

THALES INDIA EMPLOYMENT MANUAL

GOVERNANCE INSTRUCTION

TABLE OF CONTENTS

1.	PURPOSE	4
2.	DEFINITIONS	4
3.	INTRODUCTION	5
3.1	PURPOSE OF THALES	5
3.2	THALES ETHICS AND CORPORATE RESPONSIBILITY	5
4.	TERMS AND CONDITIONS OF THE EMPLOYMENT	6
4.1	EMPLOYEE RESIDENTIAL ADDRESS	6
4.2	PROBATION PERIOD AND CONFIRMATION OF EMPLOYMENT	6
4.3	WORKING HOURS AND WEEKLY OFFS	6
4.4	RELOCATION	7
4.5	TERMINATION	8
4.5.1	EXIT POLICY	8
4.5.2	TERMINATION OF EMPLOYMENT BY THE COMPANY	9
4.5.3	TERMINATION OF EMPLOYMENT BY EMPLOYEE	10
4.5.4	RETIREMENT	11
4.6	CONDUCT AND STANDARD OF BEHAVIOUR AT WORK	11
4.7	NON-SMOKING POLICY	11
4.8	SUBSTANCE ABUSE	11
4.9	COMPANY PROPERTY	11
4.10	CLOTHING AND APPEARANCE	12
4.11	POLITICAL ACTIVITIES	12
4.12	GIFTS AND HOSPITALITY	12
4.13	HEALTH AND SAFETY	13
4.14	EQUAL OPPORTUNITIES	13
4.15	SEXUAL HARASSMENT	13
4.16	INFORMATION TECHNOLOGY SYSTEMS AND TOOLS	15
4.17	SECURITY POLICY	16

5.	COMPENSATION AND BENEFIT	17
5.1	COMPENSATION	17
5.1.1	LEAVE TRAVEL ALLOWANCE.....	18
5.1.2	SPECIAL ALLOWANCES.....	19
5.2	BENEFITS	19
5.2.1	LEAVE BENEFITS	19
5.2.2	TELECOMMUTING	23
5.2.3	CRÈCHE FACILITY	23
5.2.4	ADVANCE AGAINST SALARY.....	23
5.2.5	MOBILE & TELEPHONE	24
5.2.6	REFERRAL INCENTIVE.....	25
5.2.7	INTERNSHIP	25
5.2.8	CCOMPREHENSIVE INSURANCE COVERS	26
5.2.9	EMPLOYEE GIFTS.....	26
5.2.10	REWARD AND RECOGNITION	26
5.2.11	EDUCATION ASSISTANCE	26
6.	TRAVEL AND REIMBURSEMENT OF EXPENSES.....	27
7.	TRAINING	28

1. PURPOSE

This manual has been prepared to act as a guideline for all Thales employees located across India in all the legal entities, for the administration of policies and procedures related to employment in the Company.

It is not applicable to Joint-venture employees, Third party contractors, Expats, Interns, unless specified.

There are few policies related to specific business processes which are applicable to DIS employees at Noida, Mumbai, Delhi, Bangalore site but not yet harmonised are available at below link:

<https://confluence.gemalto.com/display/HR/Human+Resources+India+Repository>

2. DEFINITIONS

2.1 COMPANY

Company refers to all of the Thales legal entities in India. It is hereinafter referred to as "Thales" also at some places.

2.2 EMPLOYEE

Employee refers to any individual having Employment Contract with the Company directly.

2.3 MANAGER

Manager refers to Employee's Direct Supervisor.

2.4 RETAINER

Retainer is basically a person who is hired on retainership contract with specific terms and conditions typically for a fixed duration.

2.5 EXPATRIATE

An expatriate (often shortened as expat) is a person working in Thales India office but has his/her primary contract with the home base and is a citizen of another country

3. INTRODUCTION

3.1 PURPOSE OF THALES

BUILDING A FUTURE WE CAN ALL TRUST

Trust is essential for societies to flourish. Trust in our institutions. Trust in our systems. Trust in technology. Trust in each other.

At a time when progress offers huge opportunities – and faces serious challenges – it's essential that the people we all rely on to make life better and keep us safer, are trusted.

That's why we, at Thales, turn leading-edge technologies into solutions that are both imaginative and resilient, human-centred and sustainable.

So those we serve, our customers, can navigate uncertainty with confidence and new frontiers with optimism. And together, we harness the extraordinary power of technology to build a future we can all trust.

3.2 THALES ETHICS AND CORPORATE RESPONSIBILITY

Thales India conducts all of its business in strict compliance with national and international regulations and with the highest professional standards. In doing so, we aim to defend and protect the Group's interests and uphold the principles of rigorous corporate governance.

Against this backdrop, Thales places Corporate Responsibility at the centre of the decision-making process, not only for its management, but also for each of its employees in the choices they make in their day-to-day work. This is a necessary commitment in the company's relations with its stakeholders: not only its customers but also its suppliers, shareholders, civil society and, of course, its team members.

Thales has also introduced a proactive environmental policy on activities and products. Thales' Code of Ethics is an integral part of this policy and defines the rules of conduct that everyone in the Group is to apply.

Thales is a member of the United Nations Global Compact and also applies the OECD's (Organisation for Economic Cooperation and Development) guiding principles for multinational companies. The purchasing and corporate responsibility charter involves our suppliers in these commitments.

For more details, please refer, http://intranet.corp.thales/ethics/pub/index_en.cfm and "Code of Ethics 87201854-GOV-GRP-EN-" document available on Chorus

4. TERMS AND CONDITIONS OF THE EMPLOYMENT

4.1 EMPLOYEE RESIDENTIAL ADDRESS

Employees are required to notify the Company immediately upon any changes in their residential address. It will be the employee's responsibility to ensure that the Company's records and all its application/tools like Workday reflect correct current and permanent residential address. Any notices provided for hereunder shall be sent to the residential address notified to the Company.

