

ALIGNING BUSINESS
STRATEGY AND
**TOTAL
REWARD**
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INDUSTRY LEADER

REMCHANNEL MD
LINDIWE SEBESHO
REFLECTS ON HER 2024
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LETTER FROM THE EDITOR

FY24 was nothing short of extraordinary for Remchannel®. Together, we achieved milestones that set the stage for even greater success in FY25, and I am honoured to reflect on the year through the highlights that follow and are covered throughout this publication.

We began FY24 with me taking over as MD of Remchannel and welcoming new team members, including **Thando Mokaulezi** who joined the executive reward team and whose contributions have been invaluable. We celebrated learning achievements as **Louna Robbertse** and **Gizelle Erwee** graduated from the Old Mutual Transform Leadership Programme. The team's exceptional contributions to the stellar performance in FY23 were acknowledged through numerous nominations for the Old Mutual Corporate Re-imagine awards. We were incredibly proud when **Anita Wing**, who heads up our Risk and Compliance unit, emerged among the winners for the onshore prize.

Throughout the year, we continued to grow the team and excel in various business performance metrics - most notably retaining a client Net Promotor Score (NPS) above the targeted 85%. We welcomed **Bokang Phoshana** and **Elizabeth Rantho**, who joined as interns in March. We also applauded the promotions of **Mpho Molakeng**, **Ludwe Nqwena**, **Siphiwe Ngwenya**, **Clarissa Poonawassy** and **Stephanie Booysen** in recognition of their growth. We celebrated numerous other team achievements, including honouring our colleagues **Corne Du Plooy**, **Theresa Kite** and **Kristine Joseph**, who achieved top sales performance accolades.

Represented by our colleagues **Theresa Simons**, **Siphiwe Ngwenya**, **Maxine Fourie** and **Sonja Otto**, we engaged in community service through Themba lethu Primary School in Meadowlands West, Soweto, where we handed over school shoes to deserving young learners. We also participated in the first-ever Old Mutual Corporate Thought Leaders Forum, which benefited our clients by generating new thinking to advance the world of pay and benefits. We continue gathering and sharing key trends, including through the articles contributed by **Garth Kallis** on page 15 and **Loshen Naidoo** on page 10.

The Remchannel® flagship Benefits Guide as well as our Salary and Wage Movements research publications received exceptional media coverage and continued to guide the pay and benefits decisions of our clients and the industry at large.

Our strategic initiative Talent Vantage™ saw us deliver an innovative



pay and benefits value proposition for clients in partnership with our colleagues at Old Mutual Corporate Consultants. This initiative has gained significant traction, and we had the opportunity to unpack it at our exhibition stand at the 2024 South African Reward Association (SARA) conference. We cover aspects of Talent Vantage in the Financial Wellbeing article on page 5.

The insights from the conference, including the keynote address by Old Mutual Corporate Managing Director Prabashini Moodley as covered on page 12, were a further highlight.

I was also honoured to be awarded the 2024 SARA President's Award for sustained contributions made to grow young talent and advance fair and equitable pay practices. This was a proud moment and reflective of the honour I have had to lead and be part of great teams that invest in the sustainable growth of South Africa. Read more about this on page 8.

While we faced some challenges during the year, we remained confident that together we would end the year on a high - and we did!

Delivering exceptional client experience remains a crucial focus area

Looking ahead, our focus areas include advancing Talent Vantage™ to support clients in optimising pay and benefits responsibly. We aim to service our clients through our streamlined reward consulting practice and enhanced remuneration research and job architecture offerings. Delivering exceptional client experience remains a crucial focus area that enhances our brand and drives long-term client partnerships and new business opportunities. Managing our resources effectively will help us optimise economic outcomes for the benefit of all our stakeholders. We will continue developing, motivating, and supporting the growth of our people so that they thrive.

Finally, we look forward to finalising the re-platforming of our technology solutions to improve client experience. Accordingly, on page 4 we profile **Gary Pon**, our trusted Head of IT and Operations, who is driving this project.

2024 has shown us that investing in our people translates to client satisfaction and business growth.

Here's to continuing this journey of growth and success together!

Lindiwe Sebesho
MANAGING DIRECTOR: REMCHANNEL®



MEET GARY PON

As a founding member of Remchannel and the Head of Technology and Operations, Gary Pon has been a driving force in transforming the way reward is managed in South Africa for nearly 25 years. With an MBA from Australia's Macquarie University, he leads innovation across products and services, ensuring that Remchannel remains at the forefront of the industry. His expertise and leadership have helped the business deliver exceptional value to our corporate clients, leveraging data-driven insights and cutting-edge solutions to meet evolving client needs.

Q What is your approach to innovation?

A Feedback is the foundation of everything we do. Staying ahead means actively listening to our clients, using data to inform our decisions, and being courageous enough to pursue new ideas. Other factors also need to be considered, such as the impact of technology shifts. Weighing up which path to take is not easy, but it ensures that we stay relevant and continue delivering value.

