



Group Rewards and Benefits Policy

Policy Owner: Group Manager HR: COE	Policy Number: BCGP-7-48 Revision Number: 6.0	Date: 2017-07-24
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1. INTRODUCTION

Our Human Resources strategy focuses on attracting, developing and retaining the best talent, as well as embedding a high-performance culture through integrated practices. These include sourcing of key skills, succession of long term talent and career growth through career related training and development, focusing on technical skills development, ensuring competitive rewards and fostering sound employee relations and cultural transformation. This enables the Group's ongoing growth and sustainability.

The aim of Business Connexion's rewards strategy and policy is to attract, retain and motivate competent employees by means of a reward system that is market related and which differentiates on the basis of job responsibility and individual performance. Business Connexion strives to be an Employer of preference and to ensure that the remuneration of Employees are appropriate in terms of the market.

The purpose of this policy is to provide a detailed guidance for the management of all remuneration practices within Business Connexion, with the different business units within the group having the flexibility (within these given guidelines) to adjust these practices to be relevant within their specific business context, where appropriate.

The Company's approach towards remuneration of its employees aims to:

- (i) Attract and retain key talent;
- (ii) Recognize that certain skills are scarce and difficult to acquire;
- (iii) Acknowledge that remuneration packages need to be market related;
- (iv) Motivate and reward excellent performance; and
- (v) Take cognisance of team and individual employee contributions towards organisational goals and objectives.

In turn, the remuneration practices of Business Connexion are equally based on financial affordability, organisational strategies and the relevant importance of specific divisions and job functions in the execution and achievement of these strategies.

2. OBJECTIVE

The objective of this Policy is Business Connexion recognises that employees are a vital factor in the efficient and effective operation of its services and in this respect, seeks to reward its employees for the work that they do and the contribution made in achieving the strategic objectives of the company.

3. POLICY STATEMENT

Business Connexion's success relies on the talent and contribution of all staff, and we will value and reward our staff for what they contribute and achieve.

4. PRINCIPLES

Business Connexion strives to be an Employer of choice and to ensure that a holistic Total Reward stance is included and planned for and that the remuneration of Employees is market related. BCX strives to adopt a Total Cost to Company (TCC) approach to remuneration, but were this is not

feasible to do, due to market demands and/or legislative requirements, a basic plus benefits package structure may be adopted.

In determining salary packages, Business Connexion shall not discriminate between employees on grounds of gender or race and shall enforce pay equity amongst employees of different races or genders who perform the same or similar job function, having regard to the following factors:

- (i) Reward is intended to align the interests of employees and shareholders to deliver value creation;
- (ii) The individual's overall performance and contribution to the organization over time;
- (iii) Position of the individual's remuneration relative to the internal and external market;
- (iv) Growth and competence of the individual in the job;
- (v) The retention of key talent and scarce skills; and
- (vi) Fulfilling the Company's transformation and employment equity obligations.

All calculations pertaining to remuneration e.g. increases, allowances, commissions, etc., as processed by the payroll, will be based on the actual approved financial values which are finite, and not on any percentages as these may be rounded off - up or down.

On termination of an employee's services with the Company, regulations published in terms of the relevant labour legislation define the meaning of remuneration (or earnings) for purposes of calculating notice pay, leave pay and payment of severance benefits.

Where the definition of remuneration (or earnings) is regulated by specific legislation, such definitions shall take precedence over the Company's definition of earnings.

The BCX package structure may consist of the following:

Remuneration:

Permanent - Salaries, performance bonuses, on-target commission and any flexible remuneration items. Annual TCC/Basic Salary/Guaranteed Pay reviews take place at the agreed time of every year, based on performance, market conditions and affordability; Project Consultant/Fixed Term contractor – Hourly tariffs (applied to hours worked) and essential allowances (paid on a monthly basis).

Benefits: Where applicable, Retirement Fund, Group Life Insurance, Disability and Medical Aid Scheme contributions. These benefits are reviewed from time to time by committees staffed by appointed Company officers and elected Employee representatives.

