



onmobile

Variable Pay Policy

2023-2024

Guiding Principles

01

Should be line with
the Industry practice

02

Framework is simple,
clear and focuses on
variables in control of
the incumbents

03

Converge organization
success with employee
success



Objective

- To reward individuals for their contribution towards the organizational goals
- To reward performance against individual KRAs, company values & expected behaviors

Eligibility

- All employees across the organization
- Full Time
 - Trainees
 - Contract Employees

Variable Pay

CFU Teams (Sales – Asia & Middle East, Africa, Europe, LatAm, EMOCION), Digital Marketing, Content Marketing, Program Management:

- Linked to individual linked Revenue & Collection
- Quarterly Pay-out
- Percentage of Fixed Cost

Non CFU Teams:

- Linked to individual performance on goals
- Based on performance over a fixed period of time - half-yearly/ annual
- Percentage of Fixed Pay
- The VP amount is split into 2 components (based on the role)
 - Individual Performance Incentive - based on the employee's performance rating in the year
 - Company Performance Incentive - based on OnMobile's overall performance (Revenue Achievement against Target) in the year

Variable Pay: CFU (Sales, PM, Content & Product Marketing, DM)

Variable Pay Policy for Employees in Non-Sales roles			
Grade	VP as a % of Fixed		
	Total	Individual Performance Linked Component (of VP) in %	Company Performance Linked Component (of VP) in %
IC1, IC2	12.5%	100%	NA
PM1	20%	100%	NA
PM2, PM3	30%	100%	NA
PM4, PM5	40%	100%	NA
PM6 & above	30%	NA	100%

The above percentages are a function of the following criteria:

- Industry norm for Variable Pay as a percentage of Fixed Pay
- Nature of the role (direct vs. indirect impact on Revenue)
- Impact of the role (seniority & scope of execution & decision-making)

Payable quarterly based on achievement, capped at 100%

True-ups payable at the end of the year

CFU Incentive Plan 2023-24

SIP Objectives

- Driving Revenue achievement as an organizational goal of Revenue Achievement
 - Incentives Sales & Program Management teams on higher revenue – Multiplier on exceeding targets
- Driving Cash collection as an organizational goal
 - DSO as a metric for Sales teams
- Using profit Margin as an enabler for Revenue earning
 - Margin (Revenue – DM Cost) as a metric for Digital Marketing to maximize revenue without overspending
 - Multiplier effect on incentive pay-out for exceeding targets
- Driving High Risk - High Reward behaviour
 - Revised Revenue threshold for incentive earning
 - Decelerated/ lower earning for lower achievement

Sales: Proposed KRAs & Weightage Distribution

Grade	Targets	Revenue*	DSO**
IC1 to PM5/SP5	CA	85% (weightage distribution as per Individual KRAs)	15%
	ONMO		
	Gamize		
	Tones & other legacy products		

Targets have to be submitted to the HR and Finance team at the beginning of the year.
No changes to targets or any associated parameters will be allowed during the year.

*For employees managing only one product, the entire revenue weightage of 85% will be tagged to Revenue Achievement of that product. For employees handling multiple products, the revenue weightage will be split across the product portfolio

**DSO is applicable when collectibles kick in for a contract and will carry a weightage of 15%

Revenue Incentive

Revenue Achievement	Variable Pay-out
<85%	0
85% – 89%	50% - 60%
90% - 110%	90% - 110%
>111%	2% for every additional % achievement*

*capped at 150% of the variable pay

Key shifts from last year:

- Revenue threshold for Incentive earning has been made at 85% from 90%
- Targets assigned individually, no regional or collective target

Incentive Achievement over 100% will be paid out at the end of year to avoid a claw-back situation

DSO Incentive

Target DSO Achievement*	Variable Pay-out
DSO Achievement < 5% improvement	0 incentive pay-out
DSO Achievement at 5% improvement	90% incentive pay-out
DSO Achievement at 10% improvement	100% incentive pay-out
DSO Achievement => 20% improvement	110% incentive pay-out

Key shifts from last year:

- Flexible:
 - Measures improvement in Cash Collection instead of fixed number of days
 - DSO is applicable when collectibles kick in for a contract
- Focuses on driving customers on timely payments
- Incentivizes over-achievement

*As against the average quarterly DSO achievement as given by Finance for each account

#All improvements will be considered over FY23 average

Applicable on both billed and unbilled

Example		
Target DSO Achievement	Actual Achievement	Variable Pay-out
Average DSO achievement in FY23/ As per contract for new customers	75 days	
Achievement < 5% improvement	> 71 days	0 incentive pay-out
DSO Achievement at 5% improvement	67 - 71 days	90% incentive pay-out
DSO Achievement at 10% improvement	60 - 67 days	100% incentive pay-out
DSO Achievement => 20% improvement	< 60 days	110% incentive pay-out

Incentive Achievement over 100% will be paid out at the end of year to avoid a claw-back situation

EMOCION Incentive Plan 2023-24

EMOCION: Proposed KRAs & Weightage Distribution

Grade	Targets	Revenue (proposed)*	DSO
IC1 to PM5/SP5	EMOCION	85% (weightage distribution as per Individual KRAs)	15%
	CA		
	ONMO		
	Gamize		
	Tones & other Legacy products		

For employees managing only EMOCION, the entire revenue weightage of 85% will be tagged to Revenue Achievement of EMOCION

For employees handling multiple products, the revenue weightage will be split across the product portfolio

Targets have to be submitted to the HR and Finance team at the beginning of the year.

No changes to targets or any associated parameters will be allowed during the year.

