

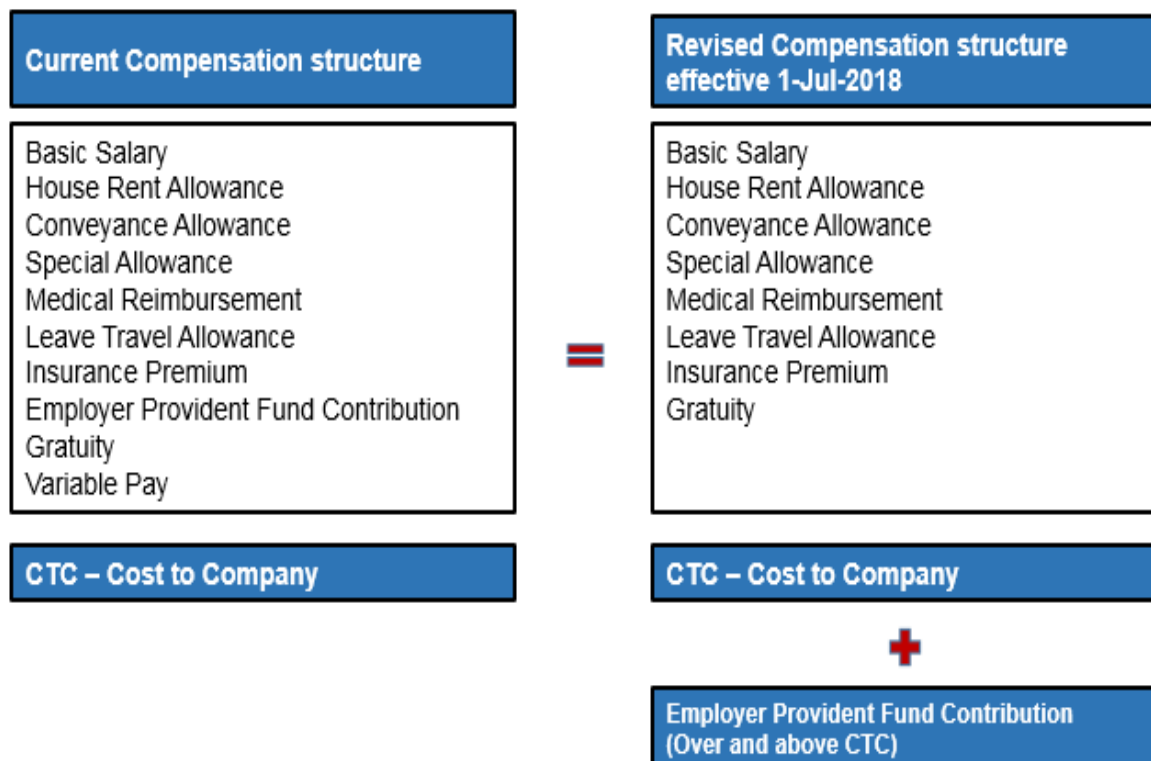
Changes to the Compensation Structure for all BNY Mellon Technology India employees

Dear Colleague,

In order to support a market aligned, competitive compensation structure which is more readily adaptable to future legislative changes, the Company has undertaken a comprehensive review of the existing Cost-to-Company (CTC) model applicable to all BNY Mellon Technology India employees and has decided to implement the following changes:

- **New compensation structure:** Effective **1 July 2018**, compensation structure of all employees will be modified as illustrated below. Further, the Employer Provident Fund (PF) contribution within the existing CTC will be moved outside the CTC structure without any impact on the current CTC value.
- Effective **1 July 2018**, the Variable Pay which is currently part of your Cost to Company (CTC) and paid annually subject to your performance and the performance of the Company, will be merged with Fixed Pay without any impact on the current CTC value for all employees.

Prorated Variable Pay for 1st Jan'18 – 30th Jun'18 will be paid post completion of mid-year review in accordance with the performance criteria around Aug'18.



