



<h2>Sales Incentive Policy</h2>

	Employee Name	Designation	Signature
Approved By	Arati Naik	Chief Operating Officer	
Authorized by	K.R. Naik	Executive Chairman	

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1) Objective

To encourage work culture linked to productivity, conducive to the needs of business thereby motivating and encouraging superior performance.

2) Scope

Applicable to Sales employees with a PLP/SI component in their salary structure.

3) Premise

The policy is based on targets set for Individual employee. Targets are essentially the qualitative and quantitative guidelines for implementing the business strategy.

4) Targets

Regional and Individual targets are planned for sales and sales related functions to meet Budgeted targets. Each employee shall have targets, linked to his/her regional planned targets cascading downwards. The targets setting shall have confirmation of the COO and information shall be given to HR.

5) Incentive for Targets Achievement

Incentive earnings are linked to the targets achieved. Individuals will qualify and start earning incentives when a minimum of 80% of the target is achieved. Individuals also have the potential opportunity to earn more by achieving over and above the targets allocated.

Incentive Calculation Basis for employees has been mentioned below in Annexure 10.1.

The Accelerator shall be applicable when an individual achieves over 96% of his target. The Accelerator entitles an individual to earn an incremental amount i.e. the PLP component of the salary structure, from 105% to 150% of the targets.

Timely Collection of "C" forms and receivables from Customers shall also be an important ingredient for calculating incentives.

6) Process

The process of Goal setting initiates with the release of the financial objectives of the Company and the Business Units for an FY. The responsibility for completion of target setting and review lies with the Respective Regional Sales Head/Departmental Heads along with the COO. COO shall be the final authority for setting targets for the entire Sales force. The details shall be sent to Corporate HR. The individual targets shall be recorded in the Goal Sheet. Incentive would not be paid if the targets have not been approved by the Sales Head/CFO and the same being conveyed to H.R.

- In order to make the sales incentive policy more meaningful and contributory to the success of company as well as the individual performance, it is necessary that individual objectives of all employees be finalized with a concept of downward cascading of targets.
- Progress update should take place between the incumbent and the supervisor throughout the year through formal and informal discussions. This process could help assessment of the actual achievements and make changes, if required, in the action plans to achieve and/or improve annual objectives. The frequency of such assessment shall be revised based on the objective targets and required monitoring for the same in consultation with COO and involvement of HR for effective monitoring of the same.

Actual achievements after due review and approval by the reporting Supervisor shall be submitted to the HR team in the Performance Linked Claim Form (Annexure 10.2). The approved incentives shall be paid along with the salary process only.

No claim would be processed, unless approved by the Reporting Manager.

7) Incentive Payment

- The Incentive payout shall be made at the end of the quarter provided the employee is on rolls of the company as on the date of disbursement.
- The employee shall qualify for the incentive payment on achievement of 80% of the target assigned.

- Incentive cannot be clubbed for 2 quarters. It has to be claimed separately for individual quarters. In case a sales employee cannot claim for a particular quarter, the claim for the same can be done at the end of the year, subject to him achieving 80% for the total annual target. E.g. Mr X is eligible for Q1 & Q2; He can claim incentive, separately for both the quarters. Going forward, if he is not eligible for Q3 & Q4, he cannot claim incentive for the same. However at the end of the year, on the overall target if Mr. X achieves 80%, he can claim for the entire year minus the payouts made for Q1 & Q2.
- The maximum incentive an employee can receive is capped at 150%. If Mr. X achieves 200% of his allocated target, he would still be eligible for claiming an incentive of 150%.
- "C" form collection for respective sales on which incentive is paid is also the responsibility of the respective sales person claiming incentive. "C" forms should be collected quarterly by the responsible sales individuals. The last date for submission of all pending "C" forms is the end of quarter preceding the earlier quarter. For. E.g: Mr. X is claiming incentive for **Q4 '15-16**, in such a case all his "C" forms till **Q3 '15-16** should be submitted. Achieved Sales to the extent of the value of "C" forms not received, shall be deducted from sales achieved for calculating incentives. The incentives withheld for non receipt of "C" forms will be released along with the next quarterly incentive payment only on receipt of "C" forms. The withheld incentive shall lapse if "C" forms not collected on or before 9 months from the end of the previous financial year.
- Any exceptions to be considered towards non-collection of "C" Forms would require approval from COO.
- Post deductions, if the % achieved is less than 80%, the sales employee would still be eligible for Incentive. However Payouts would be made, on the Basis of % Achieved, after deductions.
- All claims should be submitted to the Business Finance team with complete supporting documents, on or before 15th of the month in which the incentive needs to be paid along with the Salary for the month. Any claim, received after 15th of the month, would be processed in the next payroll process.

