required to initiate the payment to the beneficiary.
8. The company assistance would be other than his/her final settlement (PF, Life insurance and Leave encashment).
9. The Company assistance will be paid on last salary drawn.

Bonus for demised & retired employees:

(effective from FY 2020-2021)

In lieu of their association with IMC, employees who pass away or retire during the fiscal year will be eligible for annual bonus.

1. Bonus will be disbursed on pro rata basis for all employees who have completed at least one quarter completed during the fiscal year.
2. They will be entitled to get the bonus as per the company's bonus payout for the fiscal year as approved by the management /BOD.



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EMPLOYEE SEPARATION

31. Employee Separation

Final Settlement:

Scope: All IMC Employees.

Objective:

To provide complete payable dues or recover any liable amount from outgoing employee.

Procedure:

Employee will submit resignation in two ways:

- Employee can submit his/her resignation to supervisor, who will recommend it to the HOD and he will forward the approved resignation to HR.
- Employee can get approval from HOD/ Supervisor and can directly submit his/her resignation to HR.

Upon receiving the approved resignation from department, HR will issue.

- Resignation acceptance letter mentioning last working day & deductions (if any)
- Departmental clearance/checkout sheet (excluding apprentices)
- Exit Interview Form

After receiving departmental clearance, HR will process the final settlement having following calculations:

Salary & Provident Fund:

Calculation of salary & Provident fund will be made on pro-rata basis as per the last date of employment.

Leave Balance:

- Annual Leave can be encashed by Management, Team Member and Apprentices.

| | |
|-------------------|--|
| For Management: | 30 days/12 months = 2.5 leave per month |
| For Team Members: | 14 days/12 months = 1.16 leave per month |
| For ATM: | 15 days/12 months = 1.25 leave per month |
- Sick Leave can be encashed by Management (Jr. Executive/Team leader/Asst. Team Leader only, Team Members and Apprentices).

| | |
|--------------------|--|
| For JE/TL/ATL/ATM: | 10 days/12 months = 1.25 leave per month |
| For Team Members: | 16 days/12 months = 1.33 leave per month |
- Causal Leave can be encashed by Team Members and Apprentices only.

10 days / 12 months = 0.83 leave per month.

Employee will be paid for any un-availed annual leave accumulated in previous year or accrued during last year on pro-rata basis.

Entitlement is calculated on the basis of fiscal year which closes on June 30, each year.

Notice Period

In accordance with the terms of employment, all permanent employees (excluding apprentices & Trainees) are required to serve notice period while submitting the resignation. If not, the remaining un-served notice days will be adjusted in their final settlement.

However, in some exceptional cases, Management reserves the right to waive off the notice period.

Training Bond Amount

The company sends some employees to overseas training under Intra Company Transfer Scheme and incurs expenses on that training. Training Bond is signed by such employees stating that after returning from their ICT they have to serve for a certain period as mentioned bond paper. If such an employee resigns and does not serve bond period, he/she will be liable to pay bond amount in full, if not, this amount will be recovered from his/her final settlement.

However, in some exceptional cases, Management reserves the right to waive off the bond amount.

Clearance Certificate:

Clearance certificate will not be provided until the employee has given his/her exit interview and has settled all of his/her outstanding dues.

Exit Interview:

- All voluntary resigned employees (management & non-management) are required to appear for an exit interview and also submit the exit interview form before their last day.
- The exit interview will be conducted by HR.
- HR will share all the exit interview forms with the CEO and Chairman on a monthly basis (management employees only).
- Management may at any point decide to take actions on the findings of the exit interviews.

Retirement

Farewell for retiring employees:

To recognize retiring employees for their valuable contributions rendered in the success of company and to strengthen company's image of a caring employer.

Following standard recognition will be given to the retiring employee:

- a. Retirement Plaque
- b. Flower Bouquet
- c. Dinner (For Sr. Managers & above) / Hi Tea (For Managers & Below)

For Senior Managers & Above:

- Retiring employee will be invited with spouse to a farewell dinner at a 5 star hotel / club. Retiring employee will be allowed to bring two couples to the event.
- Participants from the Company will be all Senior Managers & above (with spouse).

For Managers & Below:

- Retiring employee will be invited to Hi -Tea within office premises. Participants will be concerned Line Manager and Department Personnel and close associates.
- Group size has to be manageable and restricted to around 15 ~ 20 people.
 - Company arranged Farewell will not be applicable for employees who have resigned.
 - Close friends /associates can host / contribute privately if they desire.