4.2 PROBATION PERIOD AND CONFIRMATION OF EMPLOYMENT

Probation period will be of 6 months' duration. In case of performance or other issues, it is the responsibility of the Employee's manager to initiate the performance assessment process after completion of the first 3 months and not later than first 5 months. In case the probation needs to be extended/terminated, the manager must share Probation confirmation feedback form ([Ref / Chorus: Confirmation Feedback Form 83690068-HRM-IND-EN](#)) with HR & the employee before the completion of 6 months indicating the extension. Employee will then need to undergo a performance improvement plan ([Ref / Chorus: Performance Improvement Plan 83690056-HRC-IND-EN](#)) and based on his / her satisfactory performance during Performance Improvement Plan, confirmation letter will be issued. Completion of 6 months without any Probation Confirmation feedback form indicates that employment has been confirmed and no written confirmation will be issued in this case. Probation may be extended by not more than three months.

4.3 WORKING HOURS AND WEEKLY OFFS

Working Days, Flexi Working Hours

The normal work schedule for all the employees are 9 hours including lunch break each day, i.e. Monday to Friday.

We encourage proper work life balance for our employees. To promote this, employees are given the opportunity to schedule their own working hours between 8:00 am and 7:00 pm every day.

However, an employee may be required to work during specific timings set by the company in view of the business requirements (with the approval of line manager/s and Site security Manager). For Project and site offices, days and timings will be as per customer's requirement.

Non-Compliance of the above timings, may lead to disciplinary proceedings.

For business purpose the departments which provide 24X7 support; the other shift timings will be:

6:00 hrs to 14:30 hrs

14:00 hrs to 22:30 hrs

17:00 hrs to 01:30 hrs

21:30 hrs to 06:00 hrs

Late Attendance

Each employee is responsible for reporting to work in a punctual manner. Persistent late attendance may lead to disciplinary proceedings.

4.4 RELOCATION

General support and relocation assistance is provided as appropriate (if an employee is transferred to a different location, other than his present work location) to enable employees on assignment to be productive as quickly as possible, and to provide wider support so that the employee and his/her family are assimilated into the local culture.

- One time travel (with spouse and children from the present work location / residence location to new work location by air / rail / road will be borne by the Company, **within one year** of joining the new work location.
- **Two weeks of accommodation** will be provided in a Hotel / Guest House determined by Thales. The employee is eligible for food reimbursement up to INR 1500 per day per individual, in case food is not included in hotel package, on submission of relevant bills.
- Company will also facilitate the movement of employee's personal belongings by road / rail. The shipping of household goods will be managed by Purchase Department and validation of the costs will be done by HRBP (Human Resource Business Partner) / Cost Center manager. In case of Domestic movement,
 - (a) Expenses not above INR 50000 (INR Fifty Thousand Only) for a single employee moving on site will be sponsored by the company. And,
 - (b) Expenses not above INR 100000 (INR One Lakh Only) for employee moving with family, will be sponsored by the company.

If only the employee is relocating initially, and intends to relocate the family at a later date, this needs to be declared at the time of his / her relocation.

- One-time Relocation Allowance of INR 150000 (INR One Lakh and Fifty Thousand Only) will be credited in the employee's bank account registered with payroll in the next payroll process, after relocation to the new location. This will not be applicable for new recruits.
- Broker fees up to a maximum of one month rental or actuals, whichever is lower, will be reimbursed to the employee on submission of relevant bills.
- One familiarization trip for employee and spouse for house finding etc, limited to 3 days will also be borne by the company This includes to and fro travel from host to destination city, food and commute. This will not be applicable for new recruits.
- All the above expenses must be claimed within three months of the date of relocation with the requisite bills.

- All / any other expense(s), other than those mentioned in the above points, will be borne by the employee. If the employee is transferred to a location where he has to opt for a rented accommodation, and therefore, is required to pay rent in advance as security deposit, the employee is eligible to get an advance on his salary (one-time) which must not be more than this security deposit. This amount will be reimbursed to the employee on submission of a copy of his / her rent agreement. In such cases, the employee will repay the loan through equal monthly deductions from his / her salary over a period of twelve months from the date of such advance. This advance for security deposit is different from the loan availed in general cases.

Note: In case a new employee is recruited to a different location other than his present work location, relocation policy will be applied only with the approval from Department Head & HRBP before joining. It is also mandatory for new employee to attach the email approval from Department Head & HRBP to claim expenses.

If the employee leaves the Organization within a period of 1 year from such relocation, the employee will have to reimburse the entire relocation claimed.

TRANSFER AT THE REQUEST OF THE EMPLOYEE

Self-initiated transfer will not be eligible for above transfer benefits, except for one-time travel expenses for employee & his / her family and shipping of household items. No other allowances as detailed above shall be borne by the company

4.5 TERMINATION

4.5.1 EXIT POLICY

In case of resignation, the employee will send the resignation on email to the Manager. On accepting the resignation, the Manager will forward that email to HR indicating the relieving date. The Manager may also inform the team members and extended staff through e-mail after acceptance.

- After submission of notice for resignation, employee is expected to continue to work during notice period and ensure proper handover of the work. Work of the organisation should not be disturbed due to resignation / departure of any employee.
- Leaves during notice period are not permitted. However an employee may be granted leave(s), only by exception, solely on the discretion of his / her manager.
- The number of days falling in the notice period cannot be adjusted with Casual and / or Privilege Leave(s). Also, no other kind of waiver in the notice period is permitted.
- HR will arrange an exit interview ([Ref/ Chorus: Exit Interview Form 83690051-HRM-IND-EN](#)) with the employee and then provide the relevant experience / relieving letter on last working day.

- At the time of termination of employment, employee needs to sign an Employee Clearance Form (Ref/ Chorus: [Employee Clearance Form 83690025-HRM-IND-EN](#)) that contains an acknowledgment of the restitution of the Employer's property such as access card, laptop, files, records, books etc. No business expenses may be claimed after submission of the Employee Clearance Form.
- After completing the no dues process, the HR Department will initiate the Full and Final settlement.
- Upon termination of employment by either party provided herein, employee will be entitled to all accrued salary, encashment of privilege leave up to 63 days and any variable pay applicable as per Company global policy. Employee may also be entitled to a gratuity payment calculated as provided under the Payment of Gratuity Act, 1972.
- Performance Bonus is paid in the month of March for the previous calendar year. It is paid on pro rata temporis basis. Employee leaving the company (other than Retirement) on or before 31st December of the calendar year for which it is due, will not be eligible for Performance Bonus.

