Policy: Employee Leave

# Objective

The purpose of the Policy is to establish guidelines for managing different types of leave for employees of Protechsoft Systems Pvt Ltd in India (referred to as "Company").

# Policy

## Applicability:

This policy applies to all employees working for Company in India.

## Scope:

This policy includes the following:

* + - * + Leave Policies
        + Compensatory Off Policy
        + Earned Leave Encashment

## Types of leave and entitlement:

| **Types of Leave** | **Entitlement (Maximum)** |
| --- | --- |
| Casual Leave (CL) | 12 days |
| Earned Leave (EL) | 6 days |
| Sick Leave (SL) | 6 days |
| Maternity Leave (ML) | 26 Weeks each Child for first two children and 12 Weeks for subsequent Children |
| Paternity Leave (PL) | 3 days |
| Examination Leave (XL) | 6 days (subject to conditions mentioned) |
| Bereavement Leave (BL) | 3 days |
| Relocation Leave (RL) | 3 days |
| Compensatory Off (CO) | As per policy |
| Public Holidays | As declared and published by the company before the new calendar year. |

## Casual Leave (CL)

1. Each employee can take a maximum of 12 days of Casual Leaves (CL) per year. For the first year, the year starts from the joining date, and for subsequent years, it starts from April 1st.
2. CL accrues at 1 day per month of service completed starting from April 1st and expires on March 31st of the next year.
3. Unused CL cannot be carried forward to the next year and will automatically expire at the end of the year.
4. Employees should submit their leave applications at least 2 days in advance when planning to take CL.
5. CL cannot be combined or used in conjunction with any other type of leave covered by the leave policy.
6. Leave taken will not include Saturdays, Sundays, and public holidays when calculating the duration of leave availed.
7. Employees’ Reporting Managers are responsible for approving CL requests.

## Earned Leave (EL)

1. Employees can accumulate a maximum of 6 days Earned Leaves (EL) per year. The year begins on April 1st each year.
2. EL is accrued based on the number of days worked. It accumulates at a rate of 0.5 days for every month worked, including paid leaves, Saturdays, Sundays, and public holidays.
3. Employees are required to submit their leave applications at least 3 days in advance when requesting EL.
4. Any unused EL can be carried forward to the next year, but it cannot exceed a maximum of 10 days. Any EL accumulated beyond the maximum limit will automatically expire.
5. EL cannot be combined or used in conjunction with any other type of leave mentioned in the leave policy.
6. Leave calculation excludes Saturdays, Sundays, and public holidays.
7. The approving authority for EL requests is the Reporting Manager.

## Sick Leave (SL)

1. Employees can take up to 6 days of sick leave (SL) in a year.
2. Sick leave cannot be combined or used together with any other type of leave mentioned in the leave policy.
3. Unused SL cannot be carried forward to the next year and will automatically expire at the end of the year.
4. If an employee takes sick leave for more than 3 consecutive days, they need to provide a medical certificate from a registered medical practitioner when requested by the Company.

## Maternity Leave (ML)

1. The company follows the Maternity Benefits Act of 1961 and provides Maternity Leave (ML) to all female employees. They can take a maximum of 26 weeks of leave, either before or after childbirth. However, they cannot take more than six weeks before their expected delivery date.
2. To be eligible for maternity benefits, a female employees must meet the following conditions:
   * + - * They must have worked for at least 90 days before expected delivery date. This includes weekly holidays and any paid or unpaid leave.
         * They must be a confirmed employee.
3. To avail maternity benefits, employees need to submit a doctor's certificate confirming the pregnancy along with a leave application to the HR department. After the child is born, a certificate of delivery should be submitted.
4. In the case of a miscarriage, employees are entitled to 6 weeks of paid leave starting from the day of the miscarriage. A leave application along with a certificate of miscarriage needs to be submitted.
5. If a female employee experiences illness related to pregnancy, delivery, premature birth, or miscarriage, she can extend her leave with prior approval. The extended leave can be adjusted against Sick Leave (SL), Casual Leave (CL), or Earned Leave (EL). A medical certificate will be required.
6. Only full-time regular employees are eligible for Maternity Leave.
7. Employees covered under the ESI Act/Scheme are not eligible for the company's Maternity Leave as they receive benefits through ESI.
8. Medical benefits will be provided based on the terms of the general medical insurance policy applicable to all Company employees.
9. Any medical or other expenses related to maternity and neonatal care that are not covered by the medical insurance policy will be payable by the employees.

## Paternity Leave (PL)

1. The company provides Paternity Leave to all male employees. They can take 15 days of leave for each childbirth, up to a maximum of 2 childbirths throughout their employment.
2. Paternity leave should be taken within six months from the birth or adoption of a child.
3. Paternity leave cannot be saved or accumulated for later use.
4. Only full-time regular employees who have worked for the organization for at least 90 days in the 12 months before the expected delivery or adoption date are eligible for Paternity leave.

## Bereavement Leave (BL)

1. The Company shall provide Bereavement Leave to employees.
2. Employees can use BL in case of demise of spouse, children, siblings or parents, up to a maximum of 3 days per eventuality.
3. This leave should be availed in one slot, within 7 days of the eventuality.
4. This leave cannot be accumulated.
5. Only full-time regular employees will be eligible for BL.

