

(Logo for the Cooperative)

(Name of the Cooperative)

REMUNERATION POLICY

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1.0 PREAMBLE

To achieve the cooperative's mission and strategic objectives, the cooperative shall adopt a suitable remuneration policy which shall ensure that all general members, the Board of Directors, staff members, are remunerated fairly and are treated consistently throughout. At the same time the cooperative shall adopt proactive remuneration strategies aimed specifically at the co-operative societies sector, to attract, retain and motivate its stakeholders. The policy shall be read with the Human Resource policy where applicable.

2.0 DEFINITION OF KEY TERMS

In this policy, the following words shall have the following meanings, unless the context clearly indicates otherwise:

Acting allowance refers to a benefit for an existing employee who has been temporarily appointed to a higher-level position vacated by an incumbent who is expected to return to the position at a later date and at which time the acting appointee shall return to his former position.

Allowance means the remuneration paid to any Board Member or Special Committee Member and any other officer of the cooperative in consideration for services rendered to the Cooperative on a regular basis or on specific time frames.

Bonus means an extra payment above monthly salary made to employees yearly, on terms and conditions prescribed in the Human Resource Policy.

Breakfast allowance means payment made in lieu of breakfast to Members, Board Members and Staff when conducting the society's business.

Dividends means a share of the net surplus of the cooperative distributed among the members in proportion to the paid-up share capital held by them in the Cooperative.

Fringe Benefits means additional benefits provided to the Cooperative employees on top of their salaries

General Membership means Members of the Cooperative.

Housing Allowance means an amount of money that is given to the employees of the Cooperative which is a percentage of their basic salary to cater for housing expenses.

Honoraria means a portion of the net surplus of a Cooperative divided among some or all of the Members of the Board of Directors of the Cooperative in consideration for their services which would not otherwise be remunerated.

Interest on savings means returns on Members' savings calculated based on the profitability of the Cooperative.

Lunch allowance means payment made in lieu of lunch to Members, Board and Staff when conducting the society's business.

Management Committee/Board means the Board of Directors or governing body of the Cooperative to which the management of the affairs of the Cooperative are entrusted.

Overtime means time worked after the normal working hours and normal working days.

Pension fund means an investment product into which both employer and employee make contribution to build up lump sum to provide income upon retirement of an employee.

Rates means the rate applicable to the particular country being visited.

Sleep out allowance means allowance paid per night outside normal work station.

Policy means documented guidelines that have been approved by the General Membership or Board of Directors to guide the operations of the Cooperative.

Provident fund means a statutory contribution made by both employer and employee towards retirement of the employee.

Reimbursement means compensation for expenses incurred for the Cooperative approved business expenses or travel.

Salaries means monthly remuneration for employees of the Cooperative.

Sitting allowance means compensation for Board Members for attendance to the Cooperative's official meetings or business.

Statutory deductions mean deductions on employees pay as per the Eswatini Labour Laws.

Staff members means employees of the Cooperative.

Stipend means a form of compensation paid to Interns to help cover basic costs while they receive career training.

Subsistence allowance means an allowance advanced to a Member, Board Member and Staff to cover living expenses particularly in the context of travel.

Travel reimbursement means compensation for travelling costs.

3.0 OBJECTIVES

- 3.1** To reward and motivate individuals for their performance and to encourage the same for the benefit of the Cooperative.
- 3.2** To allow the Cooperative to compete effectively in the labour market and to recruit and retain high caliber Staff and General Membership.
- 3.3** To achieve fairness and equity in remuneration and reward.
- 3.4** To ensure that the Management Committee is adequately compensated in line with the Cooperative Societies Act.

4.0 AUTHORITY AND RESPONSIBILITY

The Remuneration Policy is a document that forms the basis of remuneration within the Cooperative. The Board of Directors shall ensure good governance and apply oversight of the Remuneration Policy.

5.0 POLICY STATEMENT

The Cooperative seeks to remunerate its stakeholders in a manner that supports the achievement of its Mission, Vision, and Strategic Objectives whilst attracting and retaining skilled personnel and rewarding high levels of performance.

6.0 GUIDING PRINCIPLES

- 6.1 Transparency:** the process of remuneration shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 6.2 Market-related remuneration:** the Cooperative shall measure its remuneration practices against national and prevailing market data.
- 6.3 Flexibility:** remuneration and reward offerings shall be flexible to meet both the needs of individuals and those of the Cooperative whilst complying with relevant Tax Laws and other relevant Statutory Frameworks and provisions.

7.0 POLICY PROVISION (Customise)

There shall be one remuneration approach. It shall be the ‘basic salary plus add on’ approach, whereby the basic salary determined by the Management Committee (Board) to which a number of benefits are added to achieve the total cost of employment.