EMOCION Revenue Incentive Pay-out Proposal

Revenue Achievement	Variable Pay-out
<85%	0
85% – 89%	50% - 60%
90% - 110%	90% - 110%
>111%	2% for every additional % achievement*

*capped at 150% of the variable pay

Key shifts from last year:

- Revenue threshold for Incentive earning has been made at 85% from 90%

Incentive Achievement over 100% will be paid out at the end of year to avoid a claw-back situation

EMOCION DSO Incentive Pay-out Proposal

Target DSO Achievement*	Target in Days	Variable Pay-out
DSO Achievement at no improvement	120 days	90% incentive pay-out
DSO Achievement at 5% improvement	114 days*	100% incentive pay-out
DSO Achievement at 10% improvement	101 days	110% incentive pay-out

*As against current achievement at 126 days

Key shifts from last year:

- Flexible: Measures improvement in Cash Collection instead of fixed number of days
- Focuses on driving customers on timely payments
- Incentivizes over-achievement

Incentive Achievement over 100% will be paid out at the end of year to avoid a claw-back situation

Digital & Content Marketing Incentive Plan 2023-24

Content Marketing & Digital Marketing Incentive

KRA Metric	Weightage	Achievement	Incentive Pay-out
Revenue	50%	<85%	0
		85% – 89%	50% - 60%
		90% - 110%	90% - 110%
		>111%	2% for every additional % achievement*
Margin	50%	< 90% of Quarterly Margin as per AOP	0
		Bw 90% & 100% of Target	(2%) for every 1% value spent over allocated budget on total incentive (i.e. both Revenue & Margin)*
		At Target	100%
		> 100% of Margin Target	2% for every 1% value saved over allocated budget on total incentive (i.e. both Revenue & Margin)*

*capped at 150% of the variable pay

**AOP will be split operator-wise to arrive at the target margin% - as directed by the CBO

***No Revenue pay-out if Margin threshold is breached even if Revenue target is beyond Threshold

- Additional 2% kicker on overall Incentive if Revenue Target is met and Margin is Exceeded
- Incentive Achievement over 100% will be paid out at the end of year to avoid a claw-back situation

Program Management Incentive Plan 2023-24

Program Management Incentive

Level	Org Performance	Individual Performance
PM1 & below	NA	NA
PM2, SP2 & PM3, SP3	20	80
PM4, SP4	40	60

Revenue Achievement	Incentive Pay-out
<85%	0
85% – 89%	50% - 60%
90% - 110%	90% - 110%
>110%	2% for every % increase in achievement in excess of 110%*

*capped at 150% of the variable pay

Key shifts from last year:

- Revenue threshold for Incentive earning has been made at 85%
- Quarterly pay-out of incentive

Incentive Achievement over 100% will be paid out at the end of year to avoid a claw-back situation

Incentive Pay-out – Exception Management

- Exceptions/ Redressals to be referred to the SIP that can put up a recommendation to the MD
- Some examples of exceptions are stated below
 - Delay/ change in launch strategy due to market conditions
 - Delay/ change in launch in strategy due to internal challenges
 - A force-majeure business situation that impacts a sales person's incentive
- SIP Committee for CFU: CFO, CBO, Global BHR Head
- SIP Committee for EMOCION: CFO, VP EMOCION, Global BHR Head

General Guidelines

1. Targets have to be in line with the AOP for the financial year
2. Targets to be set at the beginning of each quarter & files to be submitted to HR & Finance. **Variable will not be paid** in the absence of target setting by the mentioned due date
3. Changes to any of the parameters or weightages will be not permitted during the course of the year (except for role changes)
4. Employee should be active on the payroll of the company on the last working day for the period under consideration to be eligible for the payment of incentive
5. In case of role change or transfer, incentive will be paid on pro-rated basis in line with the policy applicable to the role
6. Incentive for an employee on long leave (e.g. sabbatical) or LOP will be pro-rated and paid on resuming work for the period under consideration
9. Incentive will be paid based on the Company performance with a default 100% achievement to employees who have spent 3 months or less in the company as on 31st March 2024
10. All quarterly pay-outs will be capped at 100% irrespective of achievement and true-ups will be paid at the end of the year
11. Payments are processed along with the salary and the amounts paid out are subject to tax

Non CFU Incentive Plan 2023-24

Variable Pay: Non CFU

(Product, Technology, Finance, Admin, HR, Procurement, CITS, Corporate Marketing)

Variable Pay Policy for Employees in Non-Sales roles			
Grade	VP as a % of Fixed		
	Total	Individual Performance Linked Component (of VP) in %	Company Performance Linked Component (of VP) in %
S1 to PM1	NA	NA	NA
PM2	7.50%	70%	30%
PM3	10.00%	60%	40%
PM4, PM5	20.00%	40%	60%
PM6 & above	30.00%	0%	100%

The above percentages are a function of the following criteria:

- Industry norm for Variable Pay as a percentage of Fixed Pay
- Nature of the role (direct vs. indirect impact on Revenue)
- Impact of the role (seniority & scope of execution & decision-making)

Payable half-yearly for PM3 & below, annually for PM4 & above

General Guidelines

- The Variable Pay component is part of the Annual Compensation of an employee
- In case of role change during the year (from Sales to Non Sales or vice versa), the VP will be applicable and calculated as per the role on a pro-rated basis
- An employee should be active on the payroll of the company on the LWD for the period under consideration for VP
- VP will be processed along with the salary and will be taxable as per local norms
- For employees who have spent 3 months or less in the company from the date applicable for VP calculation, the VP will be paid based on the Company Performance with a default rating of **Met Expectations**
- All exceptions will be exercised post the approvals of MD, CFO and Head HR
- VP for an employee who has been on long leave (e.g. sabbatical) or LOP will be pro-rated and paid for the working period under consideration



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Thank You