Q What does success look like in your role?

A My role is multi-faceted. Heading up technology is just one part. I'm also responsible for ensuring operational soundness and sustainability. Success, for me, is when clients enjoy engaging with us and derive real value – whether through surveys, job evaluations, job profiling

or consulting. Our business is driven by one simple job to be done that crystallises our clients' need: "Help me attract, engage and retain top talent to ensure the success of my business and strategy." If we contribute to that, then that's overall success for us and the client.

Q What are your thoughts on the future of reward management?

A The future is heavily influenced by AI. I recently attended the Singularity conference, where a quote stood out: "Today is the slowest it will ever be." AI will significantly impact the workforce, increasing efficiency but also raising the risk of burnout as work throughput accelerates. The challenge for organisations will be to balance these advancements with the demand for flexible pay and benefits which include employee wellbeing. We too look to its utility to improve our products and consulting solutions.

Q How do you ensure Remchannel remains operationally sound and sustainable?

A It's a combination of robust systems, constant measurement, and a focus on building lasting relationships. We measure everything – from client satisfaction to operational efficiency – to ensure we meet our high standards. Sustainability is about more than numbers; it's about creating a business that delivers consistent value over time.

Q How has Remchannel evolved under your leadership?

A When we started, I was physically transporting a server between Johannesburg and Cape Town just to support training. Today we're a fully cloud-based operation, serving with a database of more than a million data points. Our services have expanded to address a full spectrum of client needs, and our reputation for excellence is something I'm incredibly proud of.

Q What has been the most transformative project you've worked on recently?

A I was privileged to lead the Talent Vantage project. It was complex yet rewarding, requiring collaboration across Remchannel and Old Mutual Corporate Consultants to respond to a critical client need: having integrated expertise to advise on remuneration and benefits that responsibly meets the flexibility needs of the five generations in today's workforce. By combining data, insights and expertise, we have developed a proposition to help clients make informed decisions and align their strategies more effectively. Seeing the immediate value it brought to our clients reaffirmed why innovation is at the heart of what we do.

FINANCIAL WELLBEING IN THE EMPLOYEE VALUE PROPOSITION

A winning employee value proposition is one that helps employees balance the financial needs of today, tomorrow and everything in between.

Ahead of the implementation of the Two-Pot System, Old Mutual expected its clients to withdraw an estimated R14.2 billion from their retail retirement products and occupational schemes. “We weren’t surprised at the volumes of claims,” says Blessing Utete, Managing Executive at Old Mutual Corporate Consultants. “But what is interesting is that claims are coming from retirement fund members across all ages and all income groups. It’s a clear indication of the limited financial wellness in the market at the moment. All South Africans are under financial pressure, and they need support.”

Remchannel’s Managing Director Lindiwe Sebesho agrees. “We now have five generations in the workforce, from the Silent Generation to Boomers, Generation X, Millennials and Gen Z,” she says. “Each generation represents a different life stage, and each has its own set of needs. But what’s clear is that every generation – and every employee – needs their employer to see them as a whole person and enable their financial wellbeing through tailored pay and benefits solutions.”

Utete believes that the Two-Pot claims volumes are “a wake-up call for employers”. “Employees do not have emergency savings, which is why they’re accessing their retirement savings – despite the long-term damage it does to their retirement outcomes,” he says. “It also highlights the need for flexibility in employee benefits. Again, let’s look at retirement savings. As an employer, how do you encourage an employee to contribute 15% of their salary towards their retirement when they can’t make ends meet today? You have to be in touch with where people are and you must empower them to make the changes they need to make as they move along their journey.”

“It’s important to consider the person’s ability to save at a level which is appropriate for their circumstances,” says Sebesho. “Provide the support, provide the advice, and then empower them to make the right decisions for today and tomorrow.”

It’s a complex problem and delicate balancing act – and one that Old Mutual Corporate Consultants and Remchannel are helping organisations navigate with Talent Vantage™. Talent Vantage™ combines cutting-edge remuneration insights from Remchannel with Old Mutual Corporate Consultants’ extensive experience in employee benefits, enabling organisations to transform how they reward talent.

In a tough economic environment, employees often face urgent and immediate financial pressures. Talent Vantage™ helps organisations to address their employees’ short-term financial needs by setting competitive pay packages based on remuneration benchmarks that are crafted to relevant industry and national standards. This helps companies to remain efficient while attracting top talent.

“Flexible pay is another consideration,” says Sebesho. “This involves providing options like on-demand pay (subject to financial education), where employees can access earned wages before payday to help alleviate financial stress. Debt management support is part of this, helping employees to manage their debt before it spirals out of control.” Employees also need to effectively manage their long-term financial health. Here, Talent Vantage™ helps companies

As an employer, how do you encourage an employee to contribute 15% of their salary towards their retirement when they can’t make ends meet today?

encourage employees to save for the future in line with their life stage, while protecting themselves from unforeseen life events.

