

HR POLICY

Effective Date: [DD Month YYYY] | Version 1.0 | Policy Owner: Human Resources Department

[COMPANY NAME]

1. Introduction and Purpose

This HR Policy ("Policy") sets out the human resource principles, employment terms, and conduct standards that govern the relationship between [Company Name] ("the Company") and its employees. It is intended to promote consistency, fairness, and legal compliance across the employee lifecycle, from hiring through separation, in line with the Labour Act, 2074 (2017) and the Labour Rules, 2075 (2018).

Companion policies: this Policy works together with, and does not repeat, the Company's *Leave and Attendance Policy* (which governs all leave entitlements, holidays, and attendance rules in detail), the Company's *Code of Conduct Policy*, the *Anti-Sexual Harassment (Workplace) Policy*, and the Company's separate *IT Policy* (which governs acceptable use of IT systems, information security, and data handling in detail and is issued as its own document). Where this Policy is silent, the companion policy governs.

2. Scope and Applicability

This Policy applies to all employees of the Company— permanent, probationary, and fixed-term — except to the extent a written employment contract expressly provides otherwise. It does not, by itself, create a contractual entitlement beyond what is stated in an employee's Offer Letter, Appointment Letter, or applicable law.

3. Equal Opportunity

The Company is an equal-opportunity employer. Decisions on recruitment, compensation, training, promotion, and separation are based on merit, competence, and business need, without regard to caste, ethnicity, religion, sex, gender identity, sexual orientation, disability, or political opinion, consistent with the Constitution of Nepal and the Labour Act, 2074.

4. Definitions

- "Company" means [Company Name] and its branch offices.
- "Employee" means any person employed by the Company under an Offer Letter and Appointment Letter, whether permanent, probationary, or fixed-term.
- "Basic Salary" means the base component of an employee's monthly remuneration, excluding allowances and benefits, as stated in the Appointment Letter.
- "Immediate Supervisor" means the person to whom an employee directly reports, as notified from time to time.

5. Employment Classification

Category	Description
Permanent	Confirmed employees who have successfully completed probation; engaged for an indefinite period.

Category	Description
Probationary	Newly hired employees serving an initial evaluation period before confirmation (see Section 6).
Fixed-Term / Contract	Employees engaged for a defined period or project, ending automatically on expiry unless renewed or converted in writing.
Part-Time / Intern	Employees or interns engaged for reduced hours or a defined learning period, on terms set out in their specific engagement letter.

6. Recruitment, Offer, and Appointment

- Recruitment is conducted on a fair, merit-based, and non-discriminatory basis, with due verification of candidates' qualifications, experience, references, and, where applicable, right to work.
- A successful candidate receives a written Offer Letter, followed by an Appointment Letter on joining, which together set out the specific terms of employment (designation, compensation, reporting line, and probation).
- An employee's continued employment is conditional on the accuracy of information provided during recruitment; material misrepresentation may lead to termination.

7. Probation and Confirmation

Unless the Appointment Letter states otherwise, new employees serve a standard probationary period of six (6) months from the date of joining, during which either party may end the employment relationship on the notice period stated in the Appointment Letter. The Company will assess an employee's performance and conduct during probation and may, at its discretion, confirm the employee, extend the probationary period once for a further reasonable period, or end the employment relationship, in each case with written communication to the employee.

8. Working Hours and Attendance

Working hours, the weekly holiday, overtime, and attendance-recording requirements are set out in the Company's Leave and Attendance Policy, which reflects the limits prescribed under Sections 28–31 of the Labour Act, 2074. This Policy does not restate those details.

9. Leave

All categories of leave (including annual/home leave, sick leave, public holidays, maternity, paternity, and mourning leave) are governed exclusively by the Company's Leave and Attendance Policy. Employees should refer to that Policy for entitlements and the leave-application procedure.

10. Compensation and Benefits

10.1 Salary

Salary is paid monthly, in Nepali Rupees, by bank transfer, in accordance with the structure set out in each employee's Appointment Letter. Salary payment timing and any permissible deductions follow Sections 34–35 and 38 of the Labour Act, 2074.