Allowances:

Permanent – Fixed Travel allowances and Cellphone allowance. These allowances are offered to Employees who are required by Business Connexion to use a vehicle and/or a cell phones to do their job. Other allowances provided in Africa include Housing, Transport, Meal, Utilities, Vehicle, and Entertainment. These allowances are provided based on local market and legislative requirements.

Project Consultant – Fixed Travel allowances and Cellphone allowance are offered to PC's who are required by Business Connexion to incur the appropriate costs of the allowances to do their job. Reviews of this portion, relating to allowances, takes place at the commencement of each new assignment. Should the assignment extend for a year or longer, then annually after the commencement of the latest contract start date.

Where applicable, employees have a choice in how their specific TCC is structured. Essentially, TCC is calculated as an "income" and the Employee exercises options on how this total should be "spent".

As a responsible corporate citizen, Business Connexion imposes certain prescribed parameters on these choices. The relevant tax authorities and other legislation also impose specific limits.

Annual Leave Saving for PC's: Employees may elect to have a fixed monthly savings amount deducted in order to receive a lump sum, payable when they choose to take annual leave.

Salary Savings for Permanent: Employees may elect to have a fixed monthly savings amount deducted in order to receive a lump sum, payable with their December salary. The tax on this amount will be deducted monthly in order to preserve the designated sum at the time of payment. This amount bears no interest.

5. THE REWARD APPROACH

Business Connexion believes in the optimization of the employee value proposition through effective identification and segmentation of reward needs and the resulting holistic design, alignment and implementation of a competitive reward offering. Individual remuneration packages are based on merit, business demand, business affordability and market competitiveness.

The intention of Reward within Business Connexion is to provide:

- (i) Targeted remuneration, including flexible remuneration programmes, as part of a Total Reward Model, at the level necessary and within the relevant comparator market to attract, retain and motivate quality people.
- (ii) Remuneration within job levels which considers the specific job, individual skills, experience and performance, the location and job circumstances and the availability of suitable candidates.
- (iii) Assessment of all jobs using a single global job evaluation standard that considers the size of the role and organisation level.
- (iv) Where applicable, short-term, annual incentives or sales incentive commission schemes which are cascaded through the organisation and aligned to the Business Connexion strategy. Incentive targets are established at levels appropriate for the qualifying employee's job level and business requirements with written agreements/sales plans in place for each.
- (v) Where applicable, long-term incentives which reward the creation of long-term shareholder value and aid employee alignment, attraction and retention, whilst balancing shareholder expectations of performance for qualifying key employees.
- (vi) Non-financial recognition initiatives which can be extensively used at all levels. The design of any recognition program needs to support and align with the Business Connexion strategy.
- (vii) Benefits at a level that is fair and competitive. Benefits will be assessed and applied based on legislative and affordability considerations.
- (viii) Where applicable, once-off compensation initiatives designed within approved guidelines, for unusual circumstances such as hardship locations, key projects with specific job profiles, and critical skill needs.

6. REMUNERATION PRINCIPLES

Remuneration principles are the values that underpin all remuneration programmes and decisions.

Business Connexion differentiates remuneration based on the following:

- (i) Job content;
- (ii) Job level;
- (iii) Market supply and demand;
- (iv) Competence of the employee;
- (v) Contribution of the employee;
- (vi) Scarcity of skills in the market;

- (vii) Performance based salary increases from prior salary cycles as well as performance in the current cycle;
- (viii) Maintaining a competitive advantage within the market place; and/or
- (ix) Attraction and retention of skills.

Decisions on remuneration should not be made by one person in isolation. Management teams should jointly review remuneration decisions to ensure consistency and fairness (through a moderation process).

6.1 Guaranteed Remuneration

Total Cost to Company (TCC), or Basic plus benefits salary where applicable, reflects the market rate of remuneration required to attract and retain a particular set of skills to deliver the job requirement. The market rate reflects a general level of competence and where individual competence is above or below the market level, pay levels should be adjusted accordingly.

