

**Acsion Limited**  
**Remuneration Policy**  
**2020 – 2021**

**Compulsory JSE disclosure notification**

In the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of the voting rights, Acsion will provide an invitation to such dissenting shareholders, in its voting results announcement, to engage with the company, also providing details and timing of such engagement.

**Philosophy**

Acsion believes people are at the heart of its value engineering mission. Remuneration is a key factor to attract and retain people who are committed to this mission. Our policy is designed to frame remuneration to achieve our mission.

**Policy goals**

**Policy goal 1: To attract talented people to join Acsion**

The group's policy is, firstly, to attract talented people at all levels of its organisation, especially at leadership levels. Remuneration is one of the most important attractions to people seeking new career and work opportunities and hence the group offers market related remuneration where the assessment of the market remuneration is based on skill, qualifications, experience and the geographic area where the person is being employed by the group.

Market related remuneration is determined by review of on-line resources, management discussion of current market experience and by modification of remuneration offers in response to the job applicants' feedback.

**Policy goal 2: To create diversity in the work place**

In hiring talented people the group also seeks to create age, ethnic and gender diversity in the group as research has shown company performance improves when the company's employees are diverse.

For historic reasons Acsion's employee profile is not sufficiently diverse, although there have been improvements in this regard over the last few years. In these circumstances, the company has a transformation policy which still ranks talent and skill as a first priority, but then favours under-represented groups required to achieve designated diversity goals and to comply with employment equity laws, where applicable.

Further, in seeking to achieve diversity and promote upliftment in the interests of reducing inequality, the company also considers potential when recruiting.

**Policy goal 3: To retain talented people within the Acsion group**

Once good staff members are hired, policy is focused on retaining the best, creating an appropriate staff turnover amongst the rest so as to prevent stagnation and infuse new ideas, and motivating employees to create value as part of a disciplined team. To retain the best, the company encourages those who enjoy the environment through remuneration adjustments and participation in leadership

meetings and groups. This is important as cultural fit produces happy employees and good productivity and enhances institutional knowledge which is vital to a functioning enterprise.

Key performance indicators (KPIs) are used to measure employees and remuneration is based on that measurement to ensure performance measurement objectivity which is a pillar of employee retention. Key performance indicator measurement has been implemented at senior levels and is now being rolled out to personnel below management.

Policy goal 4:

In keeping with the group's value engineering policy, all remuneration is cost to company based, with the exception of bursaries offered to employees earning less than a board designated threshold. Employees are expected to ensure they provide for their own retirement and health (medical aid) funding, save and except in jurisdictions where the provision of these benefits is compulsory in terms of law in which case these benefits are paid by the company.

Policy goal 5:

The board of directors retains oversight of remuneration policy and its implementation and obtains and reviews increases and adjustments at an aggregate level for non-executive committee members with the right, in exceptional circumstances, to query specific cases should a board member believe that is required.

In the case of senior executive directors, the board reviews their salaries and may interrogate the remuneration with the chief executive officer where the board members believe the remuneration in question to be inappropriate.

**Policy implementation**

1. Non-executive director remuneration

Non-executive director remuneration is reviewed by the remuneration committee with reference to market norms, inflation and, on occasion, recommendations of the company secretary as the secretary is tasked with remaining up to-date with these trends as part of corporate governance oversight.

Their remuneration is then recommended by the board of directors and approved or rejected by the shareholders at the group's annual general meeting.

In the current year, the board has recommended that fees not be increased. Prior increases were aligned with inflation.

2. Director and senior executive committee member remuneration

Director remuneration is decided upon by the remuneration committee.

Subsidiary director remuneration is decided upon by the shareholder of that subsidiary.

Executive directors, subsidiary directors and senior executive committee members are granted incentive opportunities linked to wealth participation. They are invited to buy minority shares in group subsidiaries for particular developments upon their commencement. Once the development is

completed, they are permitted to exchange their subsidiary company shares for shares in Acsion Limited listed on the JSE. This opportunity drives wealth creation for the group's leaders.

The chief executive officer's remuneration has not been increased since JSE listing in December 2014. The CEO has also forfeited a portion of his salary to provide for increased black economic empowerment and social contribution increases by the company.

The chief financial officer's remuneration is market related and has been bench marked since listing, initially on a national basis and later on a relevant geographic location basis.

### **Employee remuneration**

Employees other than directors and senior executive managers are remunerated in accordance with policy goal 1. Annual increments are granted on employment anniversaries and are based on the prevailing inflation rate and key performance indicators. Bonuses are based on key performance indicators when available and a management compiled scale in all other cases.

### **Employees in foreign based operations**

The group believes in recruiting personnel resident in countries where the group operates as they are most familiar with operations in the country where trade is conducted and can be trained in Acsion philosophy, policy and procedure.

However, given the value the group places on its personnel, where an employee based in either South Africa, or another country where the group trades, wishes to relocate to another country where the group has a presence, Acsion will give preference to that employee if his or her experience, skills and character suggest suitability for the vacant position.

Where an employee relocates from one country to another country by agreement with the group chief executive officer, pursuant to a desire by the employee to relocate, no relocation costs are paid for by the group. If such relocation occurs at the behest of the group and the employee agrees to the relocation, such costs are paid by the employer.

In all cases, foreign based employees are remunerated in accordance with the policy used for South African employees. Hence, the group offers market related remuneration where the assessment of the market remuneration is based on skill, qualifications, experience and the country where the person is being employed by the group. As market remuneration is determined with reference to conditions applicable in a country where the group trades, there is no currency indexing in determining remuneration or fringe benefit modification between countries as this is not needed.

Market related remuneration is determined by review of on-line resources in the applicable country, management discussion of current market experience and by modification of remuneration offers in response to the job applicants' feedback. When necessary, external recruitment advice is sought.

### Tracking remuneration policy success

The success of remuneration policy and policy implementation is judged by the success of the group and its individual subsidiary components, as a company "is only as good as its' people" (Kathryn Minshew; Brainy Quotes.com 2020).

Company performance since JSE listing, and indeed prior thereto, has been successful and hence the group believes its remuneration policy is also successful.