“We also assist companies in structuring short- and long-term incentive plans that are linked to both individual and company performance, aligning the employees’ interests with the long-term success of the business,” says Sebesho. “And all of this is supported by financial wellness programmes that provide financial education and resources on budgeting, investing, and debt management. This empowers employees to make informed financial decisions now and for the future.”

Each of these elements forms part of a holistic Employee Value Proposition (EVP) that helps organisations attract and retain top talent. “As Remchannel, we advise our clients to consider their EVP as a complete offering,” says Sebesho. “Remuneration and employee benefits are not separate things. We certainly don’t see them that way – and neither do employees! They’re part of one continuum that employers can structure carefully to attract and keep the best employees.”

“Employee benefits have been too siloed and paternalistic for too long,” adds Utete. “The world has moved to where Talent Vantage™ is, where employee benefits and remuneration packages are structured with the big picture and the needs of all parties in mind.”

Sebesho emphasises that while an integrated approach to remuneration and employee benefits is important for employees, it’s also vital for businesses.

“From a corporate employer perspective, it’s about making sure your employees are rewarded appropriately while also managing your costs, and ensuring compliance with various types of employment laws, which are a big element of your duty to your stakeholders,” she says. “Finding that balance is important because any decision you make will impact other elements of your business, including investor confidence. Our aim with Talent Vantage™ is to help employers appreciate the overall value proposition by bringing innovation and flexibility in a responsible manner.”

Find out more about Talent Vantage, a collaboration between Remchannel and Old Mutual Corporate Consultants.

<https://www.oldmutual.co.za/corporate/our-capabilities/talent-vantage/>




INTRODUCING
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THE STATE OF EXECUTIVE REWARD

What is shaping executive reward globally and in South Africa, and what does it mean for business?

Asset prices surged at unprecedented velocity in 2024, led by Artificial Intelligence (AI) enthusiasm and the “Magnificent 7” technology mega-caps. The S&P 500 posted more than 50 record highs, the USD ounce price of gold gained more than 30% (with silver as impressive), Bitcoin flirted with \$100 000 and the JSE ALSI traded at record levels above 81 000 after South Africa’s mid-year elections.

The pay implications are expected to be reflected in variable remuneration outcomes, particularly long-term incentives exposed to share price movements. While windfall 2024 equity-based outcomes for executives of publicly listed companies are likely to be driven by strong share price multipliers, cash-based awards linked to operational performance are expected to be less spectacular.

These two categories of pay (equity vs cash) are generally delineated by corporate seniority, so 2024 pay outcome gaps are expected to be a topic of much discussion at remuneration committees (Remcos) during 2025. Especially so as wage gap management strategies and reporting are a key reward theme.

MEANINGFUL EMPHASIS ON ESG

Executive bonuses tied to ESG targets are now an embedded feature of reward plans. More than two-

South African companies will continue to be challenged to find a sweet spot in their financial reward proposition.

thirds of Fortune 500 and more than three-quarters of JSE-listed companies now include ESG metrics in their executive incentive plans, although these typically make up a smaller proportion of the overall performance assessment than financial and operational metrics.

When looking at ESG metrics in Long-Term Incentives (LTIs), Fortune 500 companies lean towards environmental and social performance targets (in that order), while JSE companies focus more on economic transformation and environment. Governance-related metrics are less frequently linked to reward, with many companies viewing these as hygiene factors – although around one-fifth of Fortune 500 companies do incentivise some governance targets.





LTI DESIGN

Investor and proxy advisers' voting guidelines are increasingly being considered when companies introduce or change their LTI plans. As some of the biggest global asset managers (think BlackRock, Vanguard, State Street, etc.) take up ownership stakes in companies across most industry classes and proxy advisers like ISS, Glass-Lewis and the Investment Association consolidate their share of the market, their voting policies or guidelines are considered by a large number of listed companies looking to avoid the dreaded remuneration "vote against" at their Annual General Meetings (AGMs). As a result, some clear themes emerge in line with these guidelines as corporate LTI plans line up with the various guidelines.

Performance shares are the most popular choice of the LTI instrument, with around three-quarters of S&P 500 companies using them as their primary LTI vehicle. The typical arrangement in South Africa, particularly among JSE Top 40 companies, is a mix of performance and retention shares.

Relative and/or absolute Total Shareholder Return (TSR) are typically used as a performance metric in such plans, along with other specific financial measures. Globally, the most popular of these are "per share" and "return" metrics. Many South African companies use additional transformation metrics in their overall LTI performance scorecards.