4.5.2 TERMINATION OF EMPLOYMENT BY THE COMPANY

During the probationary period, employment may be terminated with one (1) month notice or salary in lieu thereof.

After probationary period is over, employment may be terminated by the Company, at its sole discretion, for any reason whatsoever upon the provision of Two (2) months prior written notice or salary in lieu thereof. However, the employment may be terminated immediately without any notice in the event of misconduct.

Without any bias, the term "misconduct" shall have the meaning as provided by law and deemed to include, but not limited to, the following:

- Any act or omission which is detrimental to the interests of the business, discipline, reputation or prestige of the Company whether committed within or outside the premises of the Company and whether committed during or after regular office hours.
- Behaviour that is disruptive or any wilful insubordination or disobedience, whether alone or in combination with others, to any lawful and reasonable order of a superior.
- Persistent late attendance at work or failure to attend work for three or more consecutive days without manager's approval.
- Breach of Company policy on smoking, alcohol and drugs which is mentioned in section 4.7 and 4.8 in this document.
- Being abusive, rude or exhibiting violent behaviour towards clients, customers, fellow employees or management.
- Demanding or accepting any bribes, kickbacks, commissions, or any gifts which could be construed as bribes.
- Committing any offence within the meaning of the Indian Penal Code.
- Damaging Company property or the property of any employee with deliberate intent or tampering with any equipment, articles or any written record, falsifying official records and the like.

- Discrimination against any fellow workers or clients or customers on the grounds of gender, race, disability, ethnic origin, caste or any other grounds. Employee must be aware of the Company's policy on discrimination and harassment.
- Theft, embezzlement, fraud, misappropriation or dishonesty in connection with the business or property of the Company.
- Failure to adhere to any statutory or regulatory requirements.
- Falsification of any documents irrespective of whether or not it causes the Company loss.
- Misuse of the Company vehicle if any.
- Negligent behaviour which may be gross or which may affect the Company's trust and confidence in the ability to carry on the job.
 - Breach of the obligations relating to confidentiality, intellectual property rights, non-competition and non-solicitation.
 - Engaging in any occupation, profession, trade, business while in the Company's employment.
- Diverting any company opportunities to any other person or entity.
- Participating in an illegal or unjustified strike or activities disruptive to the business of the Company, including dharna, gherao, sabotage or any abatement or instigation thereof.
- Unauthorised possession of any lethal weapons in the Company's premises.
- Making or publishing false, derogatory, defamatory or malicious statements against the Company/management or fellow employees.
- Preparing false bills or statement of expenditure.
- Acting in any manner prejudicial to the interests of the Company.

4.5.3 TERMINATION OF EMPLOYMENT BY EMPLOYEE

Employee can terminate employment with Company with prior written notice or salary in lieu thereof. The notice or salary in lieu thereof will be as under

- During the probationary period, employee may terminate employment with one (1) month notice or salary in lieu thereof.
- Thereafter, employee is required to provide Two (2) months prior written notice or salary in lieu thereof.
- The Company reserves the right to either keep the Employee on the payroll for the above notice periods or shorten the period at its discretion by paying salary in lieu thereof.
- The employee is required to complete his Exit formalities and submit required documents to HR Department before his last day in the Company.

4.5.4. RETIREMENT

The retirement age is 60 years. A suitable farewell gift (maximum cap of INR 20,000) will be given to the employee by his immediate manager along with a farewell get-together with team.

4.6 CONDUCT AND STANDARD OF BEHAVIOUR AT WORK

The employees are expected to carry out their duties to the best of their ability and they must follow all lawful and reasonable instructions given to them by the Company. They must keep the Company informed of their conduct in relation to the Company's business and provide explanations for any conduct, as their line managers consider appropriate.

4.7 NON-SMOKING POLICY

Smoking is not allowed inside the Company's premises. Smoking inside the Company's premises is a disciplinary offence and shall be considered misconduct. (Many public places are also deemed / notified to be non-smoking). This policy is also applicable to e-cigarette users. This is to ensure that it prevents exposure to second-hand smoke for all employees.

4.8 SUBSTANCE ABUSE

Alcohol and drugs are strictly prohibited inside the Company's premises. If an employee is found consuming alcohol or taking drugs in the Company's premises or is under the influence of alcohol or drugs in the workplace, it will be treated as gross misconduct under the Company's disciplinary procedure. The possession of drugs for any reason other than medical is forbidden. Employee must inform line manager if he / she needs to take drugs for medical reasons and in particular, if the drugs are likely to affect the ability to work.

Employee may be required to undergo a medical examination in order to ascertain whether there is a problem in relation to drink or drugs which is affecting ability to work to prevent accidents and productivity losses. If the employee is not found fit for duty, he/she may be suspended from work until the problem has been resolved

Employees who notice signs of alcohol or drug abuse by a work colleague are expected to report this and the reason for them (if any) to the Ethics officer of the Company. This report shall be handled in complete confidence.

4.9 COMPANY PROPERTY

Employees may not take away from the workplace, books, files, stationery, computers, printers, scanners or other Company property without prior approval from manager and site security manager. Failure to

comply will be treated by the Company as theft of its property and the Company will take appropriate legal steps. The loss, breakage or destruction of any property of the Company, caused deliberately or by gross negligence shall be charged to the employee and the amount shall be deducted from the employee's salary.

4.10 CLOTHING AND APPEARANCE

The Company expects the employee, whilst working for the Company, to maintain a professional appearance at all times. In particular, employees are required to wear smart business attire and shoes in accordance with the image that the Company would expect to project.