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CODE OF CONDUCT

32. Code of Conduct

Scope: All Employees

Purpose:

The purpose of this policy is to describe the procedure of ethics and behavior of this Organization.

Policy:

IMC Code of Conduct has been made to laydown basic understanding and inspires our employees to maintain level of honesty and integrity.

Introduction:

IMC Code of Conduct is the Principles, values, standards, or rules of behavior that guide the decisions, procedures and systems of an organization. IMC Code of Conduct is based on 3 Pillars. Core Values, Speak-up system, and Anti-Bribery regulations.

Core values:

Core values are the fundamental beliefs of a person or organization. IMC has 6 core values related to Code of conduct which are as follows:

Ethical Honest Practices: IMC will comply with applicable laws, internal company policies and rules, abide by sound social norms, and take appropriate action against any illegal or criminal acts or acts in violation of the company's policies and rules.

Employee Care: We encourage and support the personal growth of people working for the company. IMC respects and honors the right of all people working for it and will not discriminate against them or permit infringement of their rights.

Safety, Health & Environment: IMC aims to create a safe working environment. We aim to pursue ways to make vehicles safer and offer our customers safety and trust.

Product Quality: IMC aims to produce products that are defect free. It not only focuses on building quality in product but also in the Processes.

Team work: IMC strives to foster a corporate culture that enhances individual creativity and team work value.

Customer Satisfaction: IMC competes vigorously and effectively. Customers are treated on equitably.

Speak up:

An independent, conditional and neutral system provided by the company for reporting any type of behavior or misconduct in the organization.

Anti-Bribery:

Organization must not seek any profits that have been acquired through improper means, including acts of bribery.



33. Grievance Redressal & Speak Up System

Scope: All IMC Employees

Purpose:

The purpose of this policy is to lay out the procedure of reporting any misconduct, violation of IMC Code of Conduct or other policies and procedures and the subsequent investigation conducted by IMC.

Policy:

Employee shall raise concerns, complaints and grievances for any practices or action believed to be inappropriate under the IMC Code of Conduct or the law.

IMC prohibits retaliation against any employee for such reports made in good faith, while it also protects the rights of the incriminated person.

Complain Basis:

Complaint basis for reporting or speaking up includes, but is not limited to, the following:

- Fraud and corruption
- Theft or misuse of company property
- Harassment
- Drug and alcohol dealing or abuse
- Misuse or disclosure of confidential information
- Breaches of company policies and regulations
- Environmental Damage

Resources:

To resolve grievance, report their concern or seek guidance, employee shall contact the following resources:

- Line Manager
- Higher-level Manager in the line of reporting
- Head of Department
- Head of Human Resources
- Anti-Harassment Committee

If it is appropriate, in view of the nature of the reported matter, a formal report of violation may be made directly, on a confidential basis or anonymously, to Board Ethics Committee (BEC) through:

- Speak Up System

Speak Up:

Speak Up is an independent, confidential and neutral system provided by the Company for reporting any sort of ill behavior or misconduct in the organization to the Board Ethics Committee. The following platforms shall be used to launch a formal complaint:

1. Email on speak.up@toyota-indus.com
2. Mail on PO box - 9007

Board Ethics Committee

Board Ethics Committee of IMC is to review and monitor the adequacy of measures taken to ensure that the Speak Up system and culture remains effective and facilitates the reporting of any issues of concern and recommends appropriate measures there on.

The BEC shall consist of at least three members of whom at least one member shall be an independent director and one member shall be the Chief Executive Officer (CEO). The Head of HR of the company will act as Secretary to the Committee.

BEC shall appoint an **Inquiry Committee/Officer** from the organization as per the following:

- A member from HR or from department other than that of both the complainant and the accused.
- A member senior in rank from both the complainant and the accused.
- A neutral person with the agreement of both the complainant and the accused.
- A senior female staff member if the victim or accused is female.

Procedure:

- All complaints shall be properly and impartially investigated.
- The investigation shall be concluded within 30 days of the complaint being launched, where practicable, depending on the severity of each case.
- All parties involved shall strictly adhere to Anti-Retaliation Policy where an employee has made a report in good faith.
- For informal complaints or minor disputes, investigation in-charge shall organize mediation meetings with the appropriate parties.
- The employee may be accompanied by a representative or a colleague, who is not involved in the area of work to which the concern relates, in case a meeting is arranged.
- In case of a formal complaint on Speak Up, depending on the case, BEC shall appoint an Inquiry Committee/Officer to initiate counselling, Corrective Action Meeting, or a disciplinary process, where a Charge Sheet/Advisory Note shall be issued to the accused person on violation within 3 days of receipt of complaint.
- The accused person needs to answer the Show Cause/Charge Sheet/Advisory Note and submit a written explanation in 7 days to avoid ex parte decision.