6.2 Short-Term Incentive Remuneration

Short-term incentives create a clear link between individual/team rewards and the results of the organisation and business unit in a particular year as they are driven by the attainment of specific short and longer-term business objectives, individual performance objectives and behaviours. Incentives are funded by moneys generated over and above the attainment of profit targets. Awards will normally be on a discretionary basis and no commitment should be given in advance as to payment. There should be transparency as to the possible size of award but eligibility should not be seen as a guarantee of award. The Business Connexion incentives are self-funding programmes and comply with established corporate guidelines and approval criteria set out in separate Human Resources documents and scheme rules documents.

6.3 Benefits

Business Connexion benefit programmes are designed to protect employees and their families from financial risks and are categorised into three main elements namely, Social Insurance (unemployment insurance, disability, etc.), Group Insurance (Pension fund and Medical Aid) and Paid time off (Holiday leave, Family Responsibility Leave, etc.). These programmes are designed to, as far as possible, provide choice and flexibility to meet individuals' needs and, where applicable, are incorporated into the Total Cost to Company. Benefits will be investigated and applied as per the relevant legislative requirements as well as, where financially feasible, according to prevalent market conditions.

6.4 Recognition

The intention of recognition is to acknowledge or give special attention to employee actions, efforts, behavior or specific performance events. Whether formal or informal, recognition programs acknowledge employee contributions in line with company values.

Business Connexion rewards its Employees based on performance and length of service. When bonuses and awards are used as incentives, they may only be affected if the Employee is in Business Connexion's employ on the date on which the bonus or award falls due.

Long service is recognised by the presentation of a Long Service Certificate and an award on completion of each five-year period of service. Long service awards are a discretionary gift from Business Connexion and not a right of the Employee. Only permanent employees and employees not yet on retirement will qualify for long service awards.

7. REMUNERATION PROCESSES

Remuneration processes provides the methodology for applying remuneration programmes. Business Connexion has adopted the Paterson Modern Grading system.

This system reflects this organization's approach to developing broad bands in that they include both broader pay ranges and broader groupings of jobs based on job value.

7.1 Remuneration Structure

Structuring of Salary Packages

Frequency of Structuring

Salary packages may be restructured only in the following instances:

- (i) When an Employee is awarded an annual increase;
- (ii) Where an Employee's TCC/basic salary is adjusted;
- (iii) Where an Employee is promoted; and
- (iv) Where an Employee is transferred (with a change in salary).

Commission

Sales commission is utilised to provide financial motivation, congruent with the Company's profit and new business development objectives, for Employees whose primary responsibility is selling. Commission is formalised per individual with agreement to a Sales Plan.

Fixed Travelling Allowance – Applicable to SA-based employees only

The company will grant a FTA to those employees who are required to use their private motor vehicles for business purposes. There are certain conditions or criteria which will determine whether the employee qualifies for a FTA or not.

The conditions or criteria which will determine whether an employee qualifies for a FTA are:

- (i) That the employee is required by Business Connexion to travel for business purposes;
- (ii) That the employee will use his/her private vehicle for business travel;
- (iii) That the Business Connexion reimbursement rate per km for business travel is less than the calculated SARS' cost per km rate that is allowed to determine the employee's travel deduction in their personal capacity as taxpayer.

The SARS per km rate is formula driven based on the value of the taxpayer's vehicle together with the total mileage split between business and private for the tax year. The taxpayer usually does this calculation at the time of doing his/her tax return.

7.2 Strategic Direction and Alignment

Overall reward direction is determined at Board Renco and Business Connexion EXCO level. The overall principles decided at this level are aligned with individual business areas through the assistance of the Reward Team. Where programmes are designed in business units, they should be in line with the overall company principles with the Reward Team playing an advisory and facilitative role to ensure consistency of design and management of reward programmes. This is important to ensure economies of scale and statutory reporting.