8.0 MANAGEMENT COMMITTEE (BOARD) REMUNERATION

8.1 SITTING ALLOWANCE

- a) The Management Committee, Supervisory Committee and other Committees shall be paid a sitting allowance of on every sitting or meeting. It shall be reviewed by the Management Committee (Board) and approved by General Membership. The sitting allowance shall be taxable in accordance with the Tax Laws of Eswatini.
- b) A Board Member shall not be paid the sitting allowance under the following conditions:
 - (i) When is late by thirty (30) minutes or more for that meeting without prior reporting to the Chairperson.
 - (ii) When a meeting is aborted as a result of the Board Member's doing.
- c) Management Committee (Board) Members attending meetings shall be provided with refreshments allowance to the maximum of
- d) Management Committee (Board) Members shall be entitled to subsistence allowance for attending a local sponsored course, workshop, seminar and conference at a rate of per day.
 - i. Where it is not sponsored, full rate.
 - ii. Where it is partially sponsored, half rate.
 - iii. Where it is fully sponsored, quarter rate

8.2 REIMBURSEMENT

- a) Personal transport allowance shall be paid at a rate of per Kilometer for Board Members and staff.
- b) Board Members and staff travelling by public transport shall be paid an amount equivalent to bus fare.
- c) All approved expenses personally incurred by Board of Directors in executing the Cooperative duties shall be refunded upon submission of proof of expenses incurred.
- d) Staff Members shall be entitled to Sleep-Out Allowance for being away from their normal place of residence within the country on official duties. This allowance shall be at the rate of plus travelling allowances at the rate ofper KM for Management, and for other Staff Members.

8.3 SELECT / SPECIAL COMMITTEE (AD-HOC)

- a) A Special Committee selected by the Management Committee shall be paid a sitting allowance equivalent to the normal Board sitting allowance.
- b) A Special Committee Member shall be paid their sitting allowance after the approval of the Management Committee (Board) Chairperson.
- c) The rules that govern the management Board's meeting will also apply to the Special Committee's meeting.

8.4 SUBSISTENCE ALLOWANCE

- a) Board members shall claim International Per-diem travel at the rate of US dollars per night.
- b) In case a Board Member incurs expenses higher than initially expected, he must request reimbursement with valid receipts to support the request.
- c) Board Members shall be entitled to Subsistence allowance for being away from their normal place of residence within the country on the Cooperative official duties. This allowance shall be at the same rate as the sitting and travelling allowances.
- d) In the event of a fully sponsored International workshop (accommodation and all meals paid for), Per-diem shall be calculated at half subsistence allowance, that is US dollars

8.5 INCIDENTAL ALLOWANCE

Incidental allowance shall be paid to any Board member on condition that the same shall be retired with receipts

8.6 HONORARIA

- a) The services of the Management Board shall be honorary. Board Members may receive honoraria provided that the payment has been authorized by General Membership in a General Meeting. The allowance shall be taxable in accordance with the Tax Laws of Eswatini.
- b) The Management Committee (Board) Member who is in receipt of a fixed retainer allowance shall not be entitled to receive an honorarium.

9.0 STAFF REMUNERATION

9.1 SALARIES

- a) The staff salaries must be competitive in the employment market and commensurate with hard skills and experience to ensure that the needed manpower and skills are attracted, acquired, and retained.
- b) There shall be a salary structure with Grades and Salary Scales which shall be prescribed by the Management Committee (Board).
- c) Cost of living adjustment shall be done annually, based on the National Index of the Cost of Living.
- d) Salaries shall be reviewed every three years in line with performance appraisals.
- e) The pay period shall be on monthly basis.
- f) Bank transfers shall be made out in the name of the employee after the approval of the Treasurer (**Customise**)
- g) The pay day shall be on the of each month or earlier if the date falls on a weekend or public holiday.

9.2 EMERGENCY SALARY ADVANCE

- An emergency salary advance may be granted to an employee where an unforeseeable situation has resulted in serious financial hardships to the applicant.
- If the Manager /Treasurer considers that the application is a proper one, he/she may approve the advance.
- The advance shall be paid back over a period of not more than months.
- No interest shall be paid on the amount. The monthly payment shall be deducted from the employee's salary until amount is fully paid.

9.3 OVERTIME

- a) The working of overtime must be approved by the Manager before being taken.
- b) The overtime shall be payable at least 1.5 times the hourly rate, applicable in normal working days.

- c) The overtime worked on Sundays and public holidays, shall be at least 2 times the hourly rate.
- d) Payment of overtime shall be done on a monthly basis.

9.4 PENSION FUND

- a) Permanent/contract Staff of the Cooperative shall be a member of a pension scheme.
- e) A member of the pension scheme shall contribute not less than 5% of his basic salary to the scheme, and the Cooperative shall also contribute 15% to the scheme.
- f) All Cooperative employees are entitled to times their annual salary as a life cover upon death and disability but not more than

9.5 STATUTORY PROVIDENT FUND

- a) All Cooperative employees shall contribute to the Eswatini National Provident Fund as per the labour laws of Eswatini.

9.6 REIMBURSEMENT

- a) All approved expenses personally incurred by the employees of the Cooperative in executing its duties shall be refunded upon submission of proof of expenses incurred.
- b) No refunds shall be made to employees for using personal vehicles on official business without the prior approval of the Manager.

