

Document - Template Name	17. MG-HR-POL-RCIB017 202407.10
Previous Name, if changed	17. MC-PO-RIB017 Remuneration, Increase and Bonus Policy
Description	MG Remuneration Commission Increase and Bonus Policy
Revision No	10
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MACROCOMM GROUP (PTY) LTD HUMAN RESOURCES Remuneration, Commission, Increase and Bonus Policy

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Document Control

Name of Document	Version	Date of Change	Change Made
17. MC-PO-RIB017 Remuneration, Increase and Bonus Policy	01	19 May 2021	
17. MG-HR-POL-RCIB017 202402.02 MG Remuneration Commission Increase and Bonus Policy	02	22 February 2024	Sales Commissions included into policy
17. MG-HR-POL-RCIB017 202402.03 MG Remuneration Commission Increase and Bonus Policy	03	04 March 2024	Yakshini, Commissions, Remunerations and Increase policy amended
17. MG-HR-POL-RCIB017 202402.04 MG Remuneration Commission Increase and Bonus Policy	04	12 March 2024	Yakshini- Section 6.1 has been updated.
17. MG-HR-POL-RCIB017 202402.05 MG Remuneration Commission Increase and Bonus Policy	05	20 March 2024	Ikeraam Davis, Section 6.2 Added – sharing of commission and Section 7. Management Prerogative
17. MG-HR-POL-RCIB017 202402.06 MG Remuneration Commission Increase and Bonus Policy	06	19 April 2024	Section 6: Commission calculation amended: 10% of the gross margin capped at 35% (if GP>35%) of the capped rand value amount or if less then at the gross margin percentage of that deal
17. MG-HR-POL-RCIB017 202402.07 MG Remuneration Commission Increase and Bonus Policy	07	24 April 2024	Section 6: 6.3.4 Commission earned on renewed contracts or contract terms extended 6.5 Commission Cancellation on position change
17. MG-HR-POL-RCIB017 202407.08 MG Remuneration Commission Increase and Bonus Policy	08	25 July 2024	Section 6: Capped for FLEET products Uncapped for IOT products

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			<p>A breakdown of the different types of commission under Section 6.1</p> <p>Inclusion of the tracking of commission using an excel spreadsheet in Section 6.5 Commission Tracking.</p>
17. MG-HR-POL-RCIB017 202407.09 MG Remuneration Commission Increase and Bonus Policy	09	29 July 2024	Correct the commission calculation
17. MG-HR-POL-RCIB017 202407.10 MG Remuneration Commission Increase and Bonus Policy	10	04 November 2024	<p>2.3 amended.</p> <p>5.2 CEO replaced with Remuneration Committee</p> <p>6.5 Commission Template Name</p>

SIGN-OFF AND APPROVAL

Name and Version of File	17. MG-HR-POL-RCIB017 202407.09 MG Remuneration Commission Increase and Bonus Policy		
Group Company Executive	Designation	Signature	Date
Sivi Moodley	CEO Macrocomm Group		
Elton Chettiar	COO Macrocomm Group		
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Sean Hardman	ME – Macrocomm Fleet Analytics		
Ikeraam Davis	ME – Macrocomm Smart Solutions		
Kamal Bhimma	ME – Risk and Legal Officer Macrocomm Group		
Ashok Sooklall	Group General Manager		

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1 INTRODUCTION

- 1.1 The Remuneration Policy details the principles and framework around which Macrocomm's remuneration strategy has been developed and serves as a guideline against which all remuneration related decisions will be taken. It ensures that matters relating to determination and payment of remuneration are dealt with in a fair, consistent, and transparent manner.

