

PATERNITY LEAVE POLICY

This Policy applies to all employees of KPMGUK Limited (the "Firm") who are intending to take paternity leave. It does not apply to agency workers, consultants, contractors, Partners or the self-employed.

A DEFINITIONS

Expected Placement Date ("EPD"):	The date on which the child is expected to be placed in your care
Expected Week of Childbirth ("EWC"):	The week, starting on a Sunday, in which your doctor or midwife expects the woman to give birth
Partner:	A person of any sex with whom you live with in an enduring family relationship but who is not your parent, grandparent, sibling, aunt or uncle
Qualifying Week:	The 15th week before the EWC

B PATERNITY LEAVE

Employees are entitled to either 1 or 2 weeks' paternity leave provided they meet the conditions set out in this Policy. If you are taking 2 weeks leave they need not be taken consecutively provided both weeks are used and completed within 56 days of the baby being born, or the first day of the EWC if born earlier than this, or the day on which they are placed for adoption. Your paternity leave can start on:

- (a) the day the baby is born or in adoption cases, the day it is placed with you or the adopter; or
- (b) a day after the day on which the baby is born or placed provided this leave ends within 56 days of the baby being born, or the first day of the EWC if born earlier than this, or the day on which they are placed for adoption.

C PATERNITY PAY

Paternity Pay

Employees who meet the qualifying criteria (see FAQs for details of these requirements) will receive their normal basic salary (excluding any payments that are non-pensionable such as bonus or overtime) that they would have received had they been at work during the period of leave provided they remain employed by the Firm up until the date of birth or placement of the adopted child. This includes any entitlement to Statutory Paternity Pay.

This Policy does not form part of your contract of employment and the Firm may amend its provisions at any time.

FAQs**A BEFORE PATERNITY LEAVE****Am I eligible to take paternity leave?**

To be eligible for paternity leave you must:

- have been continuously employed by the Firm for a period of 26 weeks as at (i) the 15th week before the EWC in birth cases; or (ii) in adoption cases, the week in which you or your spouse / civil partner / Partner are notified by an adoption agency that you or they have been matched with a child;
- be taking the intended leave for the specific purpose of either supporting the child's mother or adopter, or to care for the child or both;
- comply with the notification requirements in this Policy;
- either (i) be the biological father of the child, or (ii) the spouse, civil partner, or Partner of the child's mother or someone who has been matched with a child by an adoption agency; and
- either (i) you expect to have main responsibility (with the child's mother, co-adopter or adopter) for the child's upbringing, or (ii) you are the biological father and you expect to have some responsibility for the child's upbringing.

How do I notify the Firm that I want to take paternity leave?

You must tell the Firm in writing:

- of your intention to take paternity leave;
- the week the baby is due or, in case of adoption, the date on which you and/or your spouse, civil partner or Partner were notified of having been matched with the child, together with the EPD;
- whether you want to take 1 or 2 weeks paternity leave; and
- when you want your paternity leave to start.

This must be done at least 15 weeks before the beginning of the week when the baby is due (or within 7 days after you and/or your spouse / civil partner / Partner is notified of having been matched, in the case of adoption). If this is not reasonably practicable you must tell the Firm in writing as soon as possible.

What if I have an ante-natal appointment?

Should your spouse, civil partner or Partner require you to attend ante-natal appointments with them you may attend up to two such appointments in relation to each pregnancy. You must give as much notice as you can in writing and will receive your normal pay. Please record time off for antenatal care to the "Medical Appointment" code 0230 on your timesheet and choose the 'maternity-related' drop down option.

What if I don't comply with the notification requirements outlined in this policy?

In order to take advantage of the rights and benefits outlined in this policy you must comply with the various requirements outlined herein. Failure to comply will not affect your statutory rights but will mean that you will not be eligible to receive the additional company benefits which are offered.

B DURING PATERNITY LEAVE**Will I continue to be contacted by the Firm while on paternity leave?**

Yes, the Firm may make reasonable contact with you while you are on paternity leave. This would usually only be necessary to discuss issues affecting you, such as return to work arrangements or significant workplace changes. You

will also continue to remain on appropriate distribution lists and you will still be contacted about internal news, job vacancies, training and work related social events. If you would prefer to be removed from such lists you should discuss this with your line manager and HR prior to going on paternity leave.

What happens to my terms and conditions of employment during paternity leave?

All terms and conditions of your employment (except for terms relating to remuneration as outlined above) will remain in force. In particular:

- (a) benefits in kind such as life insurance, health insurance, private use of a Firm vehicle, mobile and benefits provided through Flextra, if applicable, shall continue;
- (a) annual leave entitlement under your contract of employment and statute shall continue to accrue, subject to this Policy; and
- (b) Firm pension contributions shall be treated as outlined below.

If you are only entitled to use a car or mobile for business use, then it would not be classed as a benefit and the Firm will not be required to continue to provide it during paternity leave.

