**PPIT Assignment 2**

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**BS SE (A)**

**Q1**

Compensation for CEO is a vital aspect for a company as a strategic tool for aligning company’s overall business strategy. CEO is a higher management entity that governs all the company’s standard, rules and make decisions. Providing a better compensation to the CEO is really important as it is one of the key roles in developing business success. The CEO should get benefits and all great compensation as it will create a company’s value in the eyes of the CEO and it will allow him/her to work more for the betterment of the company.

**Q2**

Designing a safe execution plan to satisfy the business goals is necessary for an organization. The technique to design the executive compensation include risk and reward distribution. The organization set business goals that are required to be achieved and it’s the duty of Executives especially the CEO to fulfill them and boost the organization’s growth. Upon successfully achieving the goals, they could be rewarded with bonuses, salary increments, travel allowances, health allowances, international trips etc. However, upon failing them it could have severe consequences that is stepping down from the position.

**Q3**

Murthy led iGATE to huge success by his intelligent strategies and decision making. The termination of Murthy from iGATE happened is due to disobeying company’s regulations and failed to report his intimate relationship. As per iGATE, Murthy failed to report the relationship to the senior management and because of that he was fired. However, Murthy admitted his mistake and he said that he already informed it to one of the founders of the company. He further said that the colleague he was accused of harassing did not sue against him and sent letter directly to the company.

There was an employment agreement between Murthy and iGATE and Murthy sued iGATE because of it. According to Murthy, iGATE promised him multiple benefits like monthly medical benefits as well as termination benefits. He also stated that iGATE withdrew his million dollar worth vested stocks. He said that iGATE promised he would retain his stocks even after his termination. Murthy said he was not allowed access to operate his company sponsored trading account preventing him from executing his stock options. He also claimed compensation for damage done to his reputation.

On the other hand, iGATE filed countersuit against Murthy seeking compensation for the damage done to company’s reputation as well as losses suffered by company because of this incident.

**Q4**

The employment agreement with senior executives must not be written well thought and generic. It could cause severe problems for the company as the employee could sue the company for not providing what was agreed in the agreement. One of the example is terminating the contract without paying the agreed salary for the agreed period.

**Q5**

Ensighten has signed a great deal with the GMI company to provide them their product services. The CEO of Ensighten has prepared a user agreement based on the previous deals with other companies, however when presented to GMI, their officials suggested some changed in the agreement. The changes were mentioned below:

* GMI rejected any restriction placed against customer’s identity or email as well as restriction against modification of Ensighten’s services and materials.
* They also rejected Ensighten’s authority to shut down the service if deemed unnecessary.
* GMI also rejected that customers should be trained and competent.
* GMI also add their own sections of interoperability, confidentiality, data and data security as well as backup and disaster recovery and warranty.
* GMI rejected Ensighten’s authority to suspend or terminate contract if it is against their interest.
* They also rejected that any customer’s data using Ensighten’s services shall become Ensighten’s property.

As per the issue, it clearly leads to aspect of the neglecting of negotiations. There may be rules, regulations and privacy matter that needed to be discussed prior sending the agreement. To work on the agreement, both parties must negotiate and create a suitable and agreed user agreement.