

Remuneration Policy

Document Classification	Internal
Version	2.0
Dated	01 July 2024
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Approval

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This policy supersedes and replaces all previous versions of this policy.

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1. PURPOSE

The remuneration philosophy and policy of the Digicall Group is essential to the Company achieving its strategic vision of gaining a competitive advantage. The purpose of this document is to set out guiding principles, through an organisation-wide approach, relating to the Company's remuneration framework and its consistent implementation that is aligned with the strategic direction of the Company.

2. OBJECTIVES OF THE POLICY

- 2.1. The remuneration framework shall be fair, objective and transparent.
- 2.2. The remuneration framework is able to respond to the Company's needs and requirements, as well as promotes a culture of performance.
- 2.3. The remuneration framework and practices shall conform to good practices and trends.
- 2.4. Remuneration shall be competitive to ensure that the Company can attract and retain top talent.
- 2.5. Remuneration Policy and Procedure shall be influenced by affordability and sustainability factors.
- 2.6. Ensure equity in the pay decisions.
- 2.7. Promote the effective management of remuneration budget.
- 2.8. Facilitate internal parity so that employees in comparable position are paid in the same pay range.

3. REMUNERATION GOVERNANCE

The Digicall Holdings Board is ultimately responsible for the remuneration policy. The policy and philosophy should recognise the interests of relevant stakeholders, and align with the long-term business strategy, business objectives, risk appetite and values of Digicall.

Principal responsibilities in relation to remuneration are:

- 3.1. Formulate, approve and monitor adherence to the remuneration policy;
- 3.2. Ensure alignment with the latest governance standards;
- 3.3. Review and approve all short- and long-term incentive structures and monitor overall liability;
- 3.4. Review total remuneration packages for executive management;
- 3.5. Review and approve annual salary increase parameters;
- 3.6. Regularly review incentive schemes to ensure continued contribution to shareholder value.
- 3.7. Certain functions are delegated to the business unit heads who are responsible for:
- 3.8. Detailed analysis and development of research-based recommendations to the Digicall Holdings Board.
- 3.9. The remuneration packages of management and employees in general in line with the policy.
- 3.10. Implementing the increase and incentive processes and reporting any anomalies to the
- 3.11. Digicall Holdings Board; and
- 3.12. Recommending new schemes and scheme restructures to the Digicall Holdings Board.

4. JOB EVALUATION SYSTEM, JOB GRADING AND SALARY BENCHMARKING

- 4.1. The Paterson Job Evaluation System has been adopted to grade positions and shall be correlated with other Job Evaluation Systems applicable to similar or related organisations.
- 4.2. Job evaluation shall be completed for every position in the approved organisational structure to determine the weight of a job within the Company as an internal equity measure;
- 4.3. Job grading will be done by Digicall Head Office HR;
- 4.4. Job grading results shall be produced for every position using the approved job evaluation system;
- 4.5. On the determination of job grading result, the position shall be benchmarked with the market to determine market pay for the position as an external equity measure;
- 4.6. Jobs will be linked to the pay structure in accordance with their intrinsic value and relative ranking in relation to other jobs;
- 4.7. Salary benchmarking surveys shall be conducted from time to time for comparative purposes of external equity to ensure that Digicall pays competitive pay packages in line with the market or peer organisations, as well as to guide the Company on the salary ranges for the different grades, namely;

- 4.7.1. The level of guaranteed pay for an individual will be based on the level of responsibility in the organisation and the size of the job as determined by the reward level;
- 4.7.2. Job levels of all positions are determined through the process of a formal job evaluation;
- 4.7.3. The survey market will comprise organisations of similar size and complexity;
- 4.7.4. Pay levels in the structure will be on prevailing market forces and influenced by market rates as determined by market surveys, as well as Digicall guiding principles.
- 4.7.5. Benchmarking surveys do not automatically result in changes to remuneration structures at Digicall.

4.1 JOB GRADES

- 4.1.1. All positions within the company are evaluated in terms of the Paterson Job Evaluation System.
- 4.1.2. These evaluations indicate the relative seniority of any position in the company.
- 4.1.3. Where a specific position does not fit into the approved structure it must be added to the official structure, and graded by Digicall Group HR.
- 4.1.4. The Company will have an official position structure (number of positions and vacancies as well as the relevant job grades), which will serve as a basis for human resource budgeting for a financial year.

5. REMUNERATION ELEMENTS

The remuneration elements consist of:

- 5.1. Monthly cost-to-company (CTC) package.
- 5.2. Monthly performance-based pay or commission (where applicable).
- 5.3. Short-term incentive schemes (one year or less).
- 5.4. Long-term incentive.

5.1 MONTHLY COST-TO-COMPANY PACKAGE

The total cost to company approach is designed to provide employees with flexibility and choice when it comes to monthly benefits. All permanent non-sales employees, irrespective of level, receive a guaranteed component (GP) of remuneration consisting of:

- A guaranteed basic salary;
- Compulsory benefits such as provident fund, group life cover and funeral plan;
- Elected benefits such as medical aid options;
- Medical savings and insurance plans.

