

COVID-19 REMUNERATION ACTIONS

SURVEY 1

29 April 2020



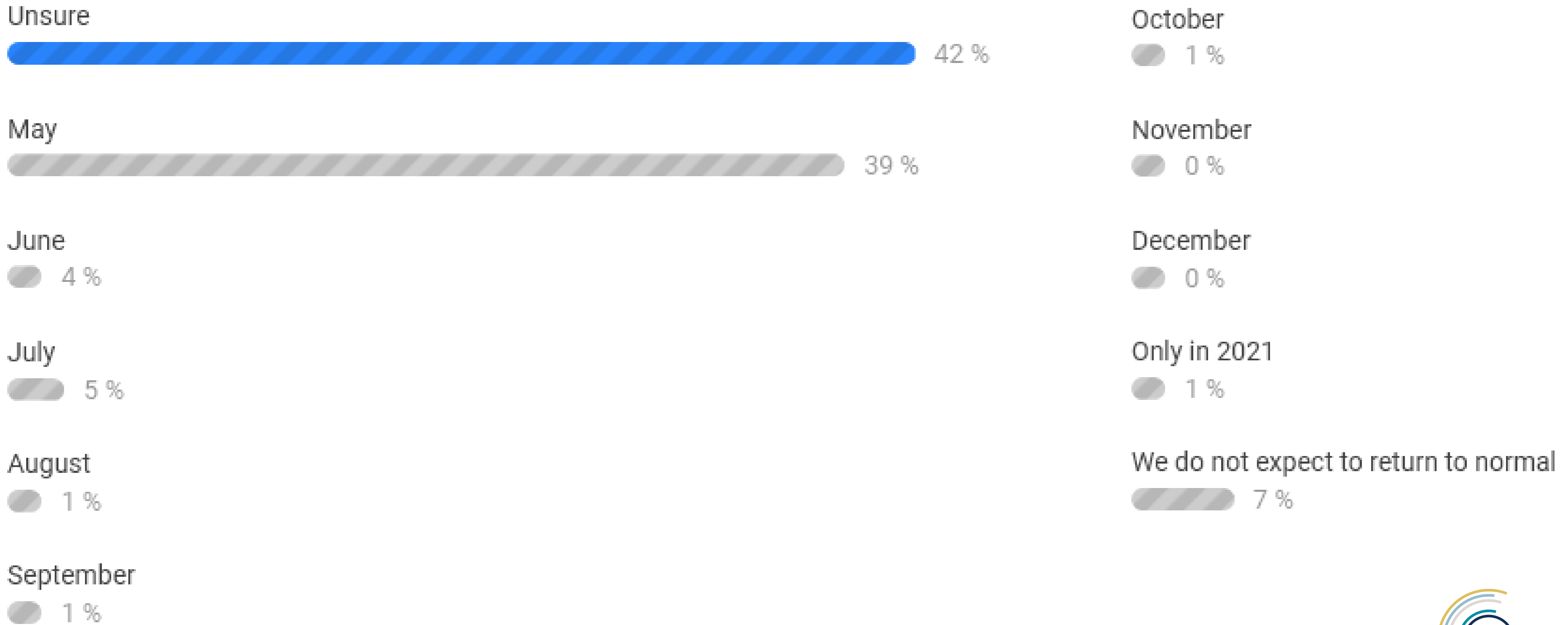
SOUTH AFRICAN REWARD ASSOCIATION

PROMOTING AND DEVELOPING
THE REWARD PROFESSION AND PRACTICES

SURVEY RESULTS

The survey sample size represents feedback from 119 individuals in 115 organisations across private and public sectors. Organisation size ranges from SMMEs to large corporates.

