

Variable Pay Policy 2018

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1.0 Objective

The objective of the document is to provide guidelines on variable pay computation for USsociates for the year 2018.

2.0 Scope

USsociates working in India locations and who have variable pay component in their compensation structure shall come within the purview of this policy.

This policy excludes associates:

- Who do not have variable pay as a component in their compensation structure
- Who are covered under different incentive plan
- Working on contract, retainer-ship and any other forms of employment other than regular

3.0 Guidelines

- The variable pay period is from January through December 2018.
- The variable pay amount shall be mentioned in the employment offer or the salary revision letter.
- Employees who are **NOT** on the active rolls of the company as on the date of payout are not eligible for variable payout.
- The variable pay is computed based on one or more parameters depending on the role, Band and grade and functional area.
- During the variable pay period USsociates deputed to another country on a paid assignment; their duration of the stay in the new country shall not be considered while computing the variable pay amount.
- This policy comes to force when the financial results are audited and the organization profits earned is above 50% of the target.
- The employee is expected to reach out to the [HRSolutions](#) within 15 days after the variable payout for any clarification.
- The variable pay is considered as an income from salary as per taxation laws hence is subject to tax.

4.0 Parameters

The variable pay will be computed based on the following multiplier, unless specified otherwise in the employment agreement

- Multiplier 1: Financial Multiplier
 - The overall organization profitability %
- Multiplier 2: Contribution Multiplier
 - Is the overall employee contribution derived from manager survey through NorthStar & BSE Talent Segmentation Review

The VP calculation will be as follows:

$$\text{Your Variable Pay} \times \text{Financial Multiplier} \times \text{Contribution Multiplier} = \text{Your Variable Pay Earnings}$$

Note:

- Employees have the potential to earn up to a maximum of 150% on Contribution Multiplier
- The payout % on Financial Multiplier will be as approved by the Chief Financial Officer

5.0 Parameters – Delivery Management Roles

The variable pay criteria for all roles with direct responsibility of profitability of Account and/or Vertical (irrespective of their band and grade) is as shown below:

Detailed Parameters	Weightage
Contribution Multiplier	50%
Account Profitability (“Incremental” EBITDA\$ ¹)	40%
Financial Multiplier	10%

¹“**Incremental Adjusted EBITDA\$**” is the growth from the previous year’s Adjusted EBITDA\$ actuals at account level. Baseline set for 2018 is the average of previous year’s Adj. EBITDA\$ actuals as reported by finance. For exception accounts and new logos, the baseline has been reviewed and set separately.

The payout table for Account Profitability (“Incremental” EBITDA\$) is as shown below:

Adj. EBITDA\$ Increment % From Baseline EBITDA\$		Variable Pay Payout %
From	To	
<0%		0%
0.00%	5.00%	40%
5.00%	7.50%	50%
7.50%	10.00%	60%
10.00%	12.50%	80%
12.50%	15.00%	90%
15.00%	20.00%	100%
20.00%	25.00%	110%
25.00%	30.00%	120%
30.00%	35.00%	130%
35.00%	40.00%	150%
40.00%	50.00%	175%
> = 50%		200%

Note :

- Reported numbers (both baseline and actual) from Finance will be considered as final for all variable pay calculation. In case of any disputes on the reported numbers, the individual/account team must directly work with Finance to resolve such disputes. Any adjustments to the payout thereafter will be based on written confirmation from Finance.
- Employees who manage new business accounts or accounts with no defined quota or baseline set for the year will be paid directly based on financial multiplier.
- In the case of an employee being transferred to another account or vertical or business unit, the calculations will be made pro-rata, as applicable.
- For employees working in multiple accounts during the same period the “ratio” based on the number of days allocated in each account will be considered for the calculation, as applicable.
- OptimUST will be the primary source on allocation details. It is the responsibility of the USsocio to ensure the accuracy and completeness of his/her allocation data in OptimUST prior to end of calendar year. In case of any challenge on the accuracy of allocation details the USsocio must work directly with his manager and Resource Management Group to resolve this. The report generated from OptimUST on January 1st following the end of the year will be final. In case OptimUST report is unavailable, allocation data maintained by Business Finance will be considered as final for Variable Pay calculation.
- The roles in this category will be finalized based on the review and confirmation by the respective HR BSE, Delivery Head(s) and Business Finance FP&A.
- Any exceptions to the aforesaid guidelines will have to be recommended by the Business Leader of the respective account(s) / Function Head and must be approved by the Chief People Officer.

6.0 Payout Schedule

- Unless defined differently in the employment offer, The variable payout for eligible employees is expected to be made as per below schedule:

Employee Band	Payout Schedule
A	April 2019 Payroll
B	May 2019 Payroll
C & Above	June 2019 Payroll

- The payment updates will be shared 2 business days from/prior to the payroll date.

7.0 Authority

The Human Resources reserves the right to revise or revoke this policy with or without prior notice.