10.2 Statutory Deductions and Contributions

Item	Standard Basis (subject to change in law)
Income tax (TDS)	Deducted at source from salary and deposited with the Inland Revenue Department as per prevailing Nepal tax law.
Social Security Fund (SSF)	Employee contributes 11% and the Company contributes 20% of Basic Salary, deposited to the Social Security Fund (or an approved retirement fund pending SSF registration).

10.3 Annual Increment

Employees who complete one year of service receive an annual increment (grade) of at least half a day's Basic Salary, the statutory minimum under Section 36 of the Labour Act, 2074. The Company's actual merit-based increment framework, if any, is communicated separately.

10.4 Festival Expense (Dashain/Festival Allowance)

An employee who has completed at least one month of continuous service is entitled to a festival expense equal to one month's Basic Salary each year, payable once a year at the time of the major festival the employee observes according to their own religion and culture, per Section 37 of the Labour Act, 2074.

11. Performance Management

The Company conducts periodic performance evaluations using the criteria and procedure set out in its performance review forms, consistent with the employer's obligation under Rule 63 of the Labour Rules, 2075 to evaluate employee performance and to provide the relevant evaluation form to the employee being assessed. Performance outcomes may inform decisions on confirmation, increment, promotion, and — where performance is repeatedly and formally rated unsatisfactory — continued employment (see Section 17.3).

12. Training and Development

The Company supports employees' professional growth through induction training, on-the-job learning, and, where budget and business needs allow, external training or certification. Any specific sponsorship terms (for example, a service-bond period tied to Company-funded training) will be set out in a separate written agreement with the employee.

13. Code of Conduct

All employees are expected to comply with the Company's Code of Conduct Policy, covering professional behaviour, conflicts of interest, gifts and anti-bribery, confidentiality, and use of Company property, among other topics. This Policy does not repeat those standards.

14. Anti-Sexual Harassment

The Company maintains a zero-tolerance approach to sexual harassment, governed by its dedicated Anti-Sexual Harassment (Workplace) Policy, issued in line with the Sexual Harassment at Workplace (Prevention) Act, 2071 (2014) and Section 132 of the Labour Act, 2074.

15. Health, Safety, and Welfare

- The Company will maintain a safe working environment, provide adequate first-aid facilities, and take reasonable steps to prevent workplace accidents and occupational health risks, consistent with the Labour Act, 2074.
- Employees must report any workplace hazard, injury, or unsafe practice to their supervisor or the HR Department immediately.
- Any work-related accident will be recorded and handled in accordance with applicable law, including any Social Security Fund or insurance coverage the Company maintains.

16. Grievance Handling

An employee with a work-related concern (other than sexual harassment, which follows the Anti-Sexual Harassment Policy) should first raise it informally with their Immediate Supervisor. If unresolved within [5 working days], the employee may submit a written grievance to the HR Department, which will investigate and respond within [10 working days]. An employee who remains dissatisfied may escalate the matter to [Designation, e.g., CEO/Head of HR] for a final internal decision, without prejudice to any statutory right to approach the Labour Office or Labour Court.

17. Discipline and Termination

17.1 Disciplinary Procedure

- Misconduct is addressed proportionately, ranging from a verbal or written warning for minor issues to suspension or termination for serious or repeated misconduct, in line with the Company's Code of Conduct Policy.
- Before any penalty for misconduct is imposed, the Company will clearly state the alleged misconduct and the possible penalty, and give the employee at least seven (7) days to submit a written explanation, consistent with Section 135 of the Labour Act, 2074.
- The authority to decide on disciplinary penalties rests with the Company's chief executive or a person formally delegated that authority.
- Disciplinary proceedings should ordinarily begin within two months of the Company becoming aware of the alleged misconduct, and a decision should be reached within three months of the proceedings starting, consistent with Section 137 of the Labour Act, 2074.
- An employee may be suspended, with half pay, where continuing to work would risk destruction of evidence or obstruction of an investigation, or automatically (without pay) if held in lawful custody; suspension is ordinarily limited to three months (extendable by up to one month if the investigation is incomplete), consistent with Section 134 of the Labour Act, 2074. An employee later cleared of the charge is entitled to full back pay for the suspension period.