4 Based on the state of the pandemic, when does your organisation plan to resume 'normal operations'?



5 What approach is your organisation taking in terms of salary increases for the year?

a Unsure at this stage



b We have already paid, or still plan to pay salary increases for 2020



c Salary increases are on hold for 2020



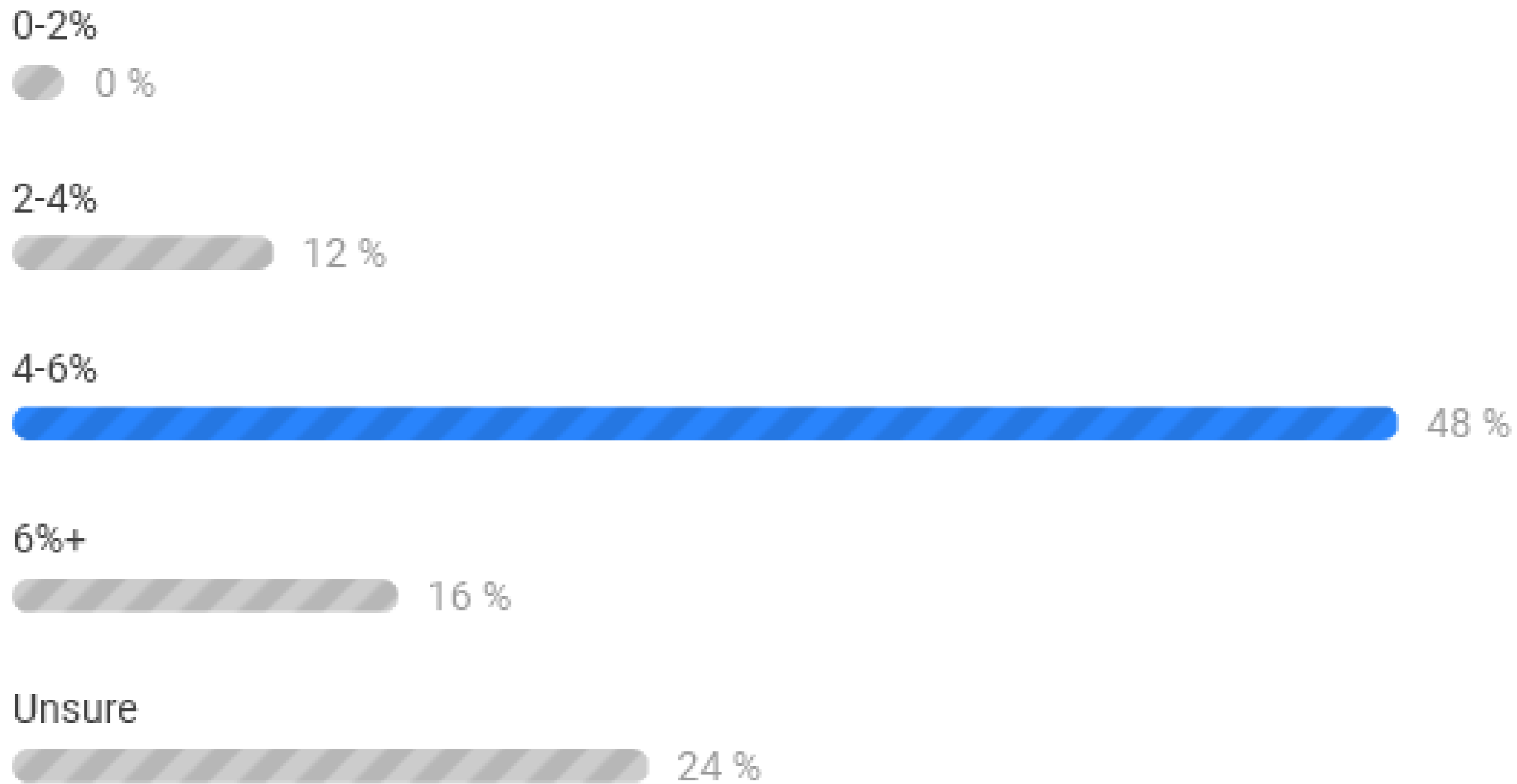
d Salary increases for 2020 are cancelled