8) Guidelines

- The basis of calculating target achievement would be based on the actual billing done for the respective quarter.

- Employees on probation shall be eligible for participation in the scheme. New Joiners shall qualify to participate in the scheme, provided the targets are set for them and communicated to the Corporate HR department.
- In case an employee receives an increment in his/her salary structure in between the FY, affecting the PLP component, the Sales Incentive shall be calculated on the basis of the same.
- In case an individual gets transferred from one region to another, the targets need to be reset accordingly. The same process shall be observed as explained under point 8.
- Individuals claiming for their incentives, who are retiring/resigning from the services of the Company, would be paid as per the incentive policy mentioned above, considering his/her LWD as their end date for calculation purpose. The separating employee shall submit the duly approved form to Business Finance with all appropriate Supporting. The same would be however, paid along with the Full & Final settlement of the employee.
- Any deviations/exceptions from the policy shall be done only with the approval of COO.

9) General

This policy outlines the spirit behind the Company's approach in giving fair and consistent treatment to all employees. Therefore, employees are expected to respect the rules and the standard operating procedures governing this policy. Where circumstances are unusual or situations not anticipated or defined in this policy, such matters should be referred to the Management for resolution in a manner that is consistent with the whole aim and spirit of this policy. Such decisions shall be final and binding.

This policy supersedes all other policies, procedures and practices prevalent on this subject to date. Company reserves the right to add to, alter or amend, or cancel this policy at its discretion if needed in future.

10) Related Documents

- PLP/SI Claim Form.
- Supporting, towards the sales figure.

Annexure 10.1

Incentive Calculation Basis for Sales Employees

Target Achievement	Incentive Earnings - Sales Employees
0% - 79%	0
80% - 89%	65%
90% - 95%	80%
96% - 99%	105%
100% - 110%	130%
111% & Above	150%

Incentive Calculation Basis for Regional Sales Manager

Target Achievement	Incentive Earnings - Regional Sales Manager
0% - 79%	0
80% - 89%	40%
90% - 95%	70%
96% - 99%	110%
100% - 110%	135%
111% & Above	150%

Note:

As a thumb rule, decimal achievement of 0.5% and above will be considered close to the next full number and below 0.5% will be equivalent of the lower full number, (99.44% is strictly 99% only).

No representation to be made for any soft consideration of such matters.

Annexure 10.2



PERFORMANCE INCENTIVE CLAIM FORM

Emp. Code: _____

Quarter: (Q1 / Q2 / Q3 / Q4) / Full Year

Emp. Name: _____

Date of Joining: _____

Annual Target: _____

Target for the Quarter: _____

Annual Incentive Eligibility Amt (Based on DOJ): _____

Target for the Quarter	Achievement for the Quarter	% of achievement	Proportionate Incentive for Value of "C" forms / Debtors not collected to be kept on hold	Achievement to be considered for incentives	% of incentive to be paid	Eligible amt of incentive for the quarter

Note: Eligibility for Incentive: 80% achievement of the target for the quarter

Prepared By (Employee Name): _____

Approved By (Regional Head): _____

Approved By (HOD): _____

Disbursed By (Accounts Dept): _____