7.3 Extra Ordinary Increase Form (EOI)

The Extra Ordinary Increase Request Form (EOI) process provides a vehicle for managers to address critical skills on an ad hoc base, counter offers, promotional increases and salary adjustments aligned with industry and business context changes. This process should only be used in the above circumstances, where the normal annual salary review processes does not provide a timeous solution.

Promotion with Increase – in cases where an employee is promoted to a higher grade position, an adjustment of salary may be necessary. The actual quantum adjustment proposed will depend on the business affordability and impact of such a decision.

Market Alignment – in cases where an employee is paid under the appropriate market position and in order to retain the skill, the salary of an individual may be adjusted.

Counter Offer – within the context of a skills shortage, headhunting for specific key skills sometimes result in a higher salary offer of the individual than what he/she is currently earning. Where it is essential for Business Connexion to retain this skill, a counter offer might become necessary. This should however only be done in extreme cases where the loss of such a skill would be to the detriment of the business.

Adjustment – where change in the supply and demand of a specific skill makes an adjustment of salary necessary to stay competitive with the market or where legacy might have made it necessary to adjust an employee's salary, it might be necessary to request a salary adjustment for such a job. Note that best practice dictates that salaries are matched with the job and not the person, but in some instances the versatility of a person within the job and their status as a key employee might necessitate an adjustment closer to the 75th percentile of such a role.

Client Request/Contractual – in the case where a client or a contract with a client dictates a certain percentage increase or a certain salary for an individual or job.

Transfer, Promotion and Increase – where an employee transfers to a new area together with a promotion to a higher job and a promotion to align with the new promoted job's market range.

Intern Conversion – where an Intern is appointed as a Permanent Employee once the internship has come to an end, in cases where Business Connexion wish to further invest in interns with potential.

Project Consultant/Fixed Term Contractor to Perm Conversion – where a Project Consultant gets appointed as a Permanent employee and the hourly rate changes to an annual salary.

Temp to Perm Conversion – where a Temporary employee gets appointed as a Permanent employee and the rate changes to an annual salary.

ASR Correction – if an employee's increase was captured incorrectly during the ASR process, or an employee was excluded because of a specific reason, such as the fact that an employee may have been between two departments after just receiving a transfer.

Appointed in a new role, without a grade change – where a person gets appointed in a new role, but without a grade change, the new role may have a different market median which might constitute a change to salary.

7.4 Annual Salary Review (ASR) Process

Annual Salary increases are generally effected on 1 November. The quantum available for increases is typically based on current market indicators, the general economic environment and business affordability. Business Connexion supports the principle of linking performance to reward. The business will review their current and future requirements in terms of talent retention, coupled with a strong focus on differentiating performance reward at an individual level and then propose increases to be reviewed by the Business Connexion EXCO. Renco will approve the BCX mandate proposed by EXCO.

7.5 Role of Line Management and Human Resources

Remuneration provides one of the most powerful methods for a manager to attract employees and is fundamentally linked with budget management. Remuneration is however only part of the Total Reward model which includes, elements such as Career management, Succession planning, Work-life balance and management, which are the important elements to retain employees. This Total Reward process must be owned by line management. The role of the Reward Team and HR

Business Partners is to support and facilitate the reward processes and provide specialist input to programme design and implementation.

The Business Connexion Reward Team in conjunction with the HR Managers will provide line management with technical expertise and general guidance to facilitate effective reward management practices across the business.

7.6 Communication

Reward principles and programme objectives should be transparent, and well communicated to ensure understanding of the total value that Business Connexion employees have in the way that they are rewarded.

All employees should understand exactly what is expected of them and have clear accountability to ensure effective contribution to the success of Business Connexion as a whole.

Business Connexion will communicate reward through a combined effort of line management and human resources. Line will communicate on the operational reward issues as part of their general employee communication. This would include the communication of the annual salary increase amounts and bonus payments.