10.7 ACTING ALLOWANCE

- a) An Acting Allowance is payable when a Staff Member is required to undertake the full duties and responsibilities of a higher-level post for a minimum of days and a maximum of (..... working days.)
- b) A Staff Member may not be appointed in an acting capacity to a position which is higher than two levels above their substantive post level and should meet most, if not all, of the minimum requirements of the higher-level post.

9.8 ANNUAL COST OF LIVING ADJUSTMENTS

- a) Cost of living adjustment shall be done annually, based on the National Index of the Cost of Living.
- b) All increases shall be to the basic remuneration and applicable benefits.

9.9 FRINGE BENEFITS

- a) All staff members shall be entitled to a medical aid benefit in which the employer pays% of the total contribution and the employee contributes%.
- b) Employee's contribution towards Medical Aid shall be deducted from the employee's salary every month.
- c) Contributions towards Medical Aid are subject to review from time to time.

9.10 SUBSISTENCE ALLOWANCE

- a) The Cooperative employees shall be entitled to the allowances to cover costs of being away from home but on official business.
- b) Subsistence Allowance shall be calculated at the rate of US dollars per night for management and US dollars per night for other Staff Members based on the rates attached herein.
- c) In case a Staff Member incurs expenses higher than initially expected, he/she must request reimbursement with valid receipts to support the request.
- d) In the event of a fully sponsored International Workshop (accommodation and all meals paid for), Subsistence Allowance shall be calculated at quarter rate, (..... US dollars for Management and US dollars for other Staff Members.
- e) Staff Members shall be entitled to Sleep-Out Allowance for being away from their normal place of residence within the country on official duties. This allowance shall be at the rate of plus travelling allowances at the rate of per KM for Management, and for other Staff Members.

9.11 HOUSING ALLOWANCE

- a) All employees shall be entitled to housing allowance.
- b) The housing allowance shall be (.....%) of the employee's basic salary.

9.12 COMMUTING ALLOWANCE

- a) Commuting allowance shall be paid to all permanent Staff Members who use private or public transport to work.
- b) A fixed amount ofshall be paid on a monthly basis to Management.
- c) Other staff shall claim commuting reimbursement based on public transport fare.

9.13 BONUS PAY

- a) A performance bonus shall be paid to all employees of a Cooperative as prescribed in the Human Resources Policy.
- b) Notwithstanding (a) above, bonus pay shall be at the discretion of the Board of Directors, subject to the availability of funds and quality performance of both the business and individual staff members.
- c) Bonus is payable at the end of calendar year and the maximum payout shall be equivalent to an employee's basic salary.
- d) Employees who shall be entitled to bonus pay must have completed twelve months with the Cooperative when it is due for payment. **ONLY ACTIVE STAFF SHALL BE ELIGIBLE.**

9.14 13th CHEQUE

Employees may be entitled to a 13th Cheque payable in December of each year.

9.15 CASUAL EMPLOYEES

- a) The casual employees shall be paid according to the grade of that position but shall not be entitled to benefits.

9.16 INTERNS STIPEND

- a) Tertiary Interns shall be paid an allowance that shall be determined by the Board from time to time.

9.17 ACTING ALLOWANCE – Refer to Employment Act

Acting allowance shall be fixed at **7%** of the employee's basic salary for the current position. Acting period for any position shall not exceed 6 months.

10 GENERAL MEMBERSHIP REMUNERATION

10.1 DIVIDENDS AND INTEREST ON SAVINGS

- a) The Cooperative members are entitled to dividends based on the profitability of the Cooperative at the end of the financial year.
- b) Dividends shall be paid to the members or re-invested immediately after the Annual General Meeting **(Customize)**.
- c) The Cooperative members are entitled to interest on their savings at the end of the Cooperative's financial year based on the performance of the Society, capital adequacy and liquidity position.
- d) The interest on savings shall be payable after the approval of the General Membership at the Annual General Meeting.
- e) Members who have pending disputes with the Cooperative shall receive their dues after settlement of disputes.
- f) Members who are in default on their loan repayments shall have their interests credited to their loan accounts with the amount in default.
- g) Interest on savings can be reinvested into any of the withdrawable savings on members' request.

11.0 BREAKFAST AND LUNCH ALLOWANCE (Customize)

- a) The Cooperative members shall be entitled to a breakfast allowance at the expense of the Cooperative and lunch allowance of for attending General Meetings.

12. REVIEW OF THE POLICY

The policy shall be reviewed once every three years or as determined by the Management Committee (Board) in order to ensure that the remuneration objectives are being achieved.

13. POLICY ADOPTION

We, the undersigned, individually and collectively, give commitment to the implementation of the Human Resource Management Policy by appending our signatures.

ADOPTED AND SIGNED ON THE DAY
OF.....202.....

Chairperson

Vice Chairperson.....

Secretary.....

Treasurer.....