2 OBJECTIVE AND PRINCIPLES OF THE REMUNERATION STRATEGY

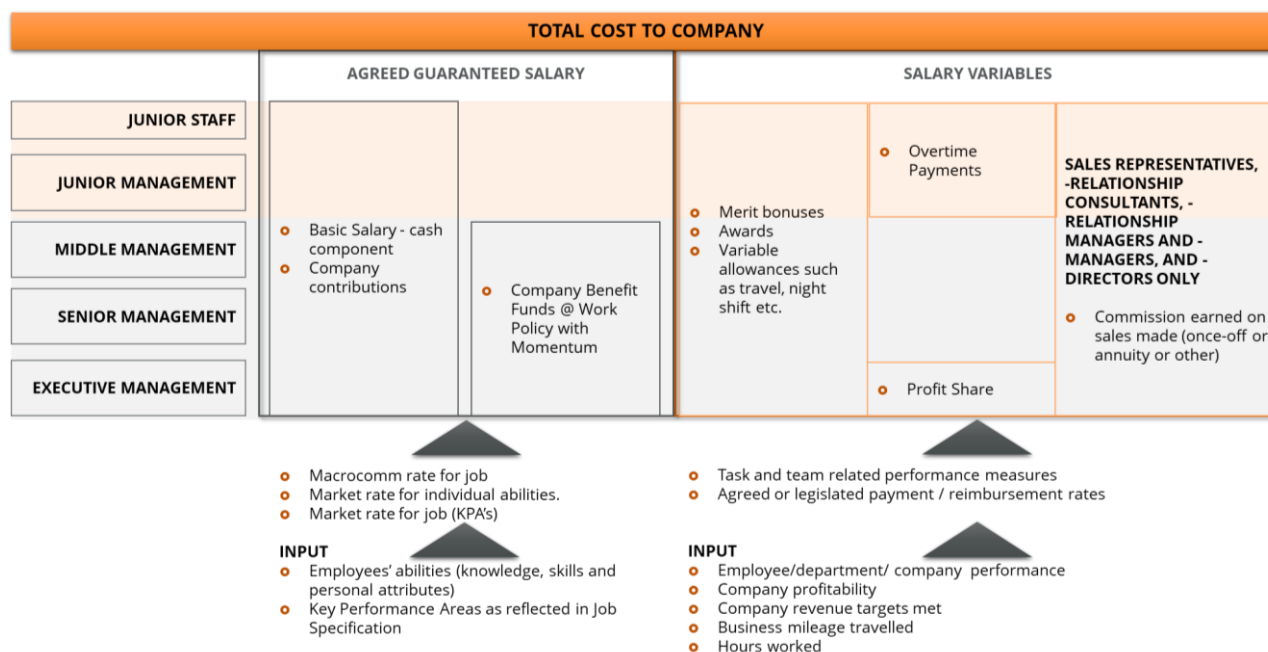
- 2.1 Organizational growth and success cannot be achieved without employee competence. Consequently, the employee's obligation to competently complete various activities related to the Company's business objectives lies at the heart of the employment relationship.
- 2.2 To achieve competence, employees must apply their knowledge, skills, and personal attributes (abilities) to perform their job activities to the required performance standards. It is therefore clear that employee ability is a prerequisite to employee performance.
- 2.3 The **primary objective** of the Company's remuneration strategy is to ensure that the Company can attract, develop, and retain employees with the intellectual and behavioural abilities required to complete various activities related to the Company's objectives. To do so the Company will pay remuneration rates in line with the rates called for in the labour market.
- 2.4 The Company further recognizes that the engagement of employee abilities does not guarantee the application of those abilities towards achieving performance results.
- 2.5 A **secondary objective** of the remuneration strategy is therefore to motivate employees to apply their abilities towards achieving improved individual and organizational performance. To do so, the Company will reward employees financially for achieving individual or team performance results.

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3 REMUNERATION PACKAGES

- 3.1 Remuneration rates will be calculated and expressed as **Total Package values**. The total package value represents the direct fixed cost of employment of a particular employee to the Company for a specified period, generally per month.
- 3.2 **Total Cost to Company** value is used by management to monitor and control employment costs. This value includes both fixed and variable amounts paid to a particular employee over a specified period, generally per annum. As variable payments are related to variable circumstances, and therefore cannot be guaranteed, these payments are not included in calculating remuneration rates for the purpose of appointment, increases or any other income-based calculation or confirmations.
- 3.3 The Total Cost to Company of an individual employee is determined through an interactive combination of external and internal factors as illustrated below and discussed in further detail in the following paragraphs:



4 TOTAL PACKAGE / GUARANTEED PAY

- 4.1 Guaranteed pay is the portion of the remuneration package that is fixed in advance for a period, and paid monthly, provided that services are rendered, but regardless of individual results achieved.