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- After evaluating explanation from the accused, either a warning letter shall be issued by HR or an Inquiry Committee/Officer shall proceed with the thorough investigation.
- Inquiry Committee/Officer shall fix time and place for meeting where involved parties will be informed regarding the investigation process.
- Inquiry Committee/Officer shall give findings and recommendation in an inquiry report within 30 days.
- On evaluation of the inquiry report by the management, accused may be either exonerated or charged as per the policy.
- The charges shall be determined at the sole discretion of IMC and shall remain confidential.
- Disciplinary action will be taken against any employee found making a false allegation, providing false or misleading information in the course of an investigation, or otherwise acting in bad faith.
- Inquiry Committee/Officer shall maintain an accurate and comprehensive record of each case.

Adverse Action:

Adverse action taken against a charged employee may include, but is not limited to the following:

- Written Apology
- Counselling
- Warning
- Withholding of increment
- Withholding of promotion
- Demotion
- Dismissal

ANTI-RETALIATION

34. Anti-Retaliation

Scope: All IMC Employees

Purpose:

The purpose of this policy is to receive and respond appropriately to the compliance concerns raised and to prevent and address retaliation against employees who raise or report concerns.

Policy:

IMC is committed to maintaining a work environment that is free of harassment, intimidation, discrimination and retaliation for engaging in protected activity such as reporting violations or participating in an investigation pertaining to alleged violations of laws, the Code, policies, or procedures. Crucial to these objectives is promoting an atmosphere where employees and others feel safe to engage in frank, honest communication – raising questions or concerns at any time without fear of retaliation.

Protected Activity:

IMC strictly prohibits any form of retaliatory action against employees who raise issues or ask questions, make reports, participates in an investigation, refuse to participate in suspected improper or wrongful activity, or exercise workplace rights protected by law or its policies (in each case “Protected Activity”). Situations or behaviors that could lead to an employee engaging in a Protected Activity include, but are not limited to the following:

- Discrimination or harassment;
- Fraud;
- Unethical or unprofessional business conduct;
- Non-compliance with IMC policies/procedures, including the Code of Conduct;
- Other illegal or improper practices or policies.

Procedure:

Any employee who has either witnessed retaliation or been personally retaliated against, or suspect any violation of this policy, must immediately notify the Human Resources Department, Supervisor and/or informally or formally launch a complaint through Speak Up platforms mentioned in IMC Code of Conduct. IMC takes all claims of retaliation very seriously and reports will be reviewed promptly and investigated where and as appropriate.

Protection from Retaliation:

IMC does not tolerate any retaliation or Adverse Action taken against an employee engaged in a Protected Activity. Adverse Action may include, but is not limited to:

- Demotion;
- Suspension;
- Termination;
- Failing to give equal consideration in making employment decisions or to make impartial employment recommendations especially with respect to an employee’s performance;

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- Adversely impacting working conditions or otherwise denying any employment benefit to an employee;
- Creating a hostile or intimidating work environment.

Any IMC employee who retaliates against an employee engaged in a Protected Activity or who otherwise violates this policy shall be subject to disciplinary action.

IMC prohibits retaliation even if the concerns raised are not confirmed following an investigation. However, an employee may be subject to Adverse Action if the employee knowingly made a false allegation, provided false or misleading information in the course of an investigation, or otherwise acted in bad faith.

The Anti-Retaliation policy does not exempt employees from the consequences of their own misconduct or inadequate performance, and self-reporting such issues is not Protected Activity. The policy also does not prevent IMC from managing employee performance and addressing conduct issues after an employee has engaged in Protected Activity, so long as Protected Activity is not the reason for the performance management.



35. Anti-Harassment

Scope: All IMC Employees

Purpose:

Indus Motor Company is committed to a workplace free of harassment or bullying based on sex, age, cast, ethnic background, religious beliefs, sect, disability etc. Indus Motor Company strives to create and maintain a working environment in which people are treated with fairness, dignity, decency and respect.

Policy:

The policy applies to all employees, regardless of their positions and are expect to comply with the policy. The policy aims to ensure fairness and consistency to motivate employees to work in an environment which is free of fear or any stress which can impact the employee's performance.

What is Harassment:

Harassment is any deliberate, offensive, undesired conduct, incompatible with the standard of code of conduct in the workplace or in connection with work. Such conduct may cause mental, physical or emotional suffering.

