

Global Annual Performance Bonus Policy

Objective	To determine the process and provide guidelines for paying Annual Performance Bonus (APB).
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Approved By	Chief People Officer (CPO)
Owned By	People & Org Development (P&OD)

Policy

Annual Performance Bonus (APB) policy has been designed to continue the reward system based on individual's performance as per prevailing performance appraisal framework and Company's annual performance during the financial year. Annual Performance Bonus payout will be linked to Company Performance for employees till 5.2 grades, whereas for 5.3 and above employees, it will be linked to both, Individual Performance & Company Performance.

Guidelines

This policy applies to Regular Employees of Persistent Systems & its subsidiaries.

The applicability for APB payout will be **explicitly mentioned** in the offer/latest salary revision letter and appropriate communication from Comp & Ben Team.

Payout method for Annual Performance Bonus (APB)

1. For 5.2 grade and below employees, the Annual Performance Bonus payout will be linked to Company Performance for the financial year. Whereas for 5.3 grade and above employees, the Annual Performance Bonus payout will be a combination of Individual Performance as well as Company Performance.

2. Employees who are covered under Individual Target Based Incentive Scheme (e.g. Sales/BD) will continue to be covered their respective plan, APB will not be applicable for those employees.
3. The company at its own discretion may pay certain amount as advance against the total APB.
4. The remaining portion of APB (if any) after adjusting the advance payout as stipulated at paragraph 3 above will be paid as per details mentioned in paragraph 1.
5. If an employee leaves the services of the Company before the last working day of the financial year, such employee will not be eligible for APB Payout. In case of retirement (wherever applicable) or unfortunate death of employee during financial year, APB will be paid on pro-rated basis for the period worked as part of full and final settlement.
6. If employee is deputed to other country/payroll, APB will be paid on pro-rata basis depending on the period of employment in country/payroll and as per prevailing policy.
7. Employees who are/were on Leave Without Pay, working part-time with reduction in salary during the Financial Year, will be paid APB on a pro rata basis.
8. If employee's employment is terminated for a reason, such employee will not be eligible for APB.
9. In case the Individual Performance Assessment is not done for the entire FY, the payout would be decided at management discretion.
10. The APB payout is taxable as per prevailing Income tax act and rules applicable during bonus disbursement.
11. Below is the illustration through example on how the APB will be applicable – [Note: This is only an illustration for ready reference and not a substitute for the policy]

- For employees in grade 5.2 and below:

If 5000 is the annual bonus component of an employee and the applicable payout percentage based on the company performance is 105% for that given financial year. Assuming the employee remained in active employment for entire financial year on this given bonus value

Applicable APB Component [A]	5,000
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Company Performance Index [B]	105%
Total APB Payout – A x B	5,250

The final year-end APB payout will be $5000 * 105\% = 5,250$.

Thus: Annual settlement (post FY completion) = 5,250 less advance paid (if any)

- For employees in grade 5.3 and above:

If 10,000 is the annual bonus component of an employee.

Let's assume he/she gets a 95% payout recommendation based on the performance appraisal rating and the applicable Company Performance related payout percentage is 105% for that given financial year.

Assuming the employee remained in active employment for entire financial year on this given bonus value

Applicable APB Component [A]	10,000
Payout % Based on Performance Rating [B]	95%
Company Performance Index [C]	105%
Total APB Payout – A x B x C	9,975

The final year-end APB payout will be $(10,000 * 95\% * 105\%) = 9,975$.

Thus: Annual settlement (post FY completion) = 9,975 less advance paid (if any)

12. Write to Comp&BenTeam@persistent.com for any further queries.

Policies are impacted and guided by various Business factors. The Company hence reserves the right to modify the terms and conditions of this policy from time to time or suspend, or cancel APB altogether, solely at the discretion of the management without any prior notice. Similarly, the Company reserves all the rights with regards to full/partial/no pay-out of this component as necessary, on its sole discretion.