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- 4.2 The guaranteed pay portion is based on the rate called for in the market to attract a person who has the abilities required to perform a particular job offered by the Company.
- 4.3 In this case, potential to perform and not performance results is the determining factor. The level of ability required is generally indicated by the relative complexity of the activities to be completed. The level of ability offered is generally indicated by the qualifications and experience held by the applicant.
- 4.4 The level of ability offered by the job applicant should always be equal to or above the level of ability required, and the complexity of the job will therefore serve to determine the minimum remuneration rate called for.
- 4.5 The complexity of the job will be assessed by management by evaluating the Key Performance Areas attached to the position. Such assessment further allows the Company to ensure that all employees performing jobs of comparable complexity receive comparable minimum levels of remuneration, and it therefore promotes internal equity and pay parity.

5 REMUNERATION INCREASES

- 5.1 Remuneration rates will be adjusted annually with a percentage increase determined for the year. Remuneration increases are considered and are discretionary.
- 5.2 The annual general increase percentage will be determined by the **Remuneration Committee** at the end of each financial year. The Business reserves the right not to apply annual increases based on the overall profitability of the Business for the financial year.
- 5.3 Once the general increase percentage has been determined, individual increases will be calculated by HR based on individual performance, as determined by way of a performance management process **Key Performance Indicators MC-F-KPI-013**. Depending on the level of performance achieved, individual increases may vary above or below the general percentage figure.
- 5.4 Employees will be advised of the increase proposed in relation to their performance, during the performance evaluation process, and shall further receive a written confirmation of the actual increase approved and applied.
- 5.5 For all employees who have qualified for an increase, this will be effective at the end of April of each new financial year.

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5.6 The business retains the right to apply interim increases or salary adjustments on an adhoc basis at any point within the year, for any of the following reasons:

- Employee retention
- Pay parity and alignment
- Increase in scope or complexity of the role
- Secondment
- Alignment to market related salaries in the specific job category

5.7 Variable pay may include the following components:

5.7.1 Merit bonuses:

- Merit bonuses may be paid at the end of each financial year or at the end of a quarter. The merit bonus system is related to individual, departmental, and organizational performance and is intended to serve as an incentive to improve performance.
- Merit bonuses are paid at the discretion of the Board of Directors, and the payment thereof shall NOT imply any obligation on the part of the company to pay merit bonuses in similar circumstances in the future.
- Should a merit bonus be paid, it does not become part of the guaranteed pay, as once guaranteed it no longer serves as an incentive to future performance.

6 COMMISSION ON SALES

Sales refers to the art of selling (to sell) Macrocomm Group's products or services to customers and/or clients. The more products and services the employee sells, the higher the employee commission compensation that will be payable.

The commission compensation structure will be based upon a target agreed with the relevant Sales Lead.

On accepting a sales position in Macrocomm, either on joining or in changing roles, the employee concerned agrees that their salary will be structured using a two-tiered structure: a guaranteed basic with a variable portion dependent upon their sales commission earned. The guaranteed basic will be market related based upon experience and responsibilities and is set at base rate to encourage the salesperson to actively drive sales to boost his/her salary by the commission earned from these customer/client deals.

