

Increment Policy

Issued Date: 1st April 2023

1) Purpose:

The purpose of this policy is to outline the process & guidelines for determining salary increments and managing compensation within **Bitwise/Organisation**. It aims to ensure fairness, consistency, and transparency in the Organisation's compensation practice. It also recognizes and rewards the employee's contribution, motivates high performance, and ensures internal equity.

2) Definitions:

- i) **Employee/s:** All full-time/ permanent employees on payroll of the Organisation, who are placed on Level 1 and above or equivalent. Project Trainees, Intern, consultants, Contractor, or any third-party payroll employees are not eligible for the annual Increment Cycle and will be governed by their respective contracts /appointment letters.
- ii) **Financial Year:** Calendar Year starting from April 1, and ending on March 31.
- iii) **Compensation** – Salary is given to employees based on various factors like role & responsibility, designation & performance.
- iv) **Timing:** Salary increments will be considered on an annual basis typically post the annual performance review cycle.
- v) **Increment guidance:** Salary increment will be governed by industry benchmarking and internal parity considerations.
- vi) **Reporting Managers/ Supervisors recommendation:** Reporting Managers will be responsible for assessing their team members' performance and recommending appropriate salary increments based on the guidelines provided by the organization.
- vii) **Approval Process:** The recommended increment will undergo a review and approval process involving Function/Business Head and HR.

3) Increment Review Cycle: - Increments will be reviewed annually post-performance appraisal process. The review cycle will be typically aligned with the financial year starting (1st of April to the 31st of March) However, the Organisation reserves the right to adjust the cycle as necessary at any time and in any manner without any prior notice.

4) Eligibility Criteria: -

- i. All permanent/full-time and part-time employees who have joined on or before 31st Oct 2022 will be eligible for Increment. It means the cut-off date will be 31st Oct 2022.
- ii. Increment will be done on a pro-rata basis, based on your joining date and above eligibility criteria.
- iii. Employees who joined after the cutoff date will not be eligible for the current Increment Cycle.
- iv. If any employee is serving the notice period or resigns before the day of payout of Increment, he will not be eligible for the Increment or related benefits & payouts.

5) Performance Evaluations: The determination of increment will be based on an employee performance evaluation conducted by their Reporting Manager/Supervisor. Performance evaluation will consider factors such as Job performance demonstrated skills and competencies, achievements, adherence to the Organisation's objective & rating received based on the assessment done by the managers.

6) Increment guidelines:

- I. Increment decision and the percentage payout will be determined by a combination of factors including but not limited to performance, market competitiveness, Internal Parity, Individual contribution, and overall budgetary consideration.
- II. In any special circumstances the organisation would reserve the right to adjust or hold off increments in such situation.
- III. Refer to Annexure: Increment guidelines for 2023-24 for more details.

7) Communication of Increment decision

- I. Increment decision will be communicated to employees after the completion of the performance appraisal process through a Compensation/Increment Letter via a relevant system.
- II. Employees will have the opportunity to receive feedback on their performance, discuss their career aspirations, and seek clarification on the increment process through regular performance discussions with their Reporting managers.
- III. Employees & Reporting managers/supervisors need to maintain confidentiality regarding individual salary details and performance evaluation & feedback.

8) Compliance and amendments

- I. All Reporting managers/ supervisors and employees are expected to adhere to this policy and ensure its fair and consistent implementation.
- II. This policy may be reviewed and amended periodically to reflect changes in business need market conditions and legal requirements.

9) **Management's Discretion:**

The Organisation reserves the right to revise, amend or modify the Increment process at any time and in any manner without any prior notice.

Annexure: Increment guidelines for 2023-24

- 1) The increment amount with arrears for Financial Year 23-24 shall be paid with August salary. The increment will be effective from 1st April 2023.
- 2) Variable pay will be a part of all employees' salary structure as per the Variable Pay policy published myPOD under Corporate Programme and Policies for more information.

Increment Calculation period with an example:

- a. All permanent employees who joined on or before 31st Oct 2022 are eligible for year 23-24 increments.
- b. Employees who joined after 1st Nov 2022 are not eligible for Increment.

For example:

| Employees who joined | Review period for Increment calculation |
|--|---|
| Before 31 st October 2021 | 1 st April 2022 to 31 st March 2023 |
| Between 1 st November 2021 to 31 st October 2022 | From DOJ to 31 st March 2023 |
| Joined post 31 st October 2022 | Not Eligible for current increment cycle 2023-24 |