Since the pandemic the average LTI performance period has shifted towards a longer outlook. S&P 500 companies have seen an increase from 3 to 3.5 years

in terms of performance testing and vesting periods. For JSE companies, the average performance and vesting period for LTIs has increased from 3 to 4 years to 4 to 5. We believe that this might be linked to the management of risk-related to anticipated volatility in the economic and financial markets.

POST-PANDEMIC COMPENSATION ADJUSTMENTS

The global post-pandemic economic recovery has seen most companies return to pre-pandemic incentive frameworks, with some version of business resilience metrics now built into executive scorecards. Many South African companies have introduced crisis management capabilities into executive assessment criteria. Given the learnings from the sudden onset of a global pandemic and the subsequent economic impacts, these changes are intended to appropriately deal with any potential recurrences.

Enhanced malus and clawback provisions are now the order of the day, whether driven by compliance or competitiveness considerations. These are largely to assign appropriate remuneration-related risk management to remcos and/or their boards. The finalisation of US Securities and Exchange Commission regulations in this regard has had a spillover effect even in geographies not subject to SEC regulations.

Many South African companies have introduced crisis management capabilities into executive assessment criteria.

ENHANCED PAY TRANSPARENCY AND DISCLOSURE

Bloomberg's Gender Equality Index (GEI) allows companies to track their own gender inclusion and diversity policies across a global participant group. Some 84% of participating companies now disclose gender pay gaps, while 76% report on executive-to-worker pay ratios. The newly promulgated South Africa Companies Act (as amended) places additional reporting requirements once its provisions are implementable, although many South African companies already report some of these in line with Employment Equity Regulations and King IV.



The importance of not just reporting on these, but also meaningfully addressing any unintended gaps, is spectacularly captured by the recent Disney settlement in the United States. Disney paid \$43.25 million to settle a gender pay lawsuit backed by 9 000 women, before it was heard in court. While Disney was not found guilty, the clear message is that not paying employees fairly can have consequential impact on companies – including reputational damage beyond any related fines or penalties.

The meaningfulness of such reported gaps will become clearer as trend analysis becomes possible over multiple reporting cycles. Regardless of the quantitative ratio or “gap” calculated, the objective of companies should be to identify and then eliminate any unintended biases in their pay systems.

In a recent online salary trends study, Remchannel found that the average South African CEO’s guaranteed remuneration is typically 28 times higher than the average of the Paterson A, B and C (Unskilled, Semi-skilled and Skilled) level employees. Using other methods of calculation, the Palma Ratio suggests that the top 10% earn R2.70 for every R1 earned by the bottom 40%; and the 5:5 ratio indicates that the top 5% earn R13.40 for every R1 earned by the bottom 5%. In terms of gender, in South Africa female pay generally lags male pay by 18% to 25%.

EVOLUTION OF EXECUTIVE REWARD PACKAGES

There is a marked global trend towards enhancing executive reward in a more balanced manner in relation to financial reward. Areas of interest include enhanced mental health benefits, hybrid work policies, and location-independent pay structures.

South African companies have reacted to location-specific issues by incorporating load-shedding mitigation benefits, enhancing security allowances and considering education allowances for dependents for their leadership teams.

We do not expect financial reward to diminish in importance going forward, but South African companies will continue to be challenged to find a sweet spot in their financial reward proposition that allows the non-financial elements to shine through, in retaining their top talent and executives as international employers focus their efforts locally.

LOOKING AHEAD

The evolution of executive pay in South Africa continues to reflect both global practices and local imperatives. Companies must navigate the complex balance between attracting and retaining top talent in a global market while addressing local challenges such as transformation, income inequality, and economic volatility.

Success in executive pay plan design will depend on creating structures that are both globally competitive and locally relevant, while promoting sustainable business practices, social responsibility, and robust remuneration risk management. To use a sailing analogy, the remuneration “boats” (and crew) need to be able to navigate rough waters.

We expect the following trends to gather momentum into 2025:

- ▶ **Growing integration of previously individualised ESG metrics, particularly transformation goals in South Africa**
- ▶ **Evolution of LTI structures to balance retention and performance objectives, while keeping inside with investor and proxy advisers**
- ▶ **Enhanced focus on transparency and robust stakeholder engagement**
- ▶ **Adaptation of benefits packages to address unique local challenges, particularly given the attractiveness of South African talent on a global stage**



ALIGNING BUSINESS STRATEGY AND **TOTAL REWARD**

Why a comprehensive total reward system that motivates and retains top talent enables the achievement of strategic goals.



Prabashini Moodley, Managing Director (MD) of Old Mutual Corporate, began her keynote address at the 2024 South African Reward Association (SARA) conference with a powerful quote from Morris Chang: “Without strategy, execution is aimless; without execution, strategy is useless.” This set the stage for her discussion on the importance of businesses enabling the achievement of their strategic goals through a comprehensive total reward system that motivates and retains top talent.