- **Methodology for calculating PF contributions:** Effective **1 July 2018** PF contributions shall be calculated based on the following table:

Category	Employer Contribution	Employee Contribution
Basic Salary < INR 15,000 p.m.	<ul style="list-style-type: none"> • INR 1,800 p.m., <u>or</u>, • 12% of (*Monthly Gross Fixed Pay <u>less</u> House Rent Allowance) <u>[whichever is lower]</u> 	Same as Employer Contribution
Basic Salary > INR 15,000 p.m.	<ul style="list-style-type: none"> • 12% of Actual Basic Salary p.m. 	Same as Employer Contribution

*Monthly Gross Fixed Pay includes Basic Salary, HRA, Conveyance Allowance, LTA, Medical Reimbursement and Special Allowance.

- **Employee PF contribution:** Please note that the employee's contribution to the PF will also be based upon the calculation methodology as indicated above. This may have an impact on your net take home salary.

Important Points

- This change will be applicable to all active employees of BNY Mellon Technology India as of 1 July 2018.
- To be eligible for Variable Pay, employee must be on the payroll of the company on the date of disbursement. You shall not be entitled for any payments if you are serving your resignation or termination notice period at the time when a payment is due to be made.
- Variable Pay will be distributed across salary components in a standard / formulaic method if the Basic Salary is less than INR 15,000. For others it will be added directly to the Special Allowance. For non-Indian passport holders and International Workers, the Variable Pay amount will be distributed across all or one single pay element.
- All other terms and conditions of employment remain unchanged.

Please familiarize yourself with the new compensation structure and all the other changes mentioned above. You may refer to the worked examples below.

In case of any queries or clarifications, please contact the HR Team (benefits@inautix.co.in).

Examples:

Example 1:

Current Compensation Structure	
Level	G
CTC (INR)	350,000

Current Compensation Structure		Per Annum	Per Month	
Basic Salary		126,000	10,500	A
House Rent Allowance		63,000	5,250	B
Conveyance Allowance		19,200	1,600	C
Medical Reimbursement		15,000	1,250	D
Leave Travel Allowance		10,500	875	E
Special Allowance		75,924	6,327	F
Insurance Premium		12,000	1,000	G
Variable Pay		18,000	1,500	H
Gratuity		5,256	438	I
PF Employer Contribution		15,120	1,260	J
CTC-Cost to Company		360,000	30,000	

New Compensation Structure effective 1 July 2018	
Level	G
CTC (INR)	350,000

All Figures in INR

New Compensation Structure Effective 1 Jul 2018		Per Annum	Per Month	
Basic Salary		132,300	11,025	A+H
House Rent Allowance		63,528	5,294	B+H
Conveyance Allowance		19,200	1,600	C
Medical Reimbursement		15,000	1,250	D
Leave Travel Allowance		11,028	919	E+H
Special Allowance		101,424	8,452	F+H+J
Insurance Premium		12,000	1,000	G
Gratuity		5,520	460	I+H
CTC-Cost to Company		360,000	30,000	
PF Employer Contribution		21,600	1,800	6.00% ↑

Note: In Example 1, PF contribution in the new compensation structure is higher (INR 21,600 p.a. vs INR 15,120 p.a.) because of the change in the methodology for calculating PF contributions for employees with Basic Salary of less than INR 15,000 per month.

Example 2:

Current Compensation Structure	
Level	J
CTC (INR)	1,200,000

Current Compensation Structure		Per Annum	Per Month	
Basic Salary		360,000	30,000	A
House Rent Allowance		180,000	15,000	B
Conveyance Allowance		19,200	1,600	C
Medical Reimbursement		15,000	1,250	D
Leave Travel Allowance		30,000	2,500	E
Special Allowance		425,592	35,466	F
Insurance Premium		12,000	1,000	G
Variable Pay		99,996	8,333	H
Gratuity		15,012	1,251	I
PF Employer Contribution		43,200	3,600	J
CTC-Cost to Company		1,200,000	100,000	

New Compensation Structure effective 1 July 2018	
Level	J
CTC (INR)	1,200,000

All Figures in INR

New Compensation Structure Effective 1 Jul 2018		Per Annum	Per Month	
Basic Salary		360,000	30,000	A
House Rent Allowance		180,000	15,000	B
Conveyance Allowance		19,200	1,600	C
Medical Reimbursement		15,000	1,250	D
Leave Travel Allowance		30,000	2,500	E
Special Allowance		568,788	47,399	F+H+J
Insurance Premium		12,000	1,000	G
Gratuity		15,012	1,251	I
CTC-Cost to Company		1,200,000	100,000	
PF Employer Contribution		43,200	3,600	3.60% ↑