4.11 POLITICAL ACTIVITIES

As a member of civil society, Thales observes strict political, religious and philosophical neutrality. The Group will not make any financial contribution to political candidates, elected representatives or political parties. Further, no active participation in political activities shall be allowed during working hours or on the Company's premises according to Company policy. Thales employees may however, participate in political activities in their own right, outside Company premises and beyond working hours without using the Group's corporate image to support their personal convictions.

4.12 GIFTS AND HOSPITALITY

Business gifts & hospitality that are customary business courtesies and are reasonable in value and frequency, may be used to reflect goodwill and strengthen working relationships with business associates. Giving or receiving occasional meals or small company mementoes may be appropriate in certain circumstances.

Gifts and Hospitality may take the form of gifts, meals, invitations to business events, travel, entertainment.

Gifts & Hospitality, whether given or received, are generally allowed in the business world as long as they meet certain conditions:

- They are not made with the objective of giving or obtaining a favour or any undue advantage,
- They do not create a conflict of interest,
- They are made in a strictly professional context,
- They are made in a transparent way.

ALL CASH PAYMENTS ARE PROHIBITED BY THALES.

For more details, please refer "Gifts and hospitality Instruction of Thales India 83680012-GOV-IND-EN" available on Chorus

4.13 HEALTH AND SAFETY

- The Company is committed to providing a safe working environment and to care for the health and safety of its employees. The Company will comply with what is regarded as best practices in relation to the work it carries out.
- Employee's Responsibilities - In order to assist the Company in ensuring safety standards are met, the employee has a responsibility to ensure that he / she is aware of the company's HSE policy and must comply with all safety instructions or directions that are issued
- As part of this duty the employee should:
 - a) Ensure that any and all equipment or machinery is used in accordance with safety instructions and immediately report any malfunction or other difficulty with machinery or equipment that could be a risk or health hazard.
 - b) Report any accidents that occur and cooperate in its investigation.
 - c) In Case of Fire: Employee should be aware of nearest fire exits, emergency exits, emergency assembly point. Employees should also participate in mock drills conducted by the Company and should be aware of their respective floor plans.
 - d) First Aid: First Aid Kit is available at reception or with the person in charge. In any case employee is feeling unwell he /she may inform the person in charge and seek first aid.

For more details, please refer "Site Security Instruction for Thales India 83690014-ESS-IND-EN" available on Chorus

4.14 EQUAL OPPORTUNITIES

The Company is an equal opportunities employer and is committed to opposing all forms of discrimination in the workplace. The Company will not tolerate discrimination based upon age, disability, gender, race, religion, ethnic or national origin. The aim of this policy is that all employees know that they are able to work in an environment that is free from discrimination and they are able to achieve their full potential in the job. The Company will make decisions without reference to discriminatory criteria. All employees must be aware of this equal opportunities policy and should abide by its terms at all times.

4.15 SEXUAL HARASSMENT

Thales India is an equal opportunity company and is committed to provide a healthy working environment that enables employees to work without the fear of prejudice, gender bias and sexual harassment. The organization also believes that all employees have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence.

Sexual Harassment would mean and include any of the following:

- Unwelcome sexual advances, requests or demand for sexual favours either explicitly or implicitly, in return for employment, promotion, examination or evaluation of a person towards any company activity.
- Unwelcome sexual advances involving verbal , non-verbal or physical conduct such as sexually coloured remarks, letters, phone calls, email, gestures, showing of pornography, lewd stares, physical contact or molestation, stalking, display of pictures, signs, verbal or non-verbal communication which offends individuals sensibilities
- Eve teasing, innuendos and taunts, physical confinement against one's will and acts likely to intrude upon one's privacy
- Act or conduct by a person in authority which creates the environment at the workplace to be a hostile one or intimidating to a person belonging to the opposite sex
- Conduct of acts defined as sexual harassment at workplace or outside, in relation to an employee of Thales India or vice versa during the course of employment and
- Any unwelcome gesture by an employee having sexual overtones
- Implied or explicit promise of preferential treatment in the employee's employment
- Implied or explicit threat of detrimental treatment in employee's employment
- Implied or explicit threat about employee's present or future employment status
- Interference with employee's work or creating an intimidating, offensive or hostile work environment for him / her.
- Humiliating treatment likely to affect employee's health or safety.

Any employee who feels he / she is being sexually harassed directly or indirectly must submit complaint (in writing) of the alleged incident to the "Internal Complaints Committee" in the organisation.

The complaint must be made within a period of three months from the date of incident, and in case of a series of incidents, within a period of 3 months from the date of last incident.

The ICC (Internal Complaint Committee) may take steps to settle the matter, or proceed to make an inquiry, and provide appropriate disposition.

For more details, please refer "Prevention of Sexual Harassment at Workplace 83680011-GOV-IND-EN" available on Chorus

4.16 INFORMATION TECHNOLOGY SYSTEMS AND TOOLS

Employee will be provided with IT Infrastructure i.e. Hardware and Software as per the job profile in the organization and budget availability. The recommended hardware / software shall be compatible to Thales Corporate IT Policy and standards.

Following points are to be considered and pursued by all employees

- Employee is not permitted to use the Company's computer for personal use.
- Employee is not permitted to make copies of any software or in any way make or distribute copies of software.
- All computers should be protected by a password.
- Copying unencrypted files in external USB drive has been restricted in all mobility laptops by default. Only encrypted files with access rights defined can be copied to external drive from user laptops after the approval given by CIO/Department Head based on the user requirement and Business need

All users across India are required to use the Helpdesk System method for call logging for both IT problems as well as requests.

Email Guidelines

The Company's email system and computer systems are not meant for personal messages and they should be avoided as far as is possible. The following rules will be applicable to emails sent through the Company's email system or from a computer on Company premises:

- The language and content of any messages must be of an appropriate standard and should be succinct and to the point.
- Inappropriate language which may include malicious gossip or messages that may amount to a breach of the Company's equal opportunity policies or be otherwise inappropriate will be treated as misconduct. Further, the Company will not tolerate the sending of e-mails that are untrue, obscene or defamatory and any such misuse of its computer systems will be considered misconduct.
- All the official communication should be from official email only.
- Email sent through the Company shall remain the property of the Company and the Company shall have the right to retrieve all e-mails for such reasons as it considers appropriate.