She stressed that in South Africa, a country with high unemployment yet a large skills gap, leaders must adopt practices that improve talent availability. These practices include improving talent progression and promotion processes, offering fair and equitable pay, investing in effective reskilling and upskilling as business needs and technology evolve, and better articulating business purpose and desired impact so that people work for a greater cause, not just money.

Moodley highlighted the top skills identified by the World Economic Forum, which include analytical thinking, creative thinking, and resilience, flexibility and agility. These skills, she said, are essential not only for attracting the right people but also for continuously developing them to ensure strategic success.

She then shared her personal leadership journey, indicating that her early years as MD were marked by resignations, below-target performance, and moments of self-doubt. However, through introspection and support, she remained committed to her role for the benefit of her team, clients and key stakeholders. Her motivation stemmed from understanding the need to nurture the fundamental human needs that we all have, such as safety and security, social connections, esteem and recognition, curiosity, and learning.

The sweet spot is where five key elements – right talent profile, clear performance scorecards, holistic total reward, effective workplace practices, and enabling culture – overlap.



Moodley shared how she also realised that while fair and equitable guaranteed pay is crucial, other factors are just as important. These include opportunities to earn incentives for exceptional performance, retirement and risk benefits tailored to suit the different life stages of employees, wellbeing support, learning and development opportunities, and flexible work practices within a culture that recognises excellence and holds people accountable for performance.

She noted that the sweet spot is where five key elements – right talent profile, clear performance scorecards, holistic total reward, effective workplace practices, and enabling culture – overlap. To achieve this, Moodley said that organisations must invest in the right talent profile for each business growth cycle, measure performance diligently, reward fairly and comprehensively, and build the right culture and workplace practices.

Success, she concluded, further depends on effective communication of the strategy and all its enabling elements- not only via meetings or emails, but also through one-on-one feedback sessions that foster intimate listening and learning.

TOP 10 SKILLS

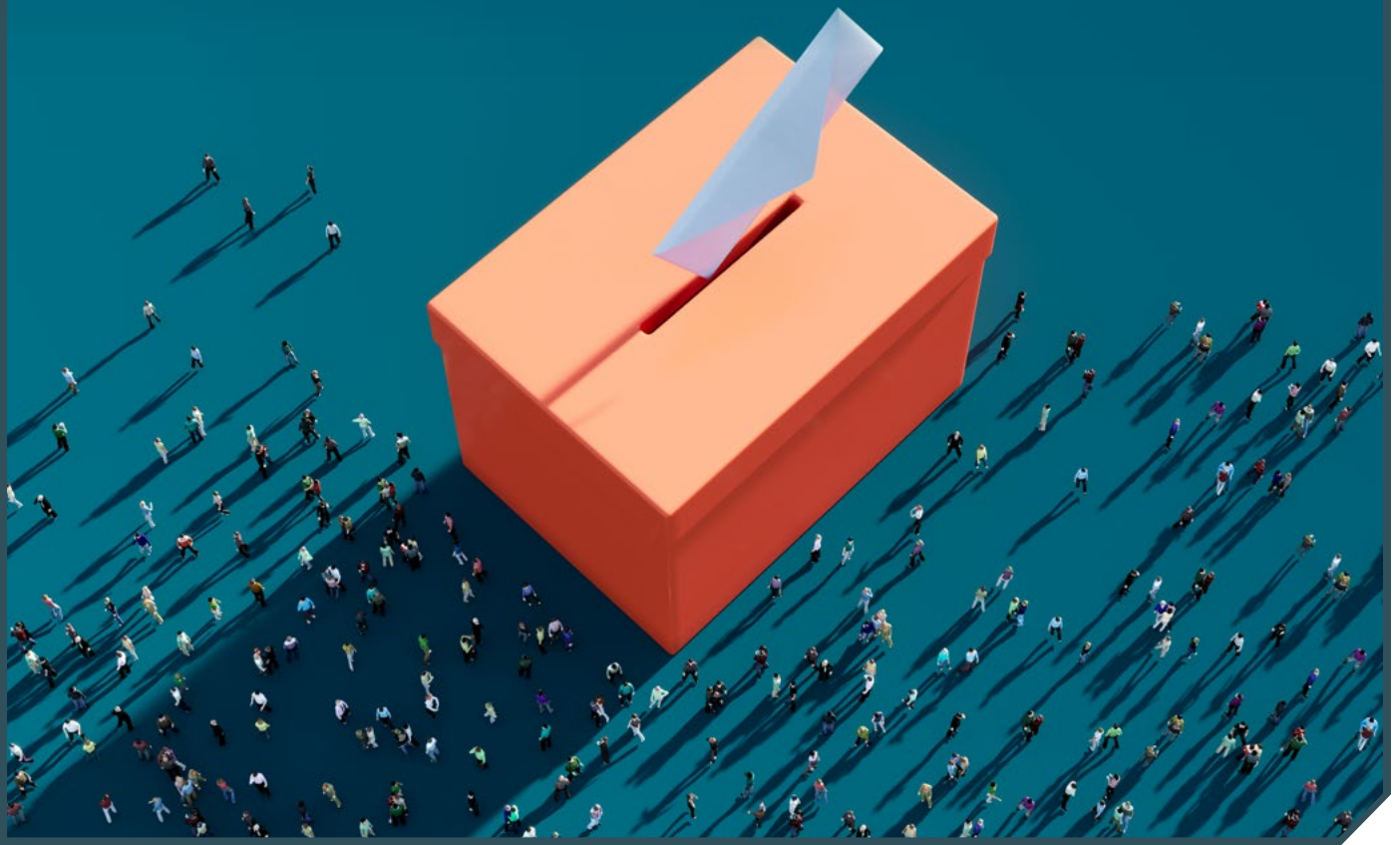
- 1 Analytical Thinking 
- 2 Creative Thinking 
- 3 Resilience, Flexibility and Agility 
- 4 Motivation and Self-Awareness 
- 5 Curiosity and Lifelong Learning 
- 6 Technological Literacy
- 7 Dependability and Attention to Detail
- 8 Empathy and Active Listening
- 9 Leadership and Social Influence
- 10 Quality Control