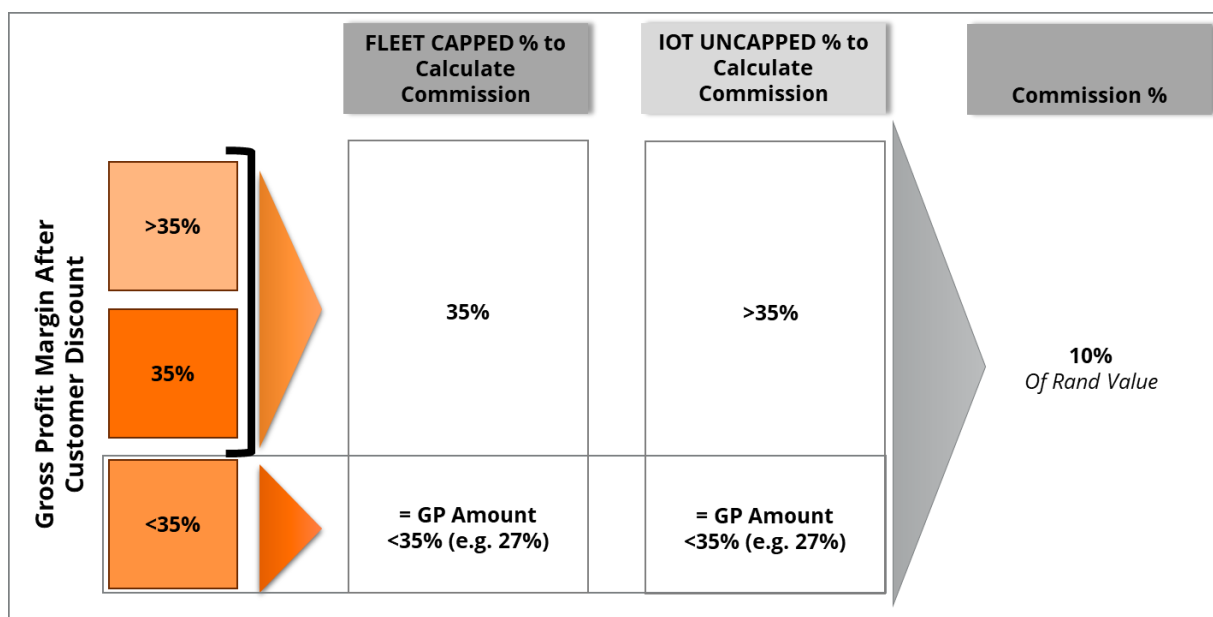
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The salesperson plays a critical part in the Macrocomm Group (Pty) Ltd strategy to drive revenue and connected devices.

6.1 The Commission Principle

All commissions are calculated on the Gross Profit After Customer Discount (GPACD); where the commission is 10% of the GPACD Rand Value.



For Macrocomm FLEET ANALYTICS products, The Gross Profit After Customer Discount (GPACD) is capped:

- at 35% if the GPACD is $\geq 35\%$ or
- at whatever the GPACD is if $< 35\%$; e.g. if the GPACD is 25%, then this is the percentage for that specific deal's commission calculation.

With

The 10% commission calculated on the rand value of the GPACD; capped at 35%.

And

For Macrocomm SMART IOT SOLUTIONS products, the Gross Profit After Customer Discount (GPACD) is uncapped, however, if the GPACD is if $< 35\%$; e.g. if the GPACD is 25%, then this is the percentage for that specific deal's commission calculation.

With

The 10% commission calculated on the rand value of the GPACD.

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This is illustrated in the example provided below:

Commission Principle Example <i>(number are illustrative)</i>					
	Product Smart IOT Solutions		Product FLEET Analytics		All Products
Revenue (after customer discount)	R	225 000.00	R	190 000.00	R 155 000.00
Cost of Sales	R	100 000.00	R	100 000.00	R 100 000.00
Gross Profit	R	125 000.00	R	90 000.00	R 55 000.00
Indicative Commission Earned (10%) of Margin in Rc)	R	12 500.00	R	3 150.00	R 5 500.00
Gross Profit After Commission	R	112 500.00	R	86 850.00	R 49 500.00
Gross Profit % of Revenue		56%		47%	35%
Commission % earned on the GP % of Revenue		56%		35%	27%
The GP Amount on which 10% commission is payable			R	31 500.00	

10% of GP	Capped at 35% GP	10% of GP	10% of GP
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6.1.1 Annuity Deals Commission

This applies to all annuity deals regardless of the contract term;
12/24/36/48/60 months.

The commission is 10% of GPACD (Gross Profit After Customer Discount) of the monthly revenue based upon the product category as noted above.

This commission is payable on 50% of the contract term per year on the condition that the customer meets their monthly payment commitments. This means that for every 6 months of the contract term, the sales team will receive commission on the deal. This is illustrated below:

Contract Term (Months)	Years				
	1	2	3	4	5
12	6 months				
24	6 months	6 months			
36	6 months	6 months	6 months		
48	6 months	6 months	6 months	6 months	
60	6 months	6 months	6 months	6 months	6 months

The reason for this is that each salesperson is to build a relationship with their customers to drive retention and growth, as well as ensure that all monies receivable per month are paid in full.

6.1.2 Month-to-Month Deals

These are deals where the customer pays upfront for all product hardware and pays on a monthly subscription, on a month-to-month basis where there is no contract term agreed.

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Commission payable to the salesperson is 10% of GPACD on the monthly revenue for the first three (3) months of the deal only; provided that the customer meets their monthly payment commitment.

