

**DIPTAB VENTURES PRIVATE LIMITED**

## Performance Appraisal Policy

***Note:** The policy will be applied at the discretion of management. The management reserves that right to modify/change this policy as deems fit. Any change in the guidelines narrated below would be communicated to all employees.*

### 1. Introduction and purpose -

**1.1** Diptab Ventures Pvt Ltd (hereinafter referred to as the “Company” or “Lets Transport”) is committed to supporting every employee to reach their potential and achieve their personal goals, which in turn will assist the Company to achieve its objectives. The Company recognizes that employees perform most effectively when they have clear expectations of their job role and purpose, their own targets or objectives, and of the wider aims of the Company. Performance appraisal gives individual employees and their manager an opportunity to review performance, work content, loads and volume, achievements of past year, to agree future objectives. Performance appraisal provides opportunity for managers to develop, encourage, and recognize positive performance and to address learning and development requirements of the employee. This performance appraisal policy (“Policy”) outlines the process of carrying out performance appraisals, essential criteria of selection and evaluation and rewarding.

### 2. Scope

**2.1** This policy applies to all employees of the Company who-

- 2.1.1 have successfully completed his/her probation and is not currently on notice period or the Last working day of his/her does not fall during the disbursement of the performance pay period,
- 2.1.2 are not working within a performance improvement plan.

### 3. Performance Appraisal Cycle and Eligibility-

**3.1** Cycle:

- 3.1.1 The Company follows annual performance appraisal process for employees with ranking between G1 to G4 category (“Annual Cycle”/ “Annual Appraisal”) and half yearly appraisal process for employees with ranking G5 and above (“Semi-Annual Cycle”/ “Semi-Annual Appraisal”).
- 3.1.2 The process is initiated by a Company-wide appraisal trigger sent by the HR team and is completed within the time limit as specified by the HR department.
- 3.1.2.1 For Annual Cycle, the appraisal process shall occur for duration of April to March on a yearly basis during <insert month>.
- 3.1.2.2 For Semi-Annual Cycle, the appraisal process shall occur for duration of April to September during October and for duration of April to March during April.

### 3.2 Eligibility:

- 3.2.1 The eligibility for receiving a salary increase and variable pay-out based on performance appraisal shall be as per the example shown below:

For salary increase to be effective from April:

Joining Period-	Details – Impact on hike in April'22
Before September '20	Prorated for 16 months (last hike w.e.f. December '20)
September'20 -December '21	Prorated based on joining date
January '22- March '22	No hike in April '22. Pro-rated hike in April '23

For variable pay-out:

Joining Period	Details - Variable pay-out	Pay-out month
Before Sept '20	Prorated for 10 months (last review w.e.f. Dec-20)	Oct'21
Sept '20-June '21	Prorated based on joining date	Oct'21
July '21 - Dec'21	Pay-out in April'22	April'22

- 3.2.2 The scale of salary increments and variable pay-out budget is based on Company performance. Individual salary increase is dependent on individual and Company performance, and placement on the pay band.
- 3.2.3 Variable pay-out will be paid out every 6 months – October and April as may be declared by the Company or otherwise informed during performance appraisal cycle.

## 4. Goal Setting:

- 4.1 Company's leadership team sets Company's annual financial goals and quarterly goals. Company OKRs are cascaded to team OKRs. OKRs are aligned across the Company in line with Company goals. These team OKRS translate into individual KPIs.
- 4.2 For each performance cycle, the manager shall define individual goals for each employee. These goals may be specific to an individual, a work unit, or a classification group and should support the Company's mission, strategic goals, and priorities. Individual KPIs could be a combination of

stretch goals (30%) and achievable targets (70%). Employee's individual aspirations and work life balance shall also be taken into consideration and assessed while setting the goals.

## **5. Self-assessment and peer assessment-**

- 5.1** Employees must be informed of the appraisal 30 days before the appraisal one-to-one meeting. Employee has to fill the appraisal self-assessment form as provided by the HR department.
- 5.2** A copy of the completed self-assessment form shall be returned to the manager 15 days before the appraisal one-to-one meeting.
- 5.3** For Semi-Annual Cycle: Employees shall select 3-7 peers, with whom they interact with regularly and after vetting the names with the reporting manager, the employees shall collect feedback from these people in the peer feedback form. These could be cross functional, within function, and at any level in the Company. Peer feedback is to be taken twice in a year before September and before March by team members and by managers. New hires shall take peer feedback only after completing 3 months in the Company. Managers shall take team feedback once in a year with a gap of 3 months from review cycle.
- 5.4** In spite of set intervals of formal cycle of performance review, an informal review is conducted on a continuing basis throughout the year in the form of dialogue, feedback, objectives and key results (OKRs) and key performance indicators ("KPI") alignment. The Function head is responsible for such continuous informal review with the help of authorities delegated further in the hierarchy. The HR department may roll out a single question survey on a monthly basis in order to facilitate the continuous review.