Employees select:

- The Company offers the option to employees to structure up to 50% of the medical aid contribution, subject to the prevailing thresholds which are revised annually, as part of their CTC.
- Contribution level to the provident fund with a minimum of 6% of pensionable salary. Digicall contributes a further 6% to the provident fund (for qualifying employees).
- Should an employee's contract be transferred to another company within the Digicall Group as part of an intercompany or campaign transfer, employees will be required to transfer the full share of the Provident Fund to the new Employer's Retirement Fund. Employees will not be allowed to take their benefits as a cash payment and must complete a withdrawal form indicating a transfer to their new Employer's Retirement Fund. Should an employee's employment be terminated for any other reason than a campaign transfer or intercompany transfer, only then will employees be entitled to withdraw their full benefit in cash or as per the Pension Fund Law.
- For the avoidance of doubt, it is recorded that certain entities do not currently offer medical schemes (e.g. iSmart and Sigma SA ops.) or provident fund benefits (or provident fund benefits are structured differently - iSmart). Employees of these entities would not currently qualify for the benefits stipulated in a and b above, until such time a benefit alignment review is undertaken and approved by the Digicall Holdings Board.

5.2 MONTHLY PERFORMANCE-BASED PAY

In certain operational areas within the business where performance is highly measurable (over the short term) such as outbound sales environments, monthly pay is made up of a combination of the following:

- Monthly salary and/or.
- Performance-based pay or incentives, e.g. sales commissions.

The performance element ensures alignment between company goals and individual performance. Targets are reviewed and adjusted as required at the discretion of management to drive continuous improvement in the areas concerned.

5.3 ANNUAL INCENTIVE

The annual incentive (“annual incentive”) will be considered for all staff (excluding commission earning staff) including business unit heads and senior management. **The payment of bonuses is always dependent on the discretion of the Digicall Holdings Board.** This is payable as follows/ based on the following principles:

- The relevant business unit has achieved at least 85% of the budgeted SPBT for the financial year; and
- The measured entity has achieved at least 75% of the budgeted SPBT for the first six months of the next financial year (“the interim period”).
- If the measured entity achieved 100% or more of the budgeted SPBT for the financial year a bonus equal to 100% of the monthly salary for the relevant business unit heads, senior management and employees would be considered (the business unit head has the discretion to motivate different levels for individuals, but the overall qualifying bonus is limited to 100% of the monthly salary bill for the measured entity).
- If the measured entity achieved less than 100% of the budgeted SPBT for the financial year, the board would consider a pro-rated bonus after considering the results of the interim period.
- The annual incentive will only be payable to the extent that the business unit has made the requisite provision for such bonus in its accounts.
- The bonus will be payable 8 months after the financial year-end.
- Only on exception will the Digicall Holdings Board consider annual incentives for entities below the targets set for the financial year and the interim period.
- Employees do not qualify for a bonus should they resign and serving their notice period at the time of payment.

5.4 LONG SERVICE AWARD

Employees will receive a long service award on their 5th, 10th, 15th and 20th year of consecutive service with the Company.

- 5 Years: R3, 000.00;
- 10 Years: R4, 000.00;
- 15 Years: R5, 000.00;
- 20 Years: R6, 000.00.

5.4.1. The long service awards will be given to staff in December, to recognise everyone whose anniversary occurred within the year.

5.4.2. Long service awards will be forfeited in the event of termination of services.

6. PAYMENTS ON TERMINATION OF EMPLOYMENT

Our standard practice is to not pay ex gratia payments on termination of employment, except for such payments that are due under existing short and long-term schemes as well as statutory obligations such as leave balances outstanding. Any such payments must be approved in writing by the Digicall Holdings Board.

Employees serving their notice period will be paid their final monthly salary on the last day of the month.

7. THE ANNUAL SALARY REVIEW PROCESS

The annual salary review process provides an opportunity to adjust salaries in line with the market with increases effective 1 May each year. The Digicall Holdings Board determines the overall percentage increase in salary bill, considering benchmarking to understand market trends, changes to the national cost of living (CPI) and business performance and affordability. Employees do not qualify for an increase while serving their notice month.

Although performance is primarily driven through the incentive structures, cognisance of performance can be considered when determining individual salary increases. Typically, an employee must be employed for a minimum period of six months to be part of the review process, and any increases may be moderated for the length of service and time in this role.

Interim increases may be awarded during the year at the discretion of senior management (for employees not part of senior management) under the following circumstances:

- 7.1. Promotion to a higher Patterson salary band level.
- 7.2. Successful recruitment into a higher paying role, i.e., broader skill requirements, responsibilities as well as higher business complexity.
- 7.3. Qualification and passing certain exams.