

REMUNERATION POLICY

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REMUNERATION POLICY

Preamble

Against the background of our vision to discover new frontiers and opportunities that benefit society, thereby advancing our relevance and impact, the Council of the North-West University (“NWU”, “university”) adopted this policy on 19 November 2025 to inform and direct all decisions relating to the reward and recognition practices of the University applicable to permanently appointed employees.

1 Interpretation and application

This policy must be interpreted and applied consistently with all relevant legislation and policies of the University.

2 Policy statement

Recognising that remuneration is just one factor in employee motivation and engagement, the NWU’s policy is to create an environment and framework that enables the University to remain competitive by positioning itself as an employer of choice which successfully attracts and retains talented permanent employees by adhering to the remuneration directives set out below.

2.1 Primary objective

The primary objectives of the NWU’s remuneration philosophy are to –

- attract, motivate, engage and redeploy high-performing talent to enable the University to achieve its strategic goals;
- create an environment that motivates and reinforces superior performance;
- utilise an integrated performance management approach in acknowledging excellent organisational, team and individual performance;
- create a convincing and inclusive employee value proposition, balancing the remuneration and benefits received by employees in return for their performance at the University, while considering the NWU culture to attract and retain high-caliber talent, and
- ensure that all remuneration costs are managed effectively within the framework of the financial success model contemplated in the NWU Strategy 2024-2030.

2.2 Internal Equity and Parity

- 2.2.1 Remuneration must strive for internal equity, free from unfair discrimination based on race, gender, marital status, ethnic status, social status, sexual orientation, age, disability, religion, culture, language or associations that are not central to the University, or any other arbitrary grounds.
- 2.2.2 All posts in the University must be evaluated using the Peromnes grading system to determine their relative value and contribution in terms of complexity and required outcomes, and they must be managed within the framework of the financial success model referred to in 2.1.
- 2.2.3 Annual adjustments to the remuneration of individual employees may be differentiated to achieve consistency in remuneration and close gaps in order to achieve internal parity.
- 2.2.4 An annual cost-of-living increase must be approved by the UMC and implemented as agreed in the negotiating forum.

2.3 External Market Competitiveness

- 2.3.1 The University must pursue external equity within the constraints of affordability and sustainability, in line with the NWU Strategy 2024-2030-
- 2.3.2 Annual surveys must be undertaken by People and Culture to ensure the competitiveness of remuneration, using reputable survey houses.

2.4 Pay differentiation

- 2.4.1 Where scarce competencies need to be attracted, motivated or retained, individual employees may be remunerated in line with the relevant specialist markets, preferably by means of non-pensionable allowances.
- 2.4.2 The non-pensionable allowances referred to in 2.4.1 only apply to employees whose scarce competencies have been identified through demonstrable research.
- 2.4.3 The non-pensionable allowance referred to in 2.4.1 must be reviewed annually to determine whether there is a continued need for differentiation.
- 2.4.4 Additional non-pensionable allowances may be paid where the location of NWU campuses makes it difficult to attract and retain staff.
- 2.4.5 Considerations of market competitiveness must be based on the total cost to the company (guaranteed salary package), considering the following principles:
 - all employees are entitled to the same range of employee benefits appropriate to their role levels;
 - individuals must have some choice in the benefits mix, and
 - remuneration scales must be reviewed annually.

2.5 Recognition and Development

- 2.5.1 The University must encourage employees to enhance their skills and competencies in line with its needs, operational and strategic objectives, and job profiles, to ensure that employees develop in accordance with the NWU success model referred to in 2.1.
- 2.5.2 The attributes of employees that the University must recognise and develop may be determined and prescribed from time to time by the UMC, after consultation with relevant university stakeholders

2.6 Pay for Performance

- 2.6.1 Performance that supports the advancement of the University's strategy, goals, and objectives contained in its Strategy and Annual Performance Plan must be recognised and acknowledged.
- 2.6.2 Remuneration for performance must be aligned with the University's performance management system, the goal being to create a high-performance culture and reward superior performance.
- 2.6.3 Objectives of the remuneration policy must be to –
 - remunerate employees at the market median;
 - pay annual performance bonuses in line with performance management principles to promote high performance.

2.7 Organisation culture and living the values

The NWU's foundational values must be furthered by ensuring that an additional "living the values" metric is included in all remuneration decisions to support and reinforce a culture of belonging and to promote the values of –

- academic integrity;
- academic freedom and freedom of scientific research;
- responsibility, accountability, fairness, and transparency; and
- embracing diversity.

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