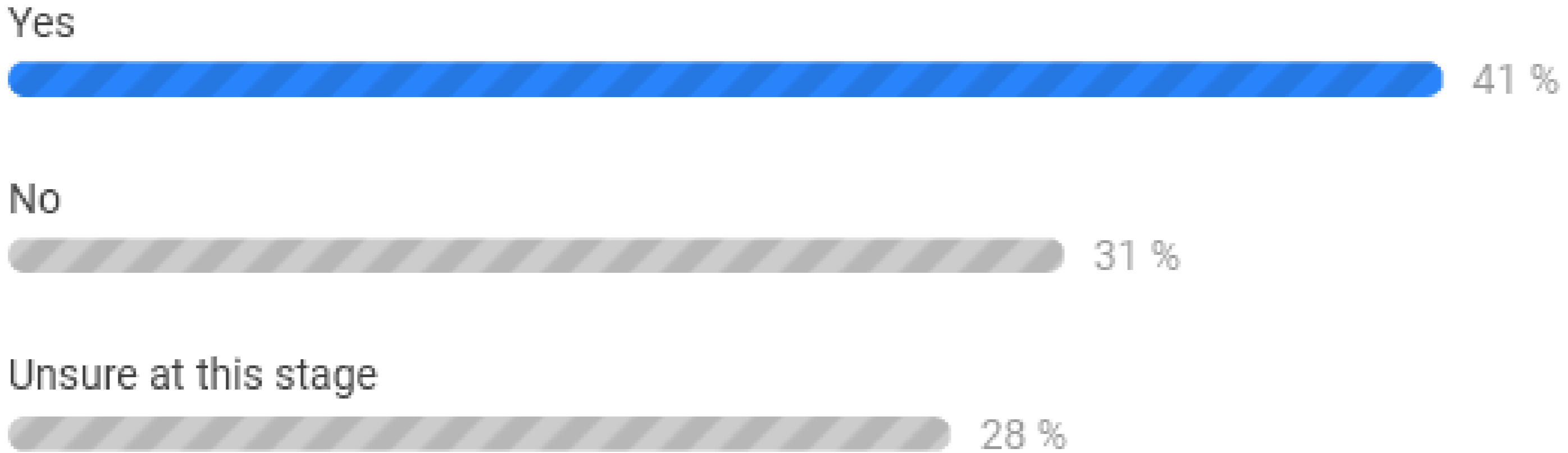
e We did not plan to pay salary increases in 2020



