



**SAICA REMUNERATION &
REWARD
POLICY**



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SAICA Remuneration and Reward Philosophy

- ❑ SAICA recognizes that without the contribution of highly engaged high performing employees, our strategic objectives cannot be achieved. It is therefore critical for the sustainability of SAICA that we continuously attract, develop and retain high performing employees.
- ❑ Thus, the adopted Remuneration and Reward philosophy is based on the fact that great people are the foundation of our success.
- ❑ The Remuneration and Reward philosophy is centered on the premise of remuneration and reward that balances both market competitiveness as well as affordability.
- ❑ Moreover, SAICA regularly strives to review the remuneration and reward practices to ensure alignment with trends, best practices and the organisational context.



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SAICA Key Remuneration Principles

- ❑ SAICA's reward philosophy is underpinned by two fundamental principles:
 - ❑ Recognising performance.
 - ❑ Remunerating for retention.
- ❑ These principles enable SAICA to recognise staff performance and capabilities in terms of performance-based pay.
- ❑ Recognising performance is facilitated through the implementation of a performance management system, enabled through the signing of performance contracts that are cascaded down from SAICA balanced scorecard each year.
 - ❑ Staff performance is measured using a weighted score, calculated based on the performance of SAICA, Division and Individual Employees.



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Remuneration and Reward Policy Review

- ❑ An independent remuneration consultancy was appointed to benchmark the remuneration and reward policy.
- ❑ The Benchmark exercise entailed the following:
 - ❑ Analyzing SAICA's current Remuneration and Reward data/context to formulate a benchmark database.
 - ❑ Benchmarking SAICA Remuneration and Rewards practices in comparison with the financial sector considering the unique positioning of SAICA in the market.
 - ❑ Proposal of amendments on the reviewed Remuneration and Reward Policy.
- ❑ Upon review by SAICA Management, the HC & REMCO and the Board considered the proposed changes.

Key Policy Provisions

- ❑ All employees are remunerated on a total cost to company, Remuneration policy provides for the structuring of the remuneration packages into fixed pay, variable pay and benefits.
- ❑ All jobs at SAICA are graded and allocated a job grade using a job grading system/methodology
 - ❑ Job grades determines the performance weightings and STI remuneration percentages.
 - ❑ Weighted Scoring Percentages - The weighted scoring percentages were changed mainly to increase SAICA level weightings to instill a “work for SAICA” mindset at all levels. Additionally, to add MIPART Values, the “how” component in pursuit of the “whole person” performance management.
- ❑ Annual salary increase percentage is determined by the Board as guided by the South African Consumer Price Index (CPI)
 - ❑ Annual salary increases are awarded to employees based on performance which is managed through SAICA’s Performance Management Policy. An Employee’s annual salary increase is determined by their weighted performance score
 - ❑ Move from Market Movement Factor (MMF) to Consumer Price Index (CPI) - the MMF was substituted with CPI. The rationale for substituting the MMF with CPI is that the MMF is not standard practice but a consulting firm’s intellectual property.

Key Policy Provisions...Cont

- ❑ Eligibility for the payment of Short -Term Incentive (STI) is the attainment of SAICA score of 3.5 and an individual score of 3.00 or more, subject to Board approval.
 - ❑ The STI percentage varies according to grades and is proportionate to the level of responsibility and accountability.
 - ❑ Short-Term Incentive (STI) Scheme - the minimum STI as a percentage of total package has been increased to 10% for lower-level employees. The main benefit of this is closing the gap between top management and the lowest levels in the organization, thus achieving social justice. Moreover, If SAICA's score is at least 3 (on target) but below 3.5, the Board, may at its discretion declare an STI in respect of all employees.
 - ❑ Proposal presented to guide the Board for the payment of the short-term incentive (STI) in a situation where SAICA's score is above 3 but below 3.5 out of 5.

N.B Details on all the policy provisions are contained on the policy.

Questions?



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THANK YOU