Classification of Harassment:

1. Sexual harassment

Any sexual advance, request for sexual favors or other verbal or physical conduct of a sexual nature, which interferes with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Examples

- Sharing sexual photographs
- Posting sexual posters
- Inappropriate sexual touching or gestures
- Sexual jokes, comments, or questions (verbal & written)
- Invading someone's space in a sexual manner

Both men and women can be victims of workplace sexual harassment.

2. Moral harassment

Any repeated or persistence aggression whether physical, verbal or psychological having negative effect on environment at the work place or aimed at humiliating, demeaning, offending, intimidating an individual or a group of individuals, and potentiality affecting their health, career or dignity in a serious manner.

Examples

Persistent, unjustified and unnecessary negative attacks on personal or professional performance intended to offend the employee;

- Manipulation of an employee's personal or professional reputation by rumor, gossip or ridicule;
- Offensive comments or behavior relating to the ethnic origin, physical characteristics or religion of an individual;

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- Exclusion or continued isolation from professional activities.

3. Power harassment

Power harassment is any kind of behavior in which a superior takes advantage of his or her position in the workplace to cause co-workers physical pain or emotional distress.

It is abuse of authority or power which is improper use of a position of influence. Abuse of authority may also include conduct that creates a hostile or offensive work environment.

Examples

- Physical attacks including acts of force or violence
- Psychological attacks including intimidation or verbal abuse
- Excessive demands (e.g. assigning work that is impossible to perform or unnecessary)
- Demeaning demands (e.g. assigning work clearly below the employee's capability or not assigning work at all.)
- Intrusion upon the individual, including the employee's personal life

Procedure for Reporting Harassment:

Aggrieved person may report, in writing, to the following:

- Supervisor / Head of Department
- Anti-Harassment Committee Members

OR

- Use the Speak Up System
- Send a complaint to a registered P.O Box.

The company will conduct a formal inquiry upon receiving a complaint. The investigation will be carried out as per law.



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ANTI-BRIBERY

36. Anti-Bribery

Scope: All IMC Employees

Purpose:

Organization must not seek any profits that have been acquired through improper means, including acts of bribery.

Policy:

The employee must not offer/promise/give or request/agree to receive/accept, directly or through a third party, any money or other financial advantage or anything of value to a government official or third party, irrespective of whether at home or abroad, for the purpose of obtaining or retaining business or an advantage in the conduct of business or in connection with any improper performance of a relevant function or activity for any third party.

Records & Documentation:

The employee must not, in the course of business for or in connection with Company, conduct off-the-book, fictitious or otherwise falsified transactions, or any other similar acts prone to be misconstrued as such, and shall make and keep books, records and accounts (ledger sheets and account ledgers, etc.), which, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets.

Facilitation Payment:

IMC, or any person or organization acting on behalf of IMC, must never pay or use third parties to pay an unofficial payment or “kickbacks” of any kind, to government officials or employees in order to secure or expedite routine administrative actions.

Political or Charitable Payment:

No assets, including time at work, use of the Company premises or equipment, or direct monetary payments, may be contributed to a political candidate, political action committee, or to support or oppose a ballot measure, or to organizations in which government officials possess a role, such as trustee, without the written permission of the Company.

Payment Under Duress:

In the event where employee fears for their own safety or safety of others and to avoid a threat to life, body or personal freedom (assault, threats, arrest or incarceration, etc.) a payment or offer of payment is made, employee should immediately notify HR / Supervisor and provide proof of payment.

Personal Fund:

The employee must not use personal funds to make any unofficial or improper payment on behalf of IMC, whether directly or indirectly, and irrespective of whether at home or abroad, with the intent of gaining benefit.

Third Party Compliance and Due Diligence:

Any department engaging in a contractual agreement with third party on behalf of IMC is responsible for due diligence, managing risk of bribery and corruption and ensuring applicable Anti-Bribery and

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Corruption clauses are part of the contracts.

Supervisor's Responsibility:

Supervisors are to remain vigilant of any suspicious activity with the potential of bribery within their department and ensure complete training and understanding of Code of Conduct by their subordinates. Any violation of IMC policies must be reported immediately.

GIFT

37. Gift Policy

Scope: All IMC Employees

Purpose:

To standardize procedures to promote fair competition and transparency in business operations under the relevant laws, as well as to prevent the providing/receiving of benefits that may inappropriately influence any business decisions or lead to bribery.

