

Insert company Logo



| Policy Name: | **Employee Agreement & Contract Policy** |
| --- | --- |
| Policy Number: |  |
| Version: | Effective Date: |

|  | **Name** | **Designation** | **Signature** | **Date** |
| --- | --- | --- | --- | --- |
| Prepared By: |  |  |  |  |
| Reviewed By: |  |  |  |  |
| Approved By: |  |  |  |  |

| **Date** | **Version** | **Summary of Change** |
| --- | --- | --- |
|  |  |  |
|  |  |  |

**Table of Contents**

[**1.**](#_heading=h.gjdgxs) **DEFINITION** 3

[**2.**](#_heading=h.30j0zll) **PURPOSE** 3

[**3.**](#_heading=h.1fob9te) **APPLICABILITY** 3

[**4.**](#_heading=h.3znysh7) **RESPONSIBILITY & ACCOUNTABILITY** 3

[**5.**](#_heading=h.2et92p0) **POLICY-** 3

[**6.**](#_heading=h.tyjcwt) **RESTRICTIVE CLAUSE** 5

# **DEFINITION**

1. **Employee agreement/ Contract** is a legally binding document to both parties. To reduce miscommunication or misinterpretation. It will help both parties to understand exact meaning of each legal terminology and legal jargons used.
2. **Organization** means all the businesses which are under the umbrella of ***“Company Name”*** group.
3. **Employer** means a person employed with ***“Company Name”*** at all levels for wages or salary.
4. **Employee** means a person employed with ***“Company Name”*** at all levels for wages or salary.
5. **Party/ Parties** refer to a person or entity involved in the agreement/ contract.
6. **Salary** means a fixed regular payment, paid on a monthly basis but often referred as an annual sum, made by an employer to an employee.
7. **Management** means the group of individuals that operate at the higher level at ***“Company Name”*** and have day-to-day responsibility for managing all individuals and maintaining responsibility for all the key business functions.

# **PURPOSE**

The purpose of this policy is to prescribe the terms and conditions under which contracts of employment should be administered. It is not intended to be used as an alternative to the recruitment and selection procedures of the Organization as it relate to the merit principle or the classification and creation of positions procedures covered by administration procedures. While many of the provisions may equally pertain to contracts involving principal and agent relationships

# **APPLICABILITY**

To all the departments or specific department (whichever the case may be)

# **RESPONSIBILITY & ACCOUNTABILITY**

Human Resources Department, Legal Department, Management

# **POLICY-**

Following are the contents to be included in the Employee Contract

* **Name of Employer**

Each draft must contain details of the Employer. Legal entity of employer is mentioned with its registered address. Name and Identity of signing authority from employer side is also clearly mentioned in the Employee agreement. In case of arbitration of Legal Notice this name address plays a vital role.

* **Name of Employee**

Name and Identity of employee is cleared mentioned in the agreement. Purpose for Employee details is to clearly state the legal entity represented by the name. It will be useful at the time of conflict or pronunciation of punishment if any.

* **List of Clauses governing Employee agreement/ contract**

This is critical part of Employee agreement/ contract. Clauses will define the nature of Employee agreement. This will quantify scope of work for both parties.

* **Stamp Duty if Involved**

Many Employee Agreements / contracts do not require stamp duty to be paid. If stamp duty payment is required by nature of Employee agreement, stamp duty needs to be paid on the employee agreement according state rules. Each state has different rules. Consult with Legal Docs expert to know more about stamp duty rules.

* **Signature of Both Parties**

Signature of Both Parties is vital element of the Employee agreement, By Singing both parties give consent for acceptance of the terms and conditions of the employee agreement. By signing the documents both parties will be liable for outcomes of the agreement in case of breach of agreement.

* **Duties and Responsibilities of Employer and Employee**

Duties and responsibilities of the employee as well as the Employer must be clearly defined in the employment agreement.

* **Working Hours and Leaves**

The normal working hours and days for the employee must be mentioned in the employment agreement. Working hours are governed by the Shops & Establishment Act. Shop & Establishment Laws takes care of the safety and security of the employee.

* **Salary and Remuneration**

Salary Structure and Amount of Salary needs to be mentioned clearly in employee agreement. Notice period for change in salary should also be mentioned in the agreement.

* **Dual Employment**

To safeguard the interest of the employer, employee should not take multiple jobs at one point. It is important to add clauses prohibiting the employee from taking up any other employment during the course of this employment contract.

* **Non-Disclosure and Confidentiality**

Non-Disclosure and Confidentiality is biggest issue to many employers. If employees day to day or any duty and responsibility involve working in a position wherein they would come to know about sensitive information like trade secrets, Intellectual property or confidential information of the business, it is important to get non-disclosure agreement signed from employee. In case of highly specialized employment involving extensive disclosure of confidential information to the employee, a separate employee non-disclosure agreement can also be executed.

* **Intellectual Property Rights**

Any organization puts lot of efforts to educate employees on new trends and business requirements. A lot of intellectual property is created employees on day to basis. To protect this IP from misuse or personal use, employers ask for IP rights, which states that all the IP created in the employer's premises or using employer infrastructure like internet, laptop, place or any other device. Employee has to declare that all the IP created or used for employers will have sole right for employer.

* **Non-Compete Clause**

Many employees learn the trade secret, and create a competition for its employer by starting a same business and porch the existing customers.

To stop this practice and safeguard the business, employer add clauses like non-compete, where employee is not permitted to start a similar business as well as cannot join other organization which is in direct competition.

* **Termination of Employment**

It is important to have a clause for termination of employment. The grounds and terms on which the employment contract can be terminated must be clearly provided.

* **Arbitration**

In case of the breach of contract, both parties will be approaching to predefined Arbitration Authority.

# **RESTRICTIVE CLAUSE**

* + Any exceptions to the above would be at the sole discretion of the Management.
	+ Management reserves the right to change and or modify the policy without stating any reason.
* The organization reserves its right to withdraw this policy without assigning any reason by using its sole discretion which will be binding on all members. The Employees hereby unconditionally agree to all such changes/ amendments/ additions/ deletions/ modifications.
* The Company's reputation and credibility are based upon its total commitment to ethical business practices and also on ethical conduct of its Employees. To safeguard the Company's reputation, Employees must conduct themselves in accordance with the highest ethical standards and also be perceived to be acting ethically at all times. Compliance with all policies of the Company, relevant applicable laws and regulations is the minimum standard which should be adhered to by all the Employees all the times.



www.gspuconsulting.com

***\_\_\_\_\_\_Disclaimer\_\_\_\_\_\_***

*Please note this is a draft Policy prepared by GSPU Group for your reference. You may amend it suiting your requirement. GSPU Group expressly disclaims any liability arising out of the reliance on this draft.*