6.1.3 Annuity Customer transitions to a Month-to-Month Customer

If an annuity customer does not renew their contract term but elects to pay the subscription on a month-to-month basis, then no commission is payable to the salesperson.

6.1.4 Annuity Customer Renews Contract

If an annuity customer renews their contract, then the salesperson will receive commission of 10% of the GPACD on the monthly revenue in accordance with the annuity commission principle noted in 6.1.1.

6.1.5 Once-off Deals

The commission payable is 10% of the GPACD of the once-off deal. This commission is payable a month in arrears after having received full payment from the customer.

6.2 Salary Structure

The sales team's (CRC's, sales executives, -Business Development Managers, Sales Manager, - and -director) salary structure is as follows to reduce the Pay As You Earn taxes for the salesperson, and maximise their net monthly basic salary:

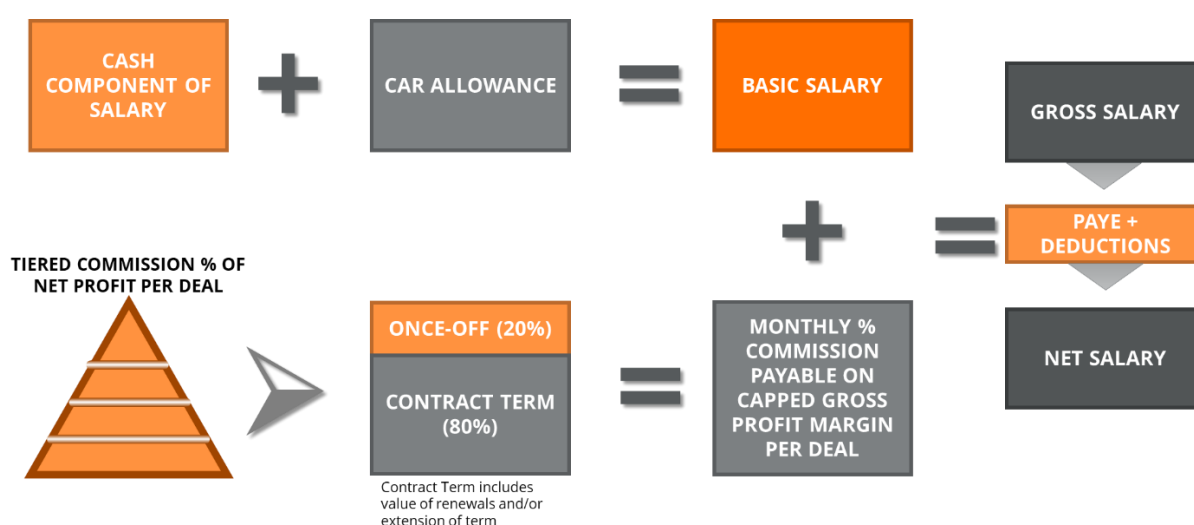
Monthly Salesperson Salary Structure	
Salary Cash Component	100%
Car Allowance	As advised by employee
Guaranteed Salary	100%
Commission Earned	
Once-Off Commission (Gross Profit based)	<p>10% of the Capped Gross Profit Margin (taking any discount afforded to customer into account) Rand value amount.</p> <p>Gross Profit capped at:</p> <ul style="list-style-type: none"> 35% if the Gross Profit Margin is $\geq 35\%$

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	<ul style="list-style-type: none"> if the Gross Profit Margin is <35%, e.g 27%, then the gross profit margin percentage will be the cap amount.
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The salesperson salary structure is basic guaranteed salary plus agreed commission calculated on the gross profit after customer discount value of the sales deal and the same percentage of the volume of subscriptions per customer / client contract term.



The sales tiers on which commission will be paid and the percentage per tier for once-off and contract term sales deals will be discretionary and may change from time-to-time depending upon the Company's market share and target set. This will be agreed between the salesperson and the relevant Sales Lead. Once agreed, the annual performance contract will be drawn up. This performance contract will be renewed annually at the beginning of each financial year.

If a salesperson misses their monthly target it will impact their monthly commission earned:

First Month, sales target is missed	No impact on annuity commission
Second Month, sales target is missed	50% of annuity commission will be payable
Third Month, sales target is missed	No annuity commission will be payable and the salesperson will be placed on a performance improvement process.
Fourth Month, sales target is missed	The salesperson will remain on a performance improvement process and coached accordingly.