SOURCE: World Economic Forum, Future of Jobs Report 2023



THE VOTES ARE IN

As the landscape of shareholder power evolves, what are the consequences of not being ahead of the curve?



Currently, the votes for the remuneration policy and implementation report, which take place at the annual general meeting, are non-binding. However, this is set to change. When the enacted amendments to the Companies Act come into effect, shareholders will have a binding vote on the remuneration policy once every three years (or whenever the policy is materially changed) and annually on the remuneration report (which we interpret to be the implementation report).

We therefore suggest that companies analyse their specific shareholders' expectations, paying close attention to voting commentary on their own voting outcomes and other listed entities, and identifying common themes of shareholder dissatisfaction.

WHOSE SIDE ARE SHAREHOLDERS ON?

If past behaviour is an indicator of future behaviour, it is worth analysing the number of JSE Top 50 companies that have received dissenting votes of 25% or more and 50% or more in the past AGM cycle to get a sense of how prepared they are for the proposed amendments.

Three of these companies had dissenting votes of between 25% and 50% for their most recent remuneration policy vote; while seven had dissenting votes of between 25% and 50% for their most recent implementation report vote. At present these companies are required to engage with their shareholders on their dissatisfaction.

If shareholder concerns are not addressed, the dissenting votes could remain or even increase. This could lead to



Getting the reporting right is crucial to avoid the harsh consequences of the amendments.

the harsh consequences stipulated in the proposed amendments. Even companies with favourable voting outcomes should ensure that these levels of shareholder satisfaction are maintained, as changes to a remuneration strategy without adequate engagement could lead to substantial shifts in voting outcomes.

One of these companies had dissenting votes in excess of 50% for their most recent remuneration policy. Under the proposed amendments, such companies would have to present their remuneration policies at the next AGM until approval is obtained. In order to avoid these harsh consequences, it is crucial to have shareholders on your side.

GETTING YOUR REPORTING IN SHAPE

Getting the reporting right is crucial to avoid the harsh consequences of the amendments. Shareholders are likely to vote against what they do not understand. Remuneration reporting can no longer be seen as a tick box exercise.

Glass Lewis recommends that remuneration policies provide clear disclosure of an appropriate framework for managing executive remuneration. While this framework will differ from company to company, it should include a link to the company's strategy, the setting of appropriate limits pertaining to quanta and safeguards to prevent the payment of excessive remuneration or an insufficient link between pay and performance.

The ISS recommends that voting for the approval of an implementation report be decided on a case-by-case basis, with particular attention being given to whether:

- Large increases in fixed remuneration have been implemented which have not been adequately explained;
- The company has made bonus payments, but these have not been clearly linked to performance (including guaranteed bonuses or transaction bonuses);
- The company has made ex-gratia payments or once-off special awards to executives during the year which have not been adequately explained;
- The performance conditions for long-term incentive

schemes, where applicable, are not disclosed, or are not considered sufficiently challenging or relevant;

- Significant termination-related or restraint of trade payments have been made to executive directors, and the reasons for these are not disclosed or, where they are disclosed, do not adequately justify the size of the payment;
- Discretion has been used during the year in a manner not considered consistent with shareholder interests, or the application of the policy is in any way not considered aligned with shareholder interests, with particular attention given to any payments or decisions which have been made outside of the policy framework previously communicated to shareholders; and
- There are other significant governance concerns regarding remuneration practices.