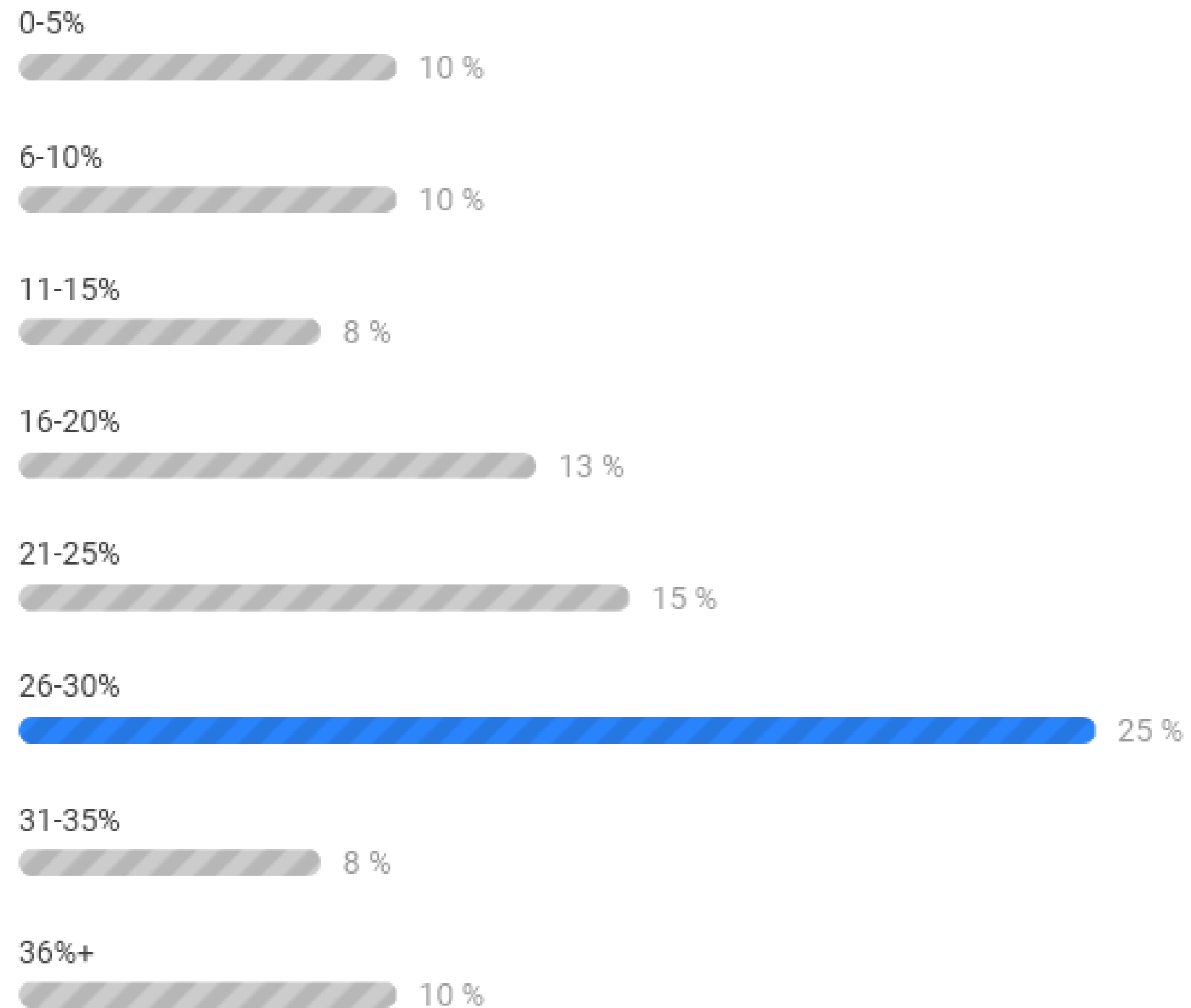
6 If you selected option 'b' in question 5 above, what percentage of salary increase have you, or do you plan to implement in 2020?



