

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 3315 [NW3971E]

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Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether provision has been made for the award of short term bonuses with regard to the remuneration of the Public Investment Corporation; if not, why not; if so, what are the relevant details;
- (2) whether any short term bonuses were awarded; if not, why not; if so, (a) what are the (a) bonus amount and (b) the reasons for the bonus payment?

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REPLY:

- (1) Yes, there is a short term incentive scheme at the PIC. It is a discretionary scheme based on the achievement of specific targets and objectives both in terms of the corporate balanced scorecard as well as the balanced scorecards of individual employees. The PIC's strategic plan is used to draft a corporate balanced scorecard with stringent performance targets. The corporate balanced scorecard gets approved by the board of the PIC. The Board in consultation with the human resources and remuneration committee scores the corporate balanced scorecard at the end of the financial year. The score of the corporate balanced scorecard determines the size of the bonus pool. The corporate balanced scorecard is used by both the investments and operations teams and it is cascaded down to balanced scorecards for each employee of the PIC. An individual employee's score and the bonus payable to the employee are determined by a formula that takes into account the company score and the specific divisional score as well as the individual employee's score.
- (2) Yes, for the 2010/11 financial year short term bonuses were awarded. The bonuses were awarded for exceeding performance targets as set out in the different balanced scorecards. Details of these payments are disclosed in the PIC 2010/11 integrated report.