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Fifth Month, sales target is missed The employee will be called into a performance hearing, the result of which could be employment termination.

As soon as the monthly sales target is achieved, the full annuity commission of all sales deals will be re-instated with the full amount payable, providing this happens before the fourth (4th) month of missing the monthly sales target.

If the customer / client terminates their contract, the annuity income for that specific sales deal will be voided and no longer payable to the salesperson. It is expected that the salesperson will build a relationship and retain the customer / client for the term of the contract, and, beyond through renewals

6.3 General principles regarding sales commission:

- 6.3.1 *Commission structures may vary from product to product depending on the business cost and associated revenue per deal. Commission per deal is calculated based on the Macrocomm quotation tool.*
- 6.3.2 *Commission deals based on 10% of GPACD profit will be calculated considering all relevant business costs. A calculation of profitability is based on the PNL, and cost of sales.*
- 6.3.3 *Commission is only on full conclusion of deals.*
- 6.3.4 *Commission on renewed contracts or contracts where the term has been extended will be calculated using the same principle based upon the new PNL for such renewal or extension.*
- 6.3.5 *Commission is payable once monies have been received into the business bank account and verified by finance.*
- 6.3.6 *For commission payments larger than R50,000-00, payments will be made over 2 months. This also reduces the tax liability for the employee.*
- 6.3.7 *If a deal is discounted by more than 10%, then the commission payable is reduced accordingly.*
- 6.3.8 *Special deals are deals negotiated by external 3rd parties and the business and may be subject to a different commission model.*
- 6.3.9 *Commission can be, when agreed with sales management, be shared between salespersons.*

6.4 Commission Sharing Between Salespersons

Sales management may agree to a commission sharing arrangement between salespersons. This arrangement must be in writing (such commission sharing arrangement must be signed by all salespersons sharing such commission and

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by sales management to be valid). In which case commission will be processed individually for such salespersons who are sharing commission through Macrocomm's payroll.

Where it is proven that the salesperson has been negligent in applying Macrocomm's pricing, technical and/or service commitment policies or any other policies or the sale has been secured through unethical means, severe discounting, or any other means which results in a reduction of Macrocomm Group's profit margins or tarnishing Macrocomm's name/ brand on the sale, this may, at the discretion of sales management, result in non-eligibility for commission payment or a reduction in the amount of commission to be earned. including set standard terms and conditions. The said contract shall be reviewed by all stakeholders. All contracts resulting from a sales activity will comply with all Macrocomm's Policies

Any breach of the above clauses may result in disciplinary action under the disciplinary policies of Macrocomm.

6.5 Commission Tracking

All commission will be tracked by the Sales Manager and Sales Director using the Commission Tracking spreadsheet (MG-SLS-MSS-CMCLM-TEM 20240801.00 MG SALES IOT COMMISSION CLAIM TEMPLATE).

6.6 Commission Cancellation

If the sales representative is moved to a new business unit or group company, then all commission earned on all sales deals will cease to be payable from date of the new position being effective.

7 MANAGEMENT PREROGATIVE

In the event of any conflict (including between the salesperson's employment terms pertaining to commissions due and this Policy), or any disagreement over the payment, or amount of commission due, the decision of sales management will be final and binding.

A salesperson in receipt of a copy of this Policy document fully acknowledges acceptance of the policy rules by accepting any commission arrangements stipulated in the Policy.

Management discretion in this Policy refers to the approval by the relevant CEO, COO and ME (Corporate Services) (or any equivalent roles)

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8 REMUNERATION DECISIONS

To ensure fairness, and equity in the application of salary and remuneration decisions, the REM committee has been set up as an extension of the Macrocomm Board. The purpose of this committee is to make decisions regarding anomalies in relation to salary information, unusual or excessive commission payments, and financial investments for the company.

Routine decisions regarding remuneration may be still be managed directly by the following people:

- New appointees (salary recommendations): ME: Corporate Services
- Counter proposals/ employee retention: CEO and ME: Corporate Services
- Interim adjustments: CEO
- Discretionary bonuses: CEO
- Annual increase %: Remuneration Committee
- Remuneration disputes: Remuneration Committee