- If employee receives an email that contains inappropriate matter, he / she should notify the manager immediately.

Applications/Tools:

There are various tools and applications developed internally for business excellence and to facilitate all employees. All employees on board have the responsibility of proper usage of these applications / tools during their tenure of work and shall maintain the confidentiality of the information.

It will be the employee's responsibility to ensure their personal record is correctly updated in the Workday personal section and on other applications / tools.

Employment details of the employee should be updated in Workday by manager or informed to HR (as applicable) to ensure that the above details are correct in Workday and all other HR applications / tools

4.17 SECURITY POLICY:

Thales India Security policy is to define the physical protection measures and rules encompassing access control, security organisation, badge policy, sensitive data management, and people sensitisation.

Electronic Security of Office Premises

All the entrance and exits including main entrance and the emergency doors at the back are access controlled and can be opened only by access card and / or manual key. Each employee gets an access card assigned only to that employee. This access card should not be given to anybody else.

Protection of Assets and Confidential Documents

Every Thales employee is responsible for protecting property and information entrusted to them in accordance with Thales policies, instructions, and standards. The sensitive documents are to be kept in locked cupboard and boxes, or to be destroyed to avoid any leakage of information.

Access Photo ID card

Employees are required to display the Access Card while in Thales facility. Those do not display their access cards can be challenged to produce this at any time while in the office premises. Administration / Security department has to be informed immediately in case card is lost or damaged. The access card is also being utilised for marking attendance of an employee. Therefore employees are advised to use their access card to mark their entry to and exit from the office.

Weekend or Holidays

Thales offices are open on Saturdays between 0900 hrs to 1700 hrs for site management and maintenance activities. Project offices may remain open based on project requirements.

In case of business need or work that requires an employee to work late (beyond the office hours) or on weekends / holidays, employee must take prior approval from the Line Manager and relevant Site Security Manager.

In case of Security Related Event

All employees, in case of any security related event at site, should get in touch with their respective Site Security Coordinator. The Site Security coordinator is responsible for gathering information pertaining to the site and incident to advise appropriate measures. In addition, the Site Security coordinator informs the India Security Manager and Chief Operating Officer.

Personal Belongings

The employee should be mindful of protecting his / her personal belongings. Wallets, pocketbooks, purses, handbags and other valuable items should either be carried along with employee or locked up. The company will not be liable for any loss of or damage to personal belongings.

Information

Thales has a large variety of information assets that contribute to its competitiveness and success as a business. They include extremely valuable proprietary information, such as intellectual property and confidential information. Protecting these assets is critical since loss, theft, or misuse of information may jeopardize the future of Thales.

Every Thales employee is responsible for protecting property and information entrusted to them, in accordance with Thales policies, instructions, and standards.

Physical Security

Security Guard – Security support from professional Security Agencies are in place to man office premises after office hours. The security guard is positioned outside the main entrance and has access to the contact details of the Admin / Security Manager to be informed in case of any emergency.

Security Awareness and Emergency Organisation

Every employee present in the office is expected to contribute, as appropriate, to ensure efficient and maximum response to any emergency situation that may occur. For better co-ordination, the Emergency Response Team (ERT) is in place, these members would act as the Fire Fighting & Rescue Coordinators and First –Aid Coordinators in case of an emergency.

For more details, please refer "Site Security Instruction for Thales India 83690014-ESS-IND-EN" available in chorus

5. COMPENSATION AND BENEFIT

5.1 COMPENSATION

The rate of the salary and perquisites are set forth in the Letter of Appointment / increment letter.

Salaries are paid monthly, a day prior to the last day of the month via credit transfer to the employee's bank account. Employee agrees that, if for reasons beyond the control of the Company, the payment of salary into the account is delayed; this will not amount to a breach of contract on the part of the Company.

Employee will receive a monthly itemised salary slip setting out the gross salary, statutory and other deductions and the net sum paid, via the web portal (<http://www.talentmaximus.com/thalesint/Login.aspx> or <https://eis.sgcservices.com> or <https://epayroll.quavus.com/empinfo/myinfo.do?cat=bank&e=1>) defined for such purpose.

Deductions from salary shall be made for:

- Tax deducted at source in accordance with law.
- Amounts for any equipment or other property of the Company destroyed by the deliberate or careless conduct of the employee;
- Any deductions which the Company is entitled to make by virtue of agreement with employee.
- Any change in the tax regulation or its interpretation, the understanding of which is the responsibility of the employee.

5.1.1. LEAVE TRAVEL ALLOWANCE

Leave Travel Allowance (LTA) is the most common element of compensation adopted by employers, to remunerate employees due to the tax benefits attached to it. Sec 10 (5) of the Income Tax Act 1961, read with Rule 2b, provides for the exemption and outlines the conditions subject to which LTA is exempt.

5.1.1.1. **WHO AND WHAT IS COVERED?**

LTA exemption can be claimed where the employer provides LTA to employee for leave to any place in India, taken by the employee and their family.

5.1.1.2. **WHEN**

It can be claimed twice (either consecutive or non-consecutive) during a block defined by the government.

5.1.1.3. **Definition of Family**

The meaning of Family for the purpose of exemption includes Spouse, 2 children, dependent parents, brother(s) and sister(s) wholly dependent on employee

5.1.1.4. **Exemption of Fare / Travel Cost**

- Travel Cost means the cost of travel and does not include any other expenses such as food, hotel stay etc.

- An individual will not be able to claim the exemption in relation to his parents, brothers or sisters unless they are wholly dependent on the individual. Further, exemption is not available for more than 2 children of an individual (This is not applicable in case of multiple births after the first childbirth).
- International travel fare exemption is not permissible under LTA.
- No other expenses like Scooter or Taxi Charges at both ends, portage expenses during the journey, and lodging / boarding expenses will qualify for exemption.
- Journey performed by Air - (Economy Air fare) and Rail (AC / First class Fare) by shortest route or amount spent whichever is less will be exempt.
- Place of origin and destination not connected by rail, partly or fully, but connected / not connected by other recognised public transport systems- AC First class or deluxe class fare by shortest route or amount spent, whichever is less.