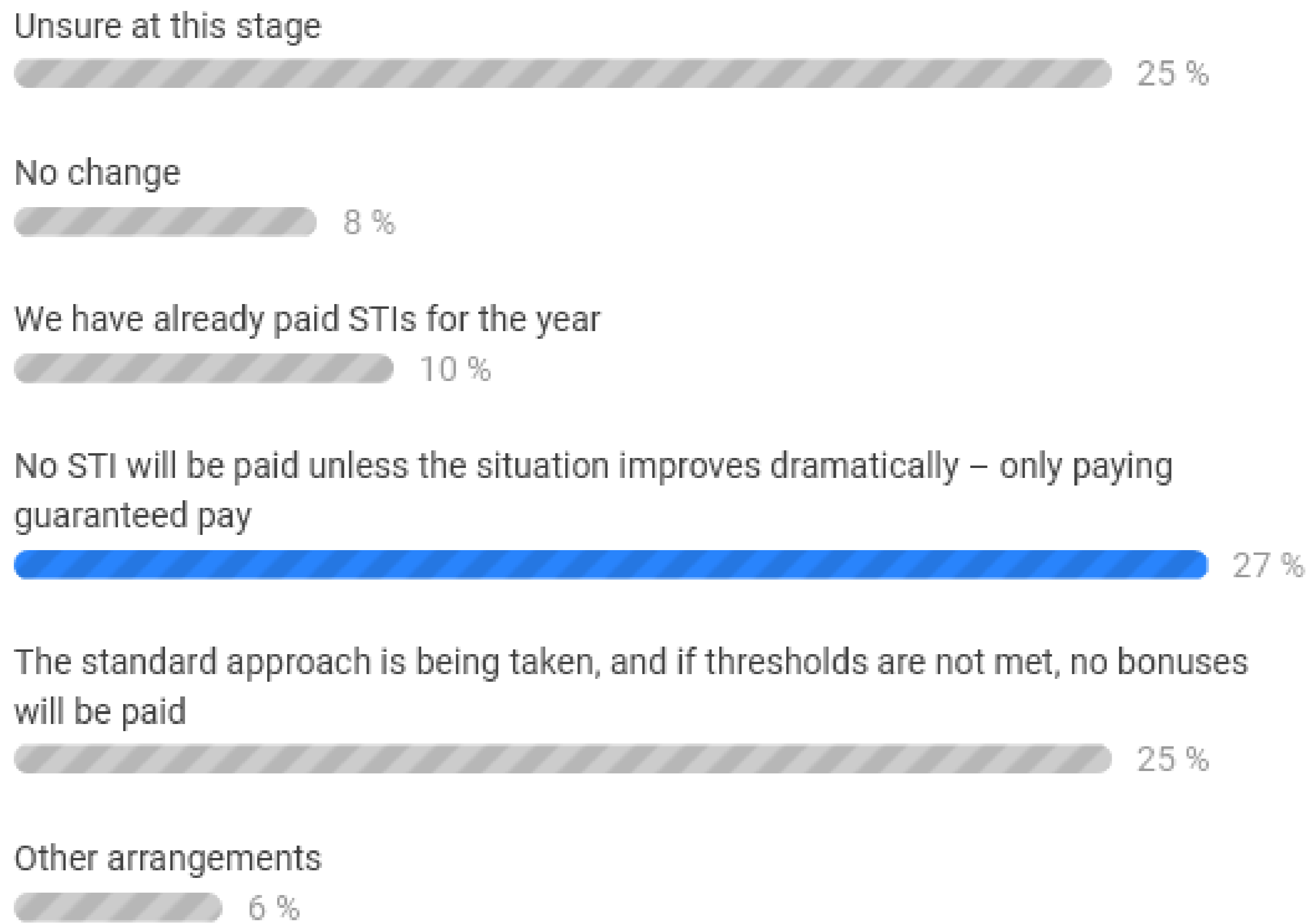
7 Are your most senior employees (Paterson band E and F) considering taking a pay cut to their guaranteed package to enable the organisation to support as many employees and their jobs as possible through the crisis period?



