

Bonus Plan 2024 in PAYBACK Polska

Bonus Plan 2024 describes the process of defining annual goals, evaluating them, calculating and paying annual bonuses for 2024 at Loyalty Partner Polska Ltd. ("PAYBACK Poland").

1. Goals

Goal setting:

We distinguish between company goals (Company), country goals (Department - in this case the country or team we support) and individual goals (Individual):

- **Company** - relates to the performance of the entire Global Loyalty Coalition - defined and monitored centrally
- **Department** - refers to goals for the country/team we support - based on scorecard
- **Individual** - individual goals, defined together with the immediate supervisor, according to a specific structure applied in the department.

Individual goals are agreed between the supervisor and the employee (according to department guidelines) **by the end of February or within 6 months** of the new employee joining the company (implementation into the company cannot be one of the annual goals). All goals are **documented in the [Self Service tool](#)**.

Individual goals should be set according to the **SMART principle**, and their outcome should be measurable (specific KPIs should be indicated for each goal; we abandon individual goals that have no objective metrics, such as onboarding, feedback from collaboration, feedback from the project carried out)

SMART means:

Specific

Measurable

Achievable

Relevant

Time-bound.

Milestones can still be a component of individual targets - the decision to use them is at the discretion of direct supervisors. As a reminder: Milestones are key stages for projects, activities, set for a given quarter. Milestones to be entered and accounted for quarterly, for review by department director & dedicated HR Business Partner **Milestones, like any other goals, should be set in a measurable way and assessed according to the applicable scale.**

When planning annual goals, it is worth talking about our individual development plans - we use them as tools for planning our development activities and monitoring progress. Their result will not be included in the annual results but will form the basis for participation in proposed development activities, role changes, or promotions.

Max bonus / weight of goals:

The amount of the bonus depends on the level and the weight of the individual goals as a percentage of base salary.

Polish teams

To increase attention (Focus) and commitment (Collaboration) on the results of Poland, the company goal is doubled - this means that in part of the individual goals, Polish scorecard will be repeated.

Level	Max bonus	Company	Department	Individual
Employees	10%	15%	15%	70% (15% goes to Polish scorecard)
Team Leaders	15%, 20%	20%	20%	60% (20% goes to Polish scorecard)
Directors	30%	25%	25%	50% (25% goes to Polish scorecard)

International teams

Departments supporting international markets are subject to a goal-setting process in accordance with the agreed team's approaches.

Level	Max bonus	Company	Department	Individual
Employees	10%	15%	15%	70%
Team Leaders	15%, 20%	20%	20%	60%
Directors	30%	25%	25%	50%

LPS Team

Those who support the LPS team are subject to the goal-setting process as outlined in the LPS.

Level	Max bonus	Company	Department	Individual
Employees	10%	15%	35%	50%
Team Leaders	15%, 20%	20%	40%	40%

Goal's assesment:

Individual goals are rated on a five-point scale: excellent, over-fulfilled, fulfilled, conditionally fulfilled, not fulfilled. The rating refers to the result for 2024. Ranges of a given rating are included in the company's scorecard. In other cases, the following scale will apply:

Excellent		>	125%
over-fulfilled	106%	-	125%
Fulfilled	100%	-	105%
conditionally fulfilled	90%	-	99%
not fulfilled		<	90%

2. Bonus

Bonus calculation:

An employee's actual bonus is determined based on the cumulative results of the company and division targets as well as of the individual targets.

The evaluation of the achievement of corporate and country goals is carried out by the Extended Leadership Team, while the evaluation of individual goals is carried out by the direct supervisor. The results are subject to calibration vs. other employees in the department and are discussed at the End Year Review meeting among the Extended Leadership Team. The final bonus amount may differ from one that was recommended by the direct supervisor.

Target achievement	% of achieved bonus
Excellent	100%
Overfulfilled	80%
Fulfilled	60%
Conditionally fulfilled	30%
Not fulfilled	0%

Example:

An example calculation for an employee whose maximum bonus is 10%:

	Weighting	Degree of achievement	Calculation
Company target	15%	Achieved = 60%	15% x 60% = 0.09
Department target	15%	Achieved = 60%	15% x 60% = 0.09
Individual target 1	30%	Overachieved = 80%	30% x 80% = 0.24
Individual target 2	20%	Achieved = 60%	20% x 60% = 0.12
Individual target 3	20%	Excellent = 100%	20% x 100% = 0.20
			Total = 0.74
10% max. bonus x 0.74 = 0.074 or 8% bonus (rounded)			

Bonus payout

Bonus amount is related to end year assessment of yearly goals. Bonus:

- does not apply to working students or contractors (not directly employed by PAYBACK under an employment contract)
- does not include employees employed after August 31 of a given year
- includes employees employed by the company as of December 1 of a given year
- is calculated in proportion to the days actually worked (long-term absences exceeding 33 days or more uninterruptedly reduce the period actually worked).

The bonus of employees on maternity/parental leave is counted only if the goals have been set and their evaluation is possible.

The amount of the annual bonus is calculated as a percentage of ratings after calibration for the entire year in relation to the annual base salary earned (not including compensation for long-term absences exceeding 33 continuous days). The amount of the advance payment will be deducted from the annual bonus. Annual bonus is paid with December salary.

3. Performance Review – process stages

When?	What?
End of February	• Define and communicate corporate and country goals
End of February	• Setting individual goals and entering them into the Self Service system
June	• Meetings between the employee and the manager to summarize the first half of the year • Planning individual development • Mid-year Review - discussion on recommended changes
July	• Implementation of decisions made during the Mid Year Review
October/ November	• Discussion of achievement of annual goals between employee and manager, feedback and evaluation of individual goals in Self Service system • Calibration meetings in teams • End Year Review meeting - discussing the results and deciding on the bonus/promotions/salary increases
December	• Communication of End Year Review results • Payment of annual bonuses