5.1.2. SPECIAL ALLOWANCES

Site Allowance: This is specifically for the employees who are working beyond normal working days for business purpose on customer project sites. Currently this will apply to employees (except Project Manager and above) working at Hyderabad Project Site (GTS).

Allowance for travel to defined disturbed area/s: This is for the employees travelling to the defined disturbed areas of India for business purpose.

For more details please refer "Instruction for special allowance 83690077-HRM-IND-EN" document available on Chorus

Shift Allowance and On-call: The scheme is introduced with the objective to motivate employees who are supporting the business 24*7 by functioning in odd shifts.

For more details please refer:

<https://confluence.gemalto.com/display/HR/Human+Resources+India+Repository>

<https://guavusnetwork.sharepoint.com/sites/Guavus/SharedDocuments>

5.2 BENEFITS

5.2.1. LEAVE BENEFITS

Below are the General Guidelines applicable to all categories of leave:

- All leave is subject to the approval of the immediate supervisor.
- For the purpose of the accounting, leave for the year shall mean the calendar year, beginning on January 1st and ending 31st December.

- This policy will be applicable only to employees and retainers / consultants. Expatriates, third party contractors and interns will not be covered in the policy.
- An employee is not permitted to take up any alternative employment during the period of the leave.
- In case of medical leave exceeding 7 days, the Manager may seek second medical opinion if considered necessary.
- No leave can be granted to an employee who is facing disciplinary action or is under suspension unless specifically instructed by ICC (Internal Complaint Committee) or Thales India Management.
- Leave applications must be planned, discussed and agreed with the manager well in advance, except in cases of unforeseen circumstances. In such a situation, a telephonic intimation to the manager / office is mandatory, without which leave applied for is liable to be rejected. Not applying for leave, immediately on joining office, for leave availed in unforeseen circumstances will be considered Leave without Pay.
- Employee remaining absent, unauthorized, for more than 3 days without any intimation or without a valid reason would be deemed to have abandoned his / her duties and would render him / her liable for disciplinary action.

5.2.1.1. Leave Eligibility:

Leave Type	Eligibility
Annual Leave / Privilege Leave	For Delhi, Chennai, Bangalore, Pune, Mumbai, Hyderabad, Gurgaon, Ahmedabad: 24 days For Noida office: 15 days (As per statutory guidelines)
Casual Leave / Sick Leave	For Delhi, Chennai, Bangalore, Pune, Mumbai, Hyderabad, Gurgaon, Ahmedabad: 12 days For Noida office: 25 (15 SL+10 CL)
Maternity Leave	Female employees are eligible for 26 weeks of leave as per the Maternity Benefit Act, 1961 and Maternity Benefit (Amendment) Act 2017

5.2.1.2. Casual Leave / Sick Leave

- All employees of THALES are eligible for Casual leave.
- Weekly Off days and Holidays intervening during a period of Casual Leave are not counted as part of Casual leave.
- Casual Leaves can be availed up to a maximum of 3 days together at any given point of time. Leaves taken for more than 3 days have to be applied as Privilege / Annual Leaves together.

- Casual Leaves cannot be clubbed with Annual Leaves unless the employee is short of Casual / Annual Leave balance. This is in keeping with the spirit of 'Casual' leaves and in line with industry practices.
- A medical certificate / fitness certificate is required to support Casual / Sick leave application for more than 3 days, if the reason for leave is sickness. Else the period of absence would be treated as loss of pay
- Casual leave may be taken while on tour, but no daily allowance or claim for expenses is allowed for that day
- For employees based at Noida site and coming under UP state regulations, a maximum of 6 unused Casual Leaves can be carried forwarded as Privilege / Annual Leave to the next year. The remaining leave will lapse
- Casual leave cannot be carried forward to the next year or encashed for any other location and Casual leave not utilized, will lapse at the end of the calendar year.

5.2.1.3. Annual Leave / Privilege Leave

- All employees of THALES are eligible for Privilege / Annual leave. Employees serving probation are eligible for Privilege / Annual Leave after completion of 6 months of probation. In exceptional cases, availing accrued Privilege / Annual leave is allowed for employees on probation, based on manager's approval.
- While we encourage employees to take time off for rest and recuperation, we would also expect employees to plan for these leaves well in advance. Privilege / Annual Leave must be applied of at least one week in advance.
- Privilege / Annual leave accumulation is allowed up to a maximum of 75 days for the previous years (i.e. at the start of any calendar year you can have no more than 75 days accumulated from previous years).
- Weekly Off days and Holidays intervening during the period of Privilege / Annual Leave(s) are not counted as part of Annual Leaves.
- Privilege / Annual Leave can be encashed at the time of leaving the organization. The accumulated leave encashment will be paid out to employees at the time of leaving the services of the company. The upper limit for encashment is 63 days and will be as per the following formula:

$$\text{Leave salary} = [(\text{Annual Base Pay}/12) * \text{Number of Leave Days to be encashed} / 30]$$

- All leave entitlements / balances will be available on the Thales India HRIS website.

5.2.1.4. Compensatory Leave

- Any employees except People Managers & above who are required to work by on the day of his /her weekly off / Holiday to meet official exigencies may be granted a compensatory leave.

- Prior approval of Manager / Department Head and Site Manager is mandatory for working on a weekly off day / Holiday.
- Compensatory off must be availed within 60 days of its falling due.

5.2.1.5. Special Leave

Thales India recognizes that at times employees require time off for personal circumstances beyond their control. Paid time off will be granted by the Company to allow employees a reasonable amount of time in which to cope with the circumstances mentioning in this policy. Time off over and above the entitlements must be either unpaid or taken as annual leave.

Circumstance	Leave Period
Death of a partner; parent; partner's parents; child; brother or sister of the employee	5 days
Paternity Leave	6 days

5.2.1.6. Paternity Leave

Male employees are eligible for 6 working days of paternity leaves, to be consumed within one month of the birth of the child.