DISCLOSURE AND SELECTION OF PERFORMANCE CONDITIONS

Shareholders demand clear and transparent disclosure on performance conditions. That's nothing new. But determining what that is can sometimes be a challenge for companies. Generally, advice is sought from leading proxy advisers and the voting guidelines of institutional investors.

Old Mutual's view is that personal performance targets for executives must include a combination of financial and non-financial targets. Ninety-One emphasises the importance of clear and meaningful performance metrics and targets, linked to the company's strategy and which includes stretching vesting levels. They prefer schemes with multiple performance conditions.

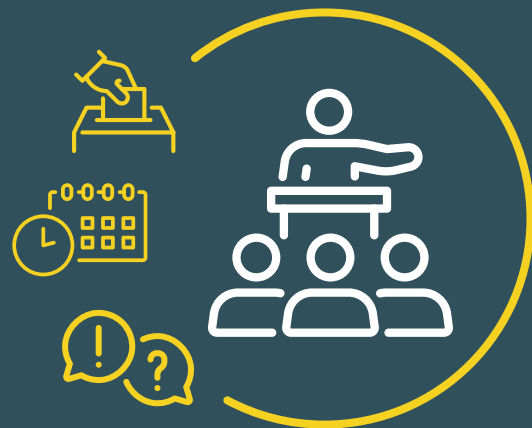
MATERIAL AMENDMENTS

Section 1 of the Companies Act defines material as "means significant in the circumstances of a particular matter, to a degree that is of consequence in determining the matter". However, this does not provide much guidance – so a cautious approach would be to consider any change as a material amendment. This aligns with the approach in the UK.

Another approach may be to consider what would be regarded as material for the company's specific shareholders and institutional investors in general. These include, but are not limited to:

- Changes to the pay mix of executives;
- Changes which result in a significant increase in executive remuneration;
- Amendments to the remuneration structure;
- The introduction of a new variable incentive scheme.

During the current period of transition, it is advisable



CONSEQUENCES OF A FAILED BINDING VOTE

If the remuneration policy is not approved at the AGM, it must be presented at the next AGM, until approval is obtained.

If the remuneration report is not approved at the AGM:

- The Remuneration committee (Remco) must present an explanation on the manner in which the shareholders' concerns have been addressed.
- Non-Executive Directors (NEDs) who serve on the Remco must stand for re-election as members of Remco at this AGM.

If there is a second failed remuneration report vote at that AGM:

- NEDs of the company who serve on the Remco may continue to serve as NEDs, provided they successfully stand for re-election at that AGM, but they will not be eligible to serve on the Remco for a period of two years thereafter.
- The provisions relating to NED Remco re-election and two-year disqualification as Remco members is not applicable to Remco members who have served for a period of less than 12 months in the year under review.

that companies engage with independent consultants such as Remchannel to conduct a full review on their remuneration policy and implementation report and to assist with shareholder engagement.



INDUSTRY LEADER

Remchannel MD Lindiwe Sebesho
reflects on her 2024 SARA
President's Award

Remchannel Managing Director Lindiwe Sebesho was awarded the prestigious 2024 President's Award by the South African Reward Association (SARA). The award recognises her significant and sustained contributions to advancing the reward profession, and her pivotal role in advocating for fair and equitable remuneration strategies. Her work resonated deeply with SARA's theme of "Breaking Boundaries", by advocating for income equity in South Africa.

"I am deeply honoured to receive the SARA President's Award," she said. "This moment is not just a personal achievement, but it reflects my commitment to advocating for income equity in South Africa. It serves as a reminder of the responsibility we all share to ensure that remuneration and benefits strategies are optimised to uplift our society and create a more inclusive future."

She adds that: "The future of remuneration and benefits management is set for transformation, driven by changing employee expectations, greater transparency, robust governance, and the integration of technology in reward strategies. In addition, there is an increasing demand for greater accountability from corporate citizens to promote social equity, by addressing various income gaps. We must adapt to exceed the evolving expectations of the workforce, foster a more equitable society, and serve our various stakeholders effectively."

The SARA President's Award recognises individuals who have made significant contributions to the remuneration and benefits profession, emphasising their commitment to practices that set high industry standards. Winners are selected for their selfless contributions, industry leadership, and dedication to advancing the development of talent and inclusive best practices that underpin the strategic nature of total remuneration.

"Congratulations to Lindiwe on this remarkable achievement! Her dedication and commitment to excellence set a powerful example for our industry," said Prabashini Moodley, MD of Old Mutual Corporate. "She not only breaks barriers but also inspires future leaders in the remuneration and benefits field. We at Old Mutual Corporate are proud to celebrate her success."

The future of remuneration and benefits management is set for transformation.

Sebesho acknowledged her supporters: "I am grateful to Debbie-Lane Mitchell for the nomination, the SARA Exco for their endorsement, and SARA immediate past President Nicol Mullins for this award. A special thank you to my colleagues at Remchannel and Old Mutual Corporate and the clients we serve for their support. I truly appreciate the leaders, mentors, and fellow industry experts who have inspired me along the way. I hope all who have contributed to my growth share in this pride, and together, we will continue to make a positive impact."