## Compensatory Off (CO)

1. Sometimes, employees may be required to work on weekends and holidays to meet company and project targets. To make up for the lost holiday, employees can take Compensatory Off (CO).
2. If employees work extra days, they can take CO within ninety days from the actual date of working, with the prior approval of their reporting manager. The decision to grant CO rests solely with the SDU/Division Head. Compensatory Leave cannot be combined with any other type of leave mentioned in this policy.
3. CO days approved by the Reporting Manager may be less than CO days claimed by the Employee. The Reporting Manager shall explain the reason for this change but the decision of the Reporting Manager shall be final.
4. Only full-time regular employees are eligible for CO.

## Onsite Assignment – Leave Terms

1. During overseas assignments, the company provides employees with five days of paid leave within a 12-month period. This leave can only be used for urgent situations.
2. If an employee takes more than 5 days of leave, they will not be eligible for per diem expenses during those extra leave days.
3. Casual Leave (CL) cannot be taken by employees while they are on an overseas assignment.
4. The approving authority for leave requests will be the Project Manager (PM) or Project Lead (PL) of the project, or the Company representative responsible for the client in the respective country/region.
5. Employees working overseas will continue to earn Casual Leave (CL) and Earned Leave (EL) according to the existing leave policy, and these leave days will be accumulated in their CL and EL accounts.
6. If an employee is transferred to a group company as part of an on-site assignment, they will be subject to the leave policies of that specific group company, and the above-mentioned terms will not apply to them.

## Leave application process flow

1. Leave workflow:

Employee needs to fill in all details and send it to reporting manager for approval. The process flow is as below:

1. Compensatory Off workflow

There are two stages, viz.:-

* + - * + adding CO to the CO account
        + availing CO by submitting Compensatory Leave application

Employee needs to fill in details of actual work and send it to BP HR & reporting manager for adding compensatory off. There are three levels of approvals, which includes approval by SDU/Division Head. The process flow is as below.

1. Two different Leave Application Forms are available in QS:

• General Leave Application

• Compensatory Leave Application

Employee needs to fill in all details in the application form and send it to reporting manager for approval. The process flow is as below:

## Working Guidelines

1. Seeking approval for leave after it has already been taken is discouraged. If an employee unexpectedly takes leave, they must submit their leave application with approvals to the HR Department within 1 working day of returning to work. If the employee fails to submit their leave application, it will be considered as Leave without Pay, without any further discussion with the employee.
2. Half-day leave can be requested for ANY type of leave. If the leave duration is equal to or less than four working hours, it will be considered a half day. If it exceeds four hours, it will be considered a full day. Employees can apply for either a full day or a half day of leave, but not in terms of hours (e.g., 2 hours or 5 hours).
3. Reporting Managers need to ensure that no more than 30% of their staff are not on leave on any given day.
4. Employees are encouraged to align their leaves with their customers' vacation time.
5. All approvals must comply with the authority limits specified in the Protech Group Authorities Manual under section AA1 - Leave, which is available in the Quality System under restricted access.

## Earned Leave (EL) Encashment

1. If you have more than 10 days of Earned Leave (EL) that you didn't use, you can get paid for some of them, but you have to follow these rules:
   * + - * You can only get paid for the EL days that are above 10 days, and you have to keep at least 10 days of leave in your account.
         * You can only get paid for your EL once a year, and the year starts from the day you joined the company.
         * You can get paid for up to 10 days of EL at one time.
2. The money you get for your EL will be added to your monthly salary. If you apply before the 20th of a month, you will get the money with that month's salary. For example, if you apply before April 20th, you will get the money with your April salary. If you apply on or after the 20th of a month, you will get the money with the next month's salary.
3. You can't get paid for your EL if you are under disciplinary or termination notice, or are on extended probation.
4. You can get paid for all your remaining EL, up to 10 days, if you quit your job and request this in writing.
5. The EL encashment amount is calculated based on 100% of the employee's last drawn Monthly Gross Earnings (MGE).
6. The process flow is as below:

## Discretion

1. The Company has the authority to make changes to these leave rules, including adding or removing rules, or suspending the entire scheme, without providing any specific reasons.
2. If an employee violates the terms and conditions mentioned above, it will be considered misconduct. The Company reserves the right to take appropriate disciplinary action and may require the employee to repay any benefits they have received under the scheme, along with interest.
3. The Company has the sole responsibility for interpreting the policy, and its decisions are final and binding on all employees.

# Responsibility

The Human Resources (HR) department is responsible for interpreting, implementing, and maintaining this policy.

# Exceptions

The policy includes the following exceptions:

1. Absence without leave can only be regularized under special circumstances.
2. If employees require additional leave due to urgent situations, they should seek approval from the Head of Human Resources. The management has the authority to grant such leaves, but they will be considered as Leave without Pay.
3. Leave without Pay can only be granted after all eligible leaves, such as Earned Leave (EL) and Casual Leave (CL), have been used.
4. When Leave without Pay is approved, it will be treated as a break in service.
5. During the period of Leave without Pay, no earned leave will be accrued for employees.

# Validity

The policy will be effective from July 1, 2023, and will continue until further notice.

**Date: 01-July -23 Human Resources Department**