7.7 Deductions

Apart from deductions required or permitted in terms of legislation, court order or arbitration award, Business Connexion will not administer any other deductions for employees which are not related to work or remuneration packages. The Company reserves the right to deduct monies on reasonable terms from salaries of employees if an amount has been overpaid. It is the responsibility of the employee to notify the Human Resources Department if it is suspected that such a payment has been made.

The following amounts shall be deducted from an employee's monthly remuneration, where applicable:

- (i) Income Tax;
- (ii) Employee contribution to UIF (SA);
- (iii) Medical Aid contributions;
- (iv) Retirement contributions;
- (v) Any amounts required by law; and/or
- (vi) Loan amounts repayable to Business Connexion in terms of the Study Assistance and/or Financial Assistance Policies and/or
- (vii) Any other statutory or legislated deduction as required in each country.

8. RETIREMENT

All BCX Employees must retire from service on the last day of the month in which they reach the retirement age as stipulated in their contract of employment and/or as per in-country legislation. This retirement age cannot be extended, but Employees may choose early retirement where applicable and in line with prevailing policy/legislation.

All retiring Employees are strongly advised to start their retirement planning early. They should contact reputable financial advisors for information regarding all the options available to them.

The Retirement Notification Form, for retiring Employees only, is obtainable from Group Human Resources and when it is submitted, the completed form must be accompanied by originally certified copies of the following (applicable to SA-based employees):

- (i) Employee's ID document;
- (ii) Employee's marriage certificate;

- (iii) Spouse's ID document; and
- (iv) Dependents' ID documents.

Where legislatively permissible, a Line Manager, who wishes to retain the services of a retiring Employee on operational grounds, must submit a properly motivated request to this effect, for consideration in terms of the authority matrix and relevant legislation.

If the request is approved, the retiring Employee must first complete the retirement process before a new fixed-term employment relationship can be entered into, governed by a Project Consultant Agreement.

9. APPLICABILITY

This Policy is applicable to all employees of Business Connexion Group. The consistent application of this Policy will promote fair and equitable Human Resource practices within Business Connexion Group.

9.1 Effective Date

The effective date of this Policy is 1st March 2015.

9.2 Associated/Related/Required Process, Standards and Other Policies

- (i) Job Evaluation Policy;
- (ii) Employee Wellness Policy;
- (iii) Leave Policy;
- (iv) Overtime, Standby and Shift Policy; and
- (v) Aspire Awards Recognition Policy.

9.3 Related Legislation and Standards

This Policy is guided by the following relevant legislation, standards and Business Connexion Policies:

- (i) Basic Conditions of Employment Act (BCX SA)

9.4 Policy Authority

This policy will be amended as and when required, and any policy changes will be authorised by the Group GM: HR Centre of Excellence

Any changes to this Policy must be approved by Group GM: HR Centre of Excellence.

10. GLOSSARY OF TERMS

BCX:	Business Connexion
BCEA:	Basic Conditions of Employment (BCX SA)
BUE:	Business Unit Executive (Managing Executive & Head of Competency Centre - Either have to report directly to an EXCO Member)
IT:	Information Technology
TCC:	Total Cost to Company
UIF:	Unemployment Insurance Fund (BCX SA)
ASR:	Annual Salary Review
FTA:	Fixed Travel Allowance

PC: Project Consultant
 Renco: Remuneration and Nomination Committee
 ICT: Information and Communication Technology
 SARS: South African Revenue Service (BCX SA)

11. REVISION HISTORY

Policy Number	Policy Title	Creation Date	Revision number and date	Author
BCGP-7-48	Group Rewards and Benefits Policy`		5.0	HR COE

11.1 Changes since last version

Applicable changes to the document since least published version			
Change requested by:	HR COE	Date of Request:	1 June 2017
Summary of changes			
Version Number	Paragraph	Description of change	Effective Date
6.0	All	Alignment to new Branding	14 July 2017