5.2.1.7. Maternity Leave

Female employees of Thales are eligible for benefits under the Maternity Benefit Act, 1961 and Maternity Benefit (Amendment) Act 2017. Female employees of Thales based outside India (on expatriation assignment) will be covered by the equivalent of the Maternity Act in that country.

Provisions

- A women employee who has completed 80 days of service in Thales will be eligible to avail 26 weeks paid maternity leave.
- Maternity leave will be granted for a maximum of 26 weeks as paid leave, a maximum of 8 weeks prior to and including the date of delivery. The remaining time can be availed post-delivery. However, a female employee availing Maternity Leave can adjust the leave as per her requirement.

- A woman employee before proceeding on maternity leave should inform her Manager and HR and apply for Maternity Leave on the leave portal.
- A female employee suffering from illness arising out of pregnancy, delivery, premature birth of child, miscarriage, medical termination of pregnancy or tubectomy operation shall on production of a medical certificate be entitled, in addition to the period of absence allowed to her (as per the points above), to leave with pay as maternity benefit for a maximum period of 15 days.

5.2.1.8. National / Festival Holidays

Thales India will observe 12 days of National / Festival Holidays every year. A list will be circulated every year in the month of December to all employees. It can be revised as per management discretion.

5.2.2. TELECOMMUTING

Telecommuting is the performance of normal work duties at a location away from the conventional or main office. This off-site location is most often the employee's home, but can also be a satellite office or, if traveling, a virtual office

- Telecommuting can only be allowed with prior approval of both Manager and N+2/ Department Head in India to enable employees to serve customers, meet departmental goals, and also balance professional and personal responsibilities.
- Employees while telecommuting should ensure that they are able to fully perform their normal work duties.
- Where operationally feasible, this policy applies to employees with at least one (1) year seniority in Thales. However based on the situation, an exception can be granted on case to case basis on the approval of HRBP and Department Head.
- Employee's Manager and Department Head may decide not to allow telecommuting in the cases where it is not possible based on nature of job. For e.g. in cases where there is a need to access company/client resources which cannot be granted from home or non-company networks due to security or other reasons etc.

5.2.3. CRÈCHE FACILITY

Thales has tie-up with a Day Care Centre for the purpose of obtaining child care services for its female employees as per Maternity Benefit Act, 1961 and Maternity Benefit (Amendment) Act 2017

5.2.4. ADVANCE AGAINST SALARY

- Employee may request for a loan from the Company if employee has successfully completed the probation period. This is applicable to all employees, contractors and retainers. The Company may accept the employee's request at its sole discretion
- Loan application form ([Loan Application form 83690073-HRM-IND-EN](#)) is available on Chorus.

- There must be a gap of 2 years between two consecutive loan sanction dates.
- If granted, the loan amount will be equivalent to a maximum of two months of annual base salary
- Employee will repay the loan with equal deductions from the salary on a monthly basis over a maximum period of twelve (12) months. Tax will be deducted on the perquisite value of the loan amount.
- Employee will repay the balance, if any, of the loan in full if employee leaves the Company's employment, for whatever reason before the recovery of the loan amount. Otherwise the balance amount will be automatically deducted from the full and final settlement.
- Advance can be availed only in the below mentioned scenarios:

Self/Children/Sibling Marriage

Medical Emergencies

Birth / Adoption

Divorce / Separation

Death (in immediate family)

Constructions / Extensions / Repairs following a natural disaster

Housing Loan

5.2.5. MOBILE & TELEPHONE

Mobile Phone Billing

Mobile phone is seen as a business tool and hence dependent on the nature of job. As a result only specific employee will be able to reimburse their mobile phone bills.

Mobile phone bill reimbursement is to be approved by the respective Department Head. Regular domestic monthly plans will apply as decided by the Company from time to time. In specific instances, when the employee is travelling internationally, the most economical roaming plans may be availed. In any case the company will reimburse the monthly mobile bills for employees on actuals up to a maximum limit INR 7000 per month based on Manager's approval and business need. This is applicable only for postpaid plans.

Private use of office Telephones

The Company supports family-friendly policies and permits staff to make limited use of office telephones for making personal calls. Should a circumstance arise where an employee may need to make a significant number of non-business telephone calls, the need should be discussed with the relevant Line Manager.

The use of office telephones may be monitored routinely and excessive use in terms of time spent or costs incurred will be investigated. Unreasonable use of office telephones for private

use will require the employee concerned to reimburse the cost. In exceptional circumstances disciplinary action may be taken. Employees will be responsible for ensuring reasonable and appropriate use of office telephones for personal calls.

5.2.6. REFERRAL INCENTIVE

Employee referral incentive scheme encourages Thales employees to refer suitable candidates for recruitment into the company. Thales employees here include Permanent and Retainers/Consultants, from the date of their joining. If a candidate joins Thales through employee referral, the concerned employee will be given an incentive as recognition of his / her contribution to the company's growth and success.

- The referral fees for Generic Referral will be INR 50000 and for Hot Jobs / Diversity Referrals, it will be INR 75000 for each referral. Hot Jobs will be defined by the Talent Acquisition team at the time of job posting. This amount will be subject to income tax deduction as per applicable income tax rules.
- HR Team, Management Committee members, Directors, Department Heads, Interview Panellists and Hiring Managers are not eligible for referral incentive since it is part of their job expectation to recruit the best talent into the company
- The referral incentive scheme is only applicable, if the referred candidate is considered for employment within one year from the date of reference.
- An employee who makes the reference should not be a part of the selection process in the interview panel or the selection committee.
- The Referral incentive will be paid only after the candidate successfully completes 3 months with Thales.
- This referral scheme will be applicable only for referrals shared on or after 1st Jan 2020.

5.2.7. INTERNSHIP

- Students who are selected to undergo Internship with Thales will be paid a stipend of INR 15000/- per month.
- The interns will also be entitled to reimbursement of expenses on business related travel, local conveyance on actuals, as per the policy during the internship period. Intern is required to file the duly approved claim form to claim the expenses. Prior approval of concerned approving authorities is required to incur any such expenses.