Gifts should not be given or received either to obtain favors/preferential treatment or in return for favors/preferential treatment. Individual employees are prohibited accepting/giving gifts from/to current or prospective suppliers, vendors, dealers, customers, government officials, business partners, other employees or any third party.

Definitions:

Government Official: Includes but is not limited to, national, provincial or municipal officials at any level whether in Pakistan or abroad and whether operating in their official capacities or not:

- i. Any current or former national, provincial, local or municipal employee;
- ii. Any candidate for political office;
- iii. Any person holding a political position;
- iv. Any person acting on behalf of a public/government official; and
- v. Any employee of a company owned by the government.

Third Party: Any person or organization that performs services for or on behalf of IMC, including but not limited to: agents, intermediaries, independent contractors, consultants, representatives, accountants, lawyers, lobbyists, customs brokers, logistics companies, and supply-chain partners.

Business Partner: Joint venture partners & Toyota affiliate companies.

Exception to the Disclosure:

Following circumstances under which gifts might be received/ accepted, irrespective of the value of the gift, as elaborated in the Gift Policy mentioned in Code of Conduct are NOT subject to disclosure;

- General giveaways with company logo can be accepted and given.
- Edible items received or given during visits to/from dealer/vendor, bank and other business partners.

Gifts subject to the Disclosure:

- Gifts on New Year, Eid and other festive occasions
- Gifts on occasion of wedding of self or children
- Tickets to theatre, plays, fashion shows, sport matches, etc.
- Sponsored travel by third party

Guidelines:

If it is necessary to provide/receive any gifts or hospitality, the “Gifts Disclosure Form” should be submitted along with authorizing personnel’s approval by the employee engaging in such activity. Pre-approval should be obtained in accordance with the tables below:

Providing Gifts

1. To Government Officials:

| Amount | Pre-Approval |
|--------------|--------------|
| \$100 | CEO |

2. To Business Partners/3rd Party:

| Amount | Pre-Approval |
|-------------------------------------|---------------|
| Less than or equals to \$100 | Department GM |
| \$101 - \$150 | SGM/Director |
| \$151 - \$1000 | CEO |

- All gifts and entertainment are purchased centrally by Commercial Department and provided to the User Department making the request.
- Independent of where the gift or entertainment is being provided Commercial Department should confirm the appropriate requests were completed and approved in “Gift Disclosure Form” prior to purchasing gifts or entertainment.
- Personal funds or company credit cards may be used to pay for meals and are subject to reimbursement, in accordance with proper pre-approval and approval policies. All expenses must be supported by receipts or invoices in original.

Receiving Gifts

1. From Government Officials:

No gift shall be received from government officials.

2. From 3rd Party:

| Amount | Comment |
|-------------------------------------|---------------------|
| Less than or equals to \$100 | Employee can Retain |
| Greater than \$100 | IMC will Retain |

3. From Business Partners (Toyota Affiliates):

| Amount | Comment |
|-------------------------------------|---------------------|
| Less than or equals to \$300 | Employee can Retain |
| Greater than \$300 | IMC will Retain |

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- Prior to accepting the gift or hospitality from a Business Partner/Third Party, IMC employees should assess the circumstances to ensure that there is no intent to influence the IMC employee.
- Employees receiving gifts from external sources shall disclose to immediate Supervisor and submit item immediately to the Internal Audit (IA) department along with “Gift Disclosure Form” duly signed by the supervisor.
- IA Department shall request the Commercial Department to evaluate and declare the fair value of the gift item.
- Commercial Department shall submit the declared fair value in open market within 5 working days to IA Department using the “Gift Disclosure Form” duly approved by Head of Commercial.
- In case the value of gift item is less than the limit as per policy, Commercial Department shall return the item to the employee and obtain receiving acknowledgement of employee on the “Gift Disclosure Form”, which shall be retained in the archives with IA Department.
- In case the value of gift item received is more than the limit as per policy, IMC shall retain the item. IA Department shall submit the item along with forms copy to CFD department for safe custody.
- All the surrendered gift items may be raffled on family day or given to IMC employee to honor and recognize the performance, donated to worthy organization/NGOs, or used for decorative purposes in the company, as per the approval of Head of HR & CEO.
- IMC employees are encouraged to communicate in confidence to HR Department regarding any gifts exchange between any IMC employee and external sources.
- If an IMC Employee sees or hears of an activity that may violate this Policy, the IMC Employee must immediately report that activity to the Speak-up reporting channels.

38. Disclaimer

The purpose of this policy manual is to make the employees aware of the policies that affect them. The company reserves the right to change, amend or terminate its policies at any given point in time for any reason.