Sebesho remains committed to various community initiatives and mentorship within the profession, ensuring that future generations receive the support needed to thrive. "I am excited about the opportunities ahead and am determined to continue promoting remuneration and benefits practices that advance the profession and the contribution we make to society," she concludes.

TRACK RECORD

Remchannel MD Lindiwe Sebesho's career highlights

- 2022 Remuneration Report of the Year Award as a lead of the Barloworld Reward Team
- Contribution to Telkom's second-place win in the same category in 2023
- Service as past President, current Exco member, and previous member of the judging panel for the Remuneration Project of the Year Award



**THE REMCHANNEL TEAM
REFLECTS ON AN
AMAZING YEAR
OF GROWTH
AND SUCCESS**



- ▶ **Thando Mokaulezi joined** the Executive Reward team.
- ▶ **Louna Robbertse and Gizelle Erwee graduated** from Old Mutual's Transform Leadership Programme.
- ▶ **Anita Wing was one of the onshore winners** at the Old Mutual Corporate Re-imagine awards.
- ▶ **Interns Bokang Phoshana and Elizabeth Rantho joined** the Remchannel team this year.
- ▶ **Mpho Molakeng, Ludwe Nqwena, Siphiwe Ngwenya, Clarissa Poonawassy and Stephanie Booyen all earned promotions this year**, growing into more complex roles in IT support and Key Account Management.
- ▶ **Corne Du Plooy, Theresa Kite and Kristine Joseph enjoyed a top year** in terms of sales performance.
- ▶ **Remchannel, represented by Theresa Kite, Siphiwe Ngwenya, Maxine Fourie and Sonja Otto donated school shoes** to deserving young learners at Thembaletu Primary School in Soweto.
- ▶ **Remchannel participated in** the inaugural Old Mutual Corporate Thought Leadership Forum.
- ▶ **Our Benefits Guide and Salary and Wage Movements** survey continued to guide the industry's pay and benefits decisions.
- ▶ **2024 saw the launch of Talent Vantage™**, our strategic initiative in partnership with our Old Mutual Corporate Consultants colleagues.
- ▶ **The 2024 South African Reward Association (SARA)** conference was a highlight of the year, featuring a keynote address by Old Mutual Corporate MD Prabashini Moodley.
- ▶ **A proud moment as Remchannel MD Lindiwe Sebesho** was awarded the 2024 SARA President's Award for her sustained contributions to growing young talent and advancing fair and equitable reward practices in South Africa.



Workshops

- ▶ INCENTIVE DESIGN - 12 & 13 March 2025
- ▶ JOB PROFILING AND JOB EVALUATION - 18 & 19 March 2025

SURVEYS

- ▶ SALARY & WAGE SURVEY - April 2025
- ▶ SOUTH AFRICAN EMPLOYEE BENEFIT SURVEY - December 2025

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THE BIG BUSINESS INSIGHTS PODCAST IS BACK!

Old Mutual Corporate has launched the third season of its podcast series – **Big Business Insights** – with this season featuring even more thought leaders and experts than before.

Big Business Insights is an informative and highly engaging podcast that educates, inspires, and gives a 360-degree view of the topics each episode explores – past experiences, current conditions, and future potential in the corporate work and retirement fund spaces, to equip leaders with the knowledge to deal with the ever-changing nature of their business world.

Blessing Utete, Managing Executive at Old Mutual Corporate Consultants, is back as host. Over the six episodes of this season, he engages in conversation with

various expert guests from Old Mutual Corporate and the greater business and academic communities.

The episodes, each around 20 – 30 minutes long so easy to squeeze into a lunch break or commute, cover a range of topics that impact business leaders today:

- **How to lead with authority and empathy**
- **Life after work and the future of retirement**
- **The impact of AI on large organisations, their clients and staff**
- **How to offer financial wellness programmes your employees will trust**
- **Issues facing women in business**
- **Rethinking retirement for an uncertain future**
- **And more!**

Tune in on your preferred podcast platform like Spotify or Apple Podcasts, or listen to the series on the Old Mutual Corporate Resource Hub at oldmutual.co.za/corporate/resource-hub/podcasts/.

ARE YOUR SALARIES COMPETITIVE?

Attracting, engaging and retaining top talent is a never-ending quest for employers.

Remchannel has spent more than 25 years providing employers with actionable insights through its Salary and Wage Movement Survey.

The survey's insights can help your organisation make informed salary increase decisions, plan strategically, remain competitive, and create the human-centric employee value propositions needed to retain critical skills in the workforce today.



Scan the QR code to download a free summary of the survey. If you'd like to participate in the next survey.

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