5.2.8. COMPREHENSIVE INSURANCE COVERS

All employees will be covered for Group Medical Insurance, Group Personal Accident Insurance, Group Term Life Insurance.

For more details, please refer "Thales Employee Benefits _ V1_2019-20" available at all the below links:

<http://10.113.2.10/emPower/index.php>

<https://confluence.gemalto.com/display/HR/Human+Resources+India+Repository> and

<https://guavusnetwork.sharepoint.com/sites/Guavus/SharedDocuments>

5.2.9. EMPLOYEE GIFTS

On the occasion of employee's marriage and birth of new born baby, employee will receive a gift card/allowance of INR 5100/- The concerned employee should inform the HR department about his / her new-born baby or wedding within 15 days of the event. The gift card/allowance will be released on monthly basis.

In case both husband and wife are working in Thales then they both will be eligible for above allowances.

5.2.10. REWARD AND RECOGNITION

5.2.10.1. Recognition plan based on association with Thales India

This plan lays out criteria to recognize employees at Thales India for their long term association with the group. The recognition will be for the following levels of working experience with the Group

1. Employees completing 5 years with the Group will be rewarded with INR 5000 gift card.
2. Employees completing 10 years with the Group will be rewarded with INR 10000 gift card.
3. Employees completing 15 years with the Group will be rewarded with INR 15000 gift card.
4. Employees completing 20 or more years of service with the Group will be rewarded with INR 20000 gift card.

5.2.10.2. Reward during campaigns and activities

Employees may earn rewards in the form of gift / gift vouchers during various activities and campaigns launched by HR and / or Communications Department / any other functions like Quality and HSE.

For more details, please refer "Rewards & Recognition 83690026HRC-IND-EN" document available on Chorus

5.2.11. EDUCATION ASSISTANCE

Thales strongly promotes a culture of continuous learning amongst its employees, and so, to encourage the professional and personal development of every employee, this policy establishes benefits related to further professional education for / on successful completion of graduate, post-graduate, diploma courses and certifications in accredited universities, or institutes. Employees may initiate requests for educational assistance to:

- Maintain / enhance current skills, knowledge and competence
- Develop / acquire new skills, knowledge, competencies for career development within the organization.

Employees interested in participating in Education Assistance program must complete the Education Reimbursement Form at least 30 days prior to the commencement of any coursework for which the employee desires to be reimbursed. The form needs to be approved by his / her Department head and Head – Human Resources based on budget appropriations for the respected year.

Thales India will reimburse an employee for course fees, including study material upto a maximum of 70% of the course fee subject to a maximum of INR150000/-. No reimbursement will be given for travel, transportation, meals or / and accommodation.

For more details, please refer "Education Assistance Policy of Thales India 83690042-HRC-IND-EN" document available on Chorus

6. TRAVEL AND REIMBURSEMENT OF EXPENSES

Employee may be required to travel outside the office for the purpose of the Company's business at the home location. In such event, employee will be entitled to reimbursement of the travel expenses as per the Thales India Travel Instruction.

The guiding principles are:

- The Manager is solely responsible for judging the utility of any business trips for his / her employees.
- All travels must be optimised and alternative solutions envisaged, in particular, whenever internal meetings are concerned.
- The objective is to strictly limit travelling only when it is essential, this being achieved by increasing the use of video conferencing and by limiting the number of eligible participants.
- The traveller should neither be 'out of pocket', nor gain financially, when incurring expenses on behalf of the company.
- The expense should be incurred at the minimum value necessary in order to achieve the relevant business objective.
- The control of the suitability of a business trip is done by the Manager, prior to the travel. The manager approves the necessity and conditions of the trip proposed by his staff member.
- Planning well in advance is the optimal way to obtain the best rate.
 - For international travels, request shall be submitted on or before 15 days of the date of travel.
 - For Domestic Travels, request shall be submitted at least on or before 5 days from the date of travel.

- All the bookings must be routed through travel desk under normal circumstances, but in case of emergency travel, traveller can make his own booking in concurrence with Travel Manager and prior approval from Department Head

For more details, please refer "Travel Instruction for Thales India 83690030-HRM-IND-EN" document available on Chorus

7. TRAINING

Employees may be selected or sponsored by the Company for familiarization and / or specialized training assignments with other Thales group companies, Thales University, our technical collaborators or other institutions / organizations in India and / or outside the country. You will diligently and beneficially take part in the training and such assignments. The cost of such training including the travel fare and related expenses will be borne by the Company, subject to agreement to be drawn up and signed by you specifying the minimum number of year(s) you will serve the company after such training.

For more details please refer <https://thales.lms.crossknowledge.com/interfaces/index.php>

LOG OF CHANGES

Revision	Date	Author(s)	Modification
001	19-Nov-2012	-	Initial Version
002	23-Dec-2014	-	Updation with new policies (Working Hours, Mobile Policy, Medical examination, Special Leave, Relocation expenses, LTA details)
003	10-Feb-2017	Vijeta BHATIA	Updation with modifications in Relocation, Leave Policy, Notice Period, Mobile Policy and additions of Reward & Recognition Policy and Education Assistance Policy
004	24-Feb-2020	Deepshikha GUPTA	As per CR061896: Updation with modifications in Relocation, Leave Policy, Notice Period, Mobile Bill Policy, Reward & Recognition Policy, Working Hours, Pay date, Occasion based Gifts, Referral Bonus, Telecommuting, Internship Policy, Crèche facility, Mobile Handset Policy

APPROVAL

	Name	Title	Date	Signature
Owner	Sekhar SAHAY	Director- Human Resources	28.02.2020	
Validation	Madhusmita AGGARWAL	Director - Operation Support Services	26.02.2020	
Approval	Emmanuel De ROQUEFEUIL	Vice President & Country Director	23/3/2020	

CAUTION: If this document is printed, check its validity by consulting the latest version in force in Chorus 2.0.

All comments and proposals for changing the content of this document should be addressed to:

Thales India
Quality Department and Customer Satisfaction