8 If you answered 'yes' to question 7 above, what quantum of pay cut is being considered or has been implemented?



9 What approach is your organisation taking for STIs for the year?



10 If you answered 'Other arrangements' to question 9 above, please provide more details?

9

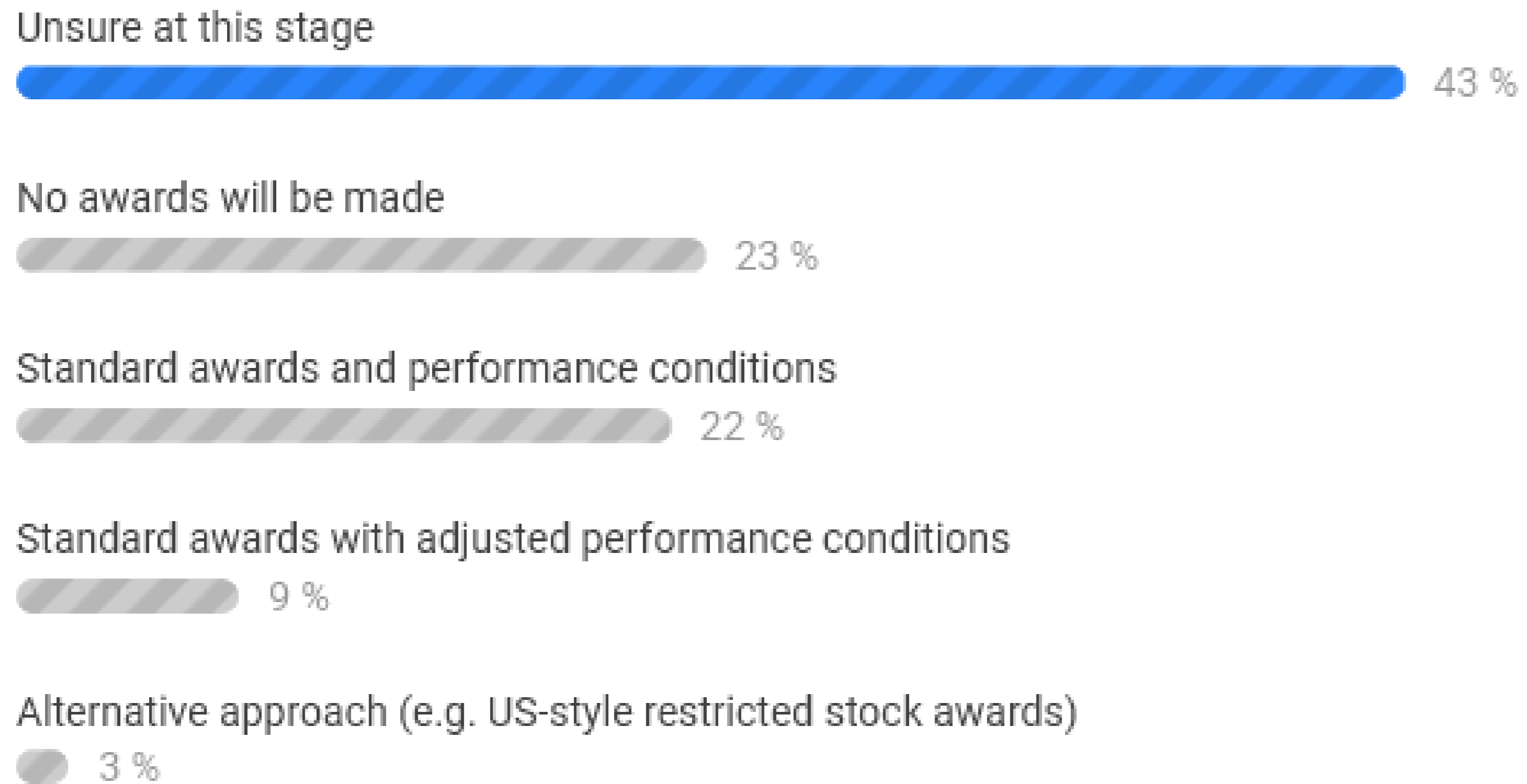
We will not pay STIs in 2020 **(38%)**

We will pay STIs in 2020 if thresholds are met **(25%)**

We do not offer STIs **(25%)**

Uncertain if we will pay STIs in 2020 **(12%)**

11 What is your approach to LTI awards for the year?



12 If you answered 'Alternative approach' to question 11 above, please provide more details?

no awards at this stage but it will be granted in the future with a shorter period of vesting

Stock Awards linked to completing 3 years service.

Restricted share units

Not applicable to our institution

13 What is your approach to LTI awards vesting during the crisis?

Unsure at this stage



No adjustment – awards will vest at the normal dates subject to current performance conditions



Seek to defer the vesting of awards for senior executives



Seek to defer the vesting of awards for all participants



Seek to defer the vesting and performance measurement date for some or all of the participants.