## **6. The one-to-one meeting-**

- 6.1** The manager will use the appraisal performance checklist to prepare for an appraisal meeting by considering what criteria to use to measure employee performance. Employee's performance since last appraisal/joining as the case may be is discussed during this meeting.
- 6.2** Appraisal meetings should be based on continuous dialogues involving:
  - 6.2.1** Role understanding and expectation
  - 6.2.2** Goal achievement details
  - 6.2.3** Core principles
  - 6.2.4** Alignment of how the employee contributed to others success and how the employee has built on other's deliverable
  - 6.2.5** Role driven learning and development with timelines.
- 6.3** For Semi-Annual Cycle, peer feedback shall also be taken into consideration and discussed during the appraisal meeting.
- 6.4** The one-to-one meeting will be carried out in private so as to provide for confidentiality. Sufficient time will be allocated so that the meeting is comprehensive, and any discussion is

properly considered. However, it must be understood by the employee and the manager that information discussed in an appraisal may need to be disclosed to others by the manager for Company's records.

**6.5** When the appraisal is completed, it should be recorded using the appraisal form. This form should be completed by the appraiser and countersigned by the employee. A copy of the form should be given to the employee as soon as possible.

**6.6** In case of any feedback or queries related to appraisal process, employees may reach out to HR department.

## **7. Managers' responsibilities-**

**7.1** Managers shall conduct effective regular meetings and shall strive to:

- 7.1.1 Set clear objectives for the team and communicate those clearly with them (for new hires, goal setting and providing role clarity shall be initiated within 30 days of joining)
- 7.1.2 Ensure that job duties are understood by the team members.
- 7.1.3 Provide useful feedback including guidance and praise, as appropriate.
- 7.1.4 Be fair and specific to help team members understand and implement the feedback.
- 7.1.5 Keep the team members involved and discuss training and development opportunities that may interest the team members.
- 7.1.6 Keep logs with important incidents about each one of the team members.
- 7.1.7 Focus on holistic development
- 7.1.8 Develop a common understanding of goals.

## **8. Performance Parameters:**

**8.1** While conducting performance appraisals, following parameters shall be taken into consideration:

- 8.1.1 A 'continuous' performance experience – Role clarity and continuous delivery of goals is a key to good performance. Employees shall take self-ownership to set, delivery and track goals towards self-learning & growth. Employees shall actively seek feedback; role driven development and seek for on job learning. Reporting manager shall be responsible to create multiple opportunities and facilitate performance dialogue.
- 8.1.2 'Aligned' core behaviours and OKRs across the Company to deliver 'business impact' – Employees shall seek to align their performance with OKRs with a combination of 'achievable' and 'stretched' goals. Employee's individual goals shall be aligned with Company goals.
- 8.1.3 'Differentiate' high performance. No bell curve – Company believes that collaboration & trust drive high performance & results. There is no forced ranking provided during performance appraisal. Collaboration and trust are measured by: Self-performance, Self-contributing to others and Self-building on other deliverables.

**8.2 Performance Achievement scale is driven by goal achievement at different assessment level:**

DEFINITION	GOAL ACHIEVEMENT	DESCRIPTION
<b>IN SUFFICIENT</b>	59% below	Needs development and support.
<b>VALUED PERFORMER</b>	60%-90%	'Consistently' meets expectations and sometimes exceeds.
<b>OUTSTANDING PERFORMER</b>	90%-110%	Often exceeds expectations sometimes sets new standards.
<b>GAME CHANGER</b>	111%	Sets a new standards and direction.

An assessment below 59% goal achievement shall be addressed with continuous dialogue, feedback and action plan. In case of further non-achievement for further 1-3 months performance improvement plan or/and a change of role may be applied. Any non-adherence of core behaviours should be dealt strictly including exit from the company.

**9. Promotion Criteria and process for Semi-Annual Cycle:****9.1** Following parameters shall be considered for promotion:

- 9.1.1 Role readiness: Performing at the next level for a period of 6 months before getting promoted
- 9.1.2 Role availability
- 9.1.3 Performance: Outstanding Performance and above.
- 9.1.4 Core behaviours: As cascaded in line with Company goals
- 9.1.5 no violation of core behaviour.
- 9.1.6 Completion of 1 year in the Company
- 9.1.7 Manager's feedback on basis of core values.

**9.2** Process:

- 9.2.1 Promotion process starts with self-nomination by the employee. The reporting manager may further nominate or endorse such nomination. The nomination is further considered in light of cross-functional discussion and then sent for approval of senior manager and/or function leader. For promotion to top 3 levels in the Company, approval of CEO is required. Promotion shall result in change of title and role of the employee as well as pay hike. For Semi-Annual Cycle, promotion opportunity may be provided twice in a year in April and October for employees eligible for Semi-Annual Cycle.
- 9.2.2 In case an employee applies for an internal job posting ("IJP") within the Company, the following points shall be taken into consideration:
  - 9.2.2.1 The position must be of a senior level.
  - 9.2.2.2 The position must have been announced across the Company.
  - 9.2.2.3 Position technical fitment should be considered and met.

- 9.2.2.4 Selection process (interviews) and criteria for the IJP should be announced.
- 9.2.2.5 For approving position change via IJP senior manager's approval mandatory.
- 9.2.2.6 Transfer time should not be more than 45 days.

## **10. Implementation of the Policy-**

**10.1** The responsibility of implementation of this Policy rests with the HR department of the Company. However, all employees are required to adhere to and support the implementation of the policy. This policy will be implemented through the development and maintenance of procedures for appraisals and one-to-one meetings, using template forms, and guidance given to both managers and employees on the process.

**Approved by:**

**CEO**