17.2 Resignation

An employee wishing to resign must submit written resignation to their Immediate Supervisor and the HR Department, giving at least [30 days'] notice or the notice period stated in their Appointment Letter, whichever applies. The Company will accept a resignation within 15 days of receipt and confirm the last working day to the employee; if the Company does not respond within that period, the resignation is deemed accepted with effect from the day after the 15-day period expires, consistent with Section 141 of the Labour Act, 2074. The Company may, at its discretion, waive all or part of the notice period.

17.3 Termination for Unsatisfactory Performance

Where an employee's performance has been formally evaluated as unsatisfactory on three or more consecutive occasions under the Company's performance review process, the Company may terminate the employee's service by giving seven (7) days to respond before such termination takes effect.

17.4 Termination on Health Grounds

Where a registered physician certifies that an employee is unable to continue working owing to physical or mental incapacity, injury, or a condition requiring prolonged medical treatment, the Company may terminate the employee's service on that basis, consistent with Section 143 of the Labour Act, 2074, and subject to any additional protection the law provides where the incapacity results from a workplace accident or occupational disease.

17.5 Termination for Misconduct

Where an employee is found, through the disciplinary procedure in Section 17.1, to have committed serious misconduct, the Company may terminate the employee's service, in addition to pursuing any other remedy available under law.

17.6 Redundancy / Workforce Reduction

Where the Company must reduce its workforce for genuine operational reasons, it will do so in accordance with Sections 144–146 of the Labour Act, 2074. Subject to the exemption below, an affected employee who has completed at least one year of continuous service will receive severance calculated at one month's Basic Salary for each completed year of service (pro-rated for a partial year); office-bearers of a recognized trade union or collective bargaining committee are, other than by mutual agreement, the last to be affected. This provision does not apply to a Company employing ten (10) or fewer workers. Where the Company resumes operations or requires additional workers within two years of a workforce reduction, affected employees are given priority for re-engagement.

17.7 Retirement

Unless a different age applies under an employee's contract or Company policy, an employee retires from service on reaching [58] years of age. Retirement benefits are settled in accordance with Section 10 above and applicable law.

17.8 Return of Property and Full and Final Settlement

On separation from the Company for any reason, an employee must return all Company property, documents, and access credentials in their possession. The Company will process the employee's full and final settlement — including any accrued but unused leave encashment, pending salary, and statutory dues — using the Company's standard Exit Documents.

18. Transfer and Relocation

The Company may, based on business need, transfer an employee to a different role, department, or work location (including another Company office in Nepal or abroad, where applicable) with reasonable notice, consistent with the employee's Appointment Letter.

19. Confidentiality and Data Protection

Employees must safeguard confidential Company, client, and employee information in accordance with the Employee Non-Disclosure Agreement they sign at the start of employment. Personal data collected from employees is used only for legitimate HR and business purposes and handled in line with applicable Nepal law.

20. Information Technology

Use of Company IT systems, email, internet access, software, and information security requirements are governed in detail by the Company's separate IT Policy. This HR Policy does not restate those provisions.

21. Use of Company Property

Company assets — including equipment, vehicles, software licences, and premises — must be used responsibly and primarily for business purposes, and returned in good condition (ordinary wear and tear excepted) on request or on separation.

22. Business Travel and Reimbursement

Reasonable, pre-approved business travel and expenses are reimbursed against valid receipts, in accordance with the Company's expense guidelines: [to be specified by the Company].

23. Amendment of this Policy

The Company may amend this Policy from time to time to reflect changes in law, business needs, or good practice. Material changes will be communicated to employees, and the then-current version of this Policy will apply.

24. Governing Law

This Policy is governed by the laws of Nepal, including the Labour Act, 2074 (2017) and the Labour Rules, 2075 (2018), and any dispute arising from it will be subject to the jurisdiction of the competent Labour Office or Labour Court in Nepal.

Disclaimer: This is a generic template made available by RigoHR for general reference. It is not a substitute for legal advice. Employers should have this Policy reviewed by qualified Nepali legal counsel and adapted to their specific workforce, sector, and any applicable collective agreements before adoption.