14 What is your approach to retirement savings deductions?

Unsure



Carry on as usual



Seek to apply a contribution holiday if the rules permit or can be changed to maximise cash in hand



Alternative approach



15 If you answered 'Alternative approach' to question 14 above, please provide more details?

Allow/apply for contribution holiday while continuing with death and disability benefits **(75%)**

Allow employees to change contribution percentage **(25%)**

16 What approach is your organisation taking in terms of multi-year wage agreements?

Working within the collective bargaining unit structures ahead of reviews **(24%)**

Nothing at this stage **(24%)**

We have already granted 2020 increases **(21%)**

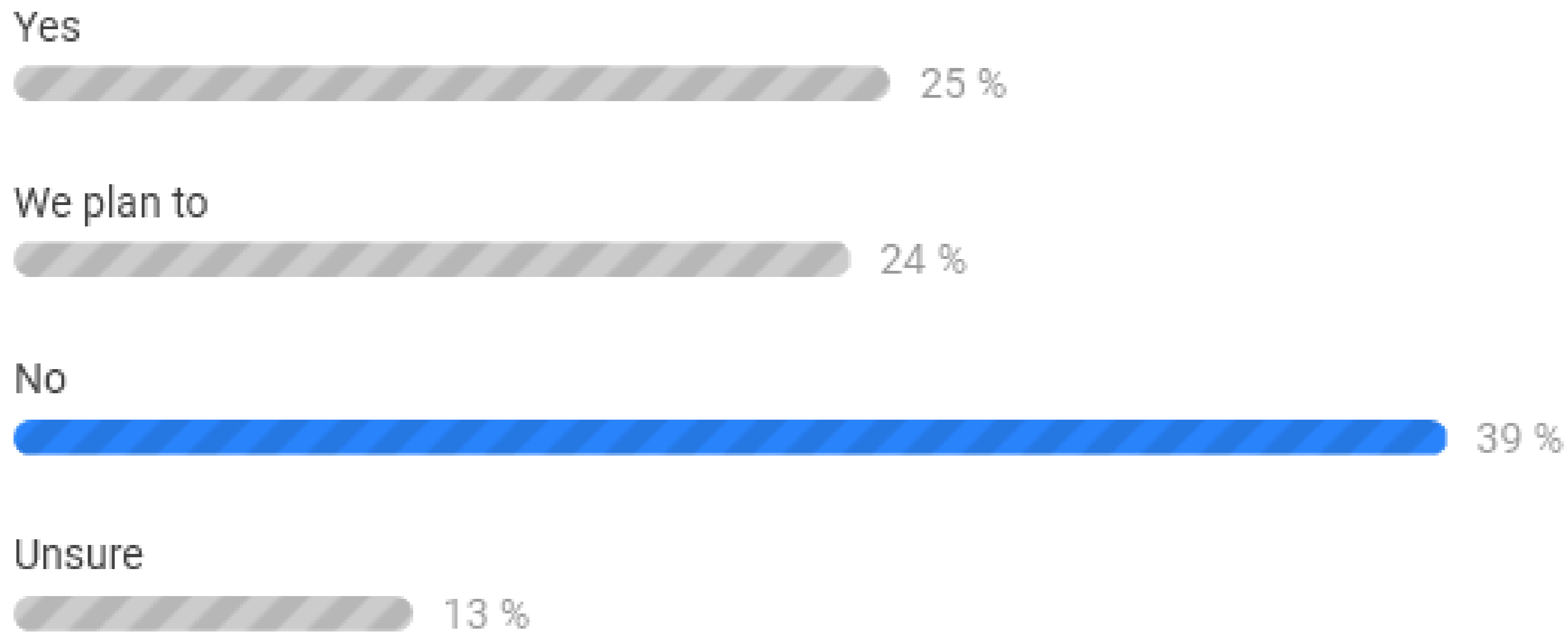
Working with labour to defer implementation of wage increases **(18%)**

Meeting the conditions of the agreements, but will revisit if lockdown is extended or business impact worsens **(7%)**