Pensions

For defined contribution schemes like the KPMG Stakeholder Pension Plan and KPMG Staff Pension Fund contributions are made as follows during paternity leave:

- employer contributions will be maintained at the same level as if you were working normally.
- Member contributions are also maintained at the same percentage contribution rates (as you will be receiving your normal salary).

What if I am eligible for a pay rise while on paternity leave?

If you become eligible for a pay rise while you are on paternity leave, you will be treated for Statutory Paternity Pay purposes as if the pay rise had applied throughout your paternity leave. You should note that any pay rise will not impact upon the assessment of and level of pay during paternity leave which will be calculated on your basic salary as at the start date of your paternity leave. As pay during paternity leave includes any entitlement to Statutory Paternity Pay, any recalculation of your Statutory Paternity Pay may not show any noticeable change to your actual pay during paternity leave.

Can I take annual leave while on paternity leave?

No, you cannot take annual leave at the same time as paternity leave. Also note that annual leave cannot usually be carried over from one leave year to the next. If your holiday year is due to end while you will be on paternity leave you should ensure that you have taken the full year's entitlement before commencing your paternity leave.

What about bank holidays while on paternity leave?

If a bank holiday falls while you are on paternity leave you will be deemed not to have had the opportunity to use that day's holiday and it will accrue to you as one day's paid holiday entitlement. All such accrued holiday must automatically be taken on the working days immediately following the end of your paternity leave. Where the holiday year is due to end during paternity leave, you may carry these accrued bank holiday days forward and, as before, must take them all as paid holiday immediately following the end of your paternity leave. If you are employed on a part time basis on the date you go on paternity leave, you will accrue bank holiday entitlement on a pro-rated basis.

C RETURNING TO WORK

What arrangements do I need to make for returning to work?

The date on which you are expected to return to work will be notified to you by the Firm, usually within 28 days of the day on which your paternity leave starts.

Shortly before you are due to return to work the Firm may invite you to have a meeting to discuss any changes which have occurred during your leave (e.g. changes to the working environment), relevant training requirements and other arrangements in relation to your return.

What if I need more time at the end of my paternity leave before returning to work?

If you want to return to work later you could consider:

- (a) requesting unpaid parental leave, giving us as much notice as possible but not less than 21 days; or
- (b) requesting paid annual leave in accordance with your contract, which will be at the Firm's discretion.

If you are unable to return on your expected return date because of sickness or injury, you should report this in the usual way in accordance with the Firm's sickness absence policy which will apply.

If you do not return on your expected return date and have not been granted any other form of leave by the Firm, your absence will be considered to be unauthorised.

What if I decide not to return to work?

If you decide you do not want to return to work following paternity leave you should inform the Firm as soon as possible. You will essentially be giving notice of resignation and this should therefore be done in accordance with your contract i.e. giving the appropriate period of notice before you want your employment to terminate at the end of your paternity leave. If the amount of paternity leave you have left to run when you give notice is less than your notice period, the Firm may require you to return to work for the remainder of your notice period.

What if I want to return to work on a flexible basis?

You have the right to make a request to return to work following paternity leave on a flexible basis. Any request to change your working pattern in this way (e.g. work part time) will be considered on a case by case basis in accordance with the Firm's Flexible Working Policy. While the firm will consider all such requests appropriately, there may be reasons which mean that your request is refused. It is therefore helpful to ensure all such requests are made as early as possible. Please refer to the Flexible Working Policy and the MyLife site for further information.

D ELIGIBILITY

What if I am employed by a KPMG entity other than the Firm but have been exclusively assigned to work for the Firm in the UK?

If you are employed by a KPMG entity other than the Firm but have been exclusively assigned to the Firm in the UK, you will be treated in the same way as an employee of the Firm for the purposes of this policy.

If you are employed by a KPMG entity whose head office is in another European Union country, you will benefit from the better of any statutory paternity rights which are applicable in the UK or your home country.

Your continuous employment for the purposes of qualifying for CPP will be deemed to have commenced when your employment with the relevant KPMG entity commenced, if there has been no break between your employment with that entity and your assignment to the Firm.

Any entitlement to CPP will incorporate any entitlement to home country statutory payments and will end on the date your assignment to the UK ends.

What if I am employed by the Firm but assigned to another KPMG entity?

If you are employed by the Firm and assigned to another KPMG entity, you will be subject to the leave, pay and benefits applying to employees of that KPMG entity at the date of the EWC (to the extent possible).

If you are assigned to a KPMG entity whose head office is in a European Union country, you will benefit from the better of the statutory paternity rights which are applicable in the UK or your host country.

Any entitlement to statutory paternity pay or leave in your home or host country does not automatically trigger any entitlement to CPP under this Policy. Such entitlement will be judged strictly in accordance with the terms of this Policy.

What if I am employed on a fixed term contract?

If you are employed by the Firm under a fixed term contract, you will be treated in the same way as any other employee in respect of paternity pay and paternity leave.

What do I do if I have a query about this policy?

All queries relating to the interpretation of this Policy should be addressed in the first instance to the PeopleCentre. If they cannot resolve your query, further guidance may be sought from your HR contact - their contact details will be provided by the PeopleCentre.