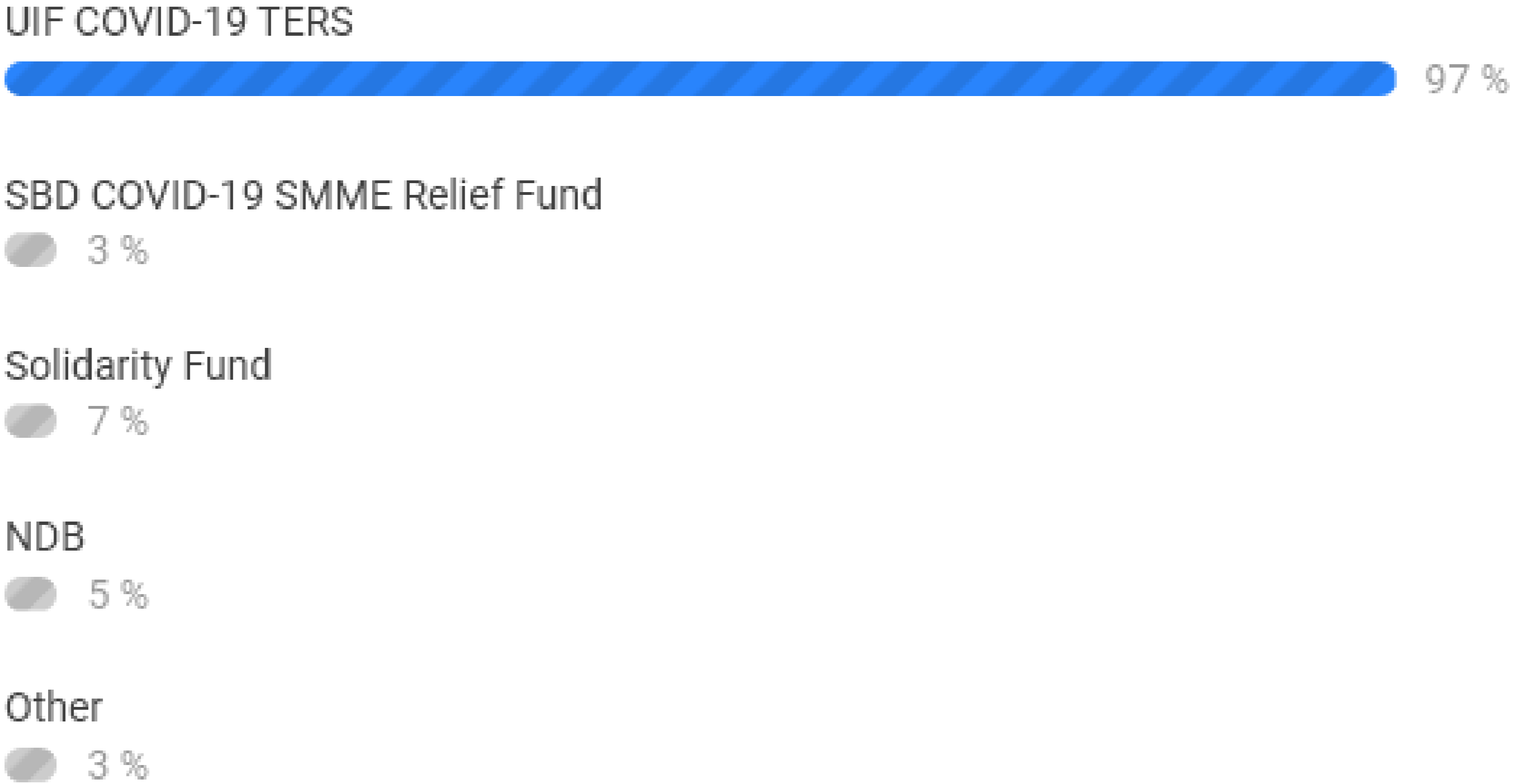
Negotiations started prior to lockdown – will continue with consideration to affordability **(3%)**

We will need to renegotiate to prevent job losses **(3%)**

17 Government have announced that monies are available to support paying salaries for certain staff through the UIF and other government and business-initiated funds. Is your organisation making use of this potential funding?



18 If you answered either 'yes' or 'we plan to' in question 17 above, what funds are you or will you be approaching?



19 If you answered 'Other' in question 18 above, what funds are you or will you be approaching?

We will contribute to Solidarity fund. May then open contributions for other staff to contribute, and then if we get to job losses, will then make use of possible funding through above channels

SAFT