

Attn: AfrikaBurn Members,

20th October, 2012

AfrikaBurn Employment Policy for formal adoption by Members at 20th October 2012
Annual General Meeting

Following the June 2012 bosberaad, the volunteer AfrikaBurn Compensation Team was mandated by members to implement employment plans conceived and formerly adopted by members at the bosberaad.

The process required three core elements:

- 1) Developing, drafting and refining quality long term "Employment policy" for the organisation.
- 2) Refining and optimizing the 2012/13 "Schedule of Pay" which includes details of available paid positions within the organisation, rates of pay, and employment periods.
- 3) Developing, drafting, and refining Employment contracts for all staff. These primarily fall into three categories: Directors, Portfolio Coordinators, and Portfolio Staff.

The Compensation Team's proposed order of events was to first achieve agreement with (and amongst) Directors on Employment Policy and Schedule of Pay followed by Contract implementation, and then finally actual jobs starting and payments made to staff.

The Members had hoped that this process could be wrapped up by the end of July. However, unfortunately for all concerned, this has not been the case. First draft policy was sent to all Members and Directors in late July. Subsequently, following a written counter-proposal from Directors, an amended policy was distributed by the Compensation Team on 3rd September. In the period from the first late July distribution until the AGM, there have been no formal objections to any policy elements from any Members (in their capacity as Members). And the Compensation Team has generally received encouragement and approval from Members engaging with these matters.

Nevertheless, the process has taken two months longer largely due to various key people being away at different times and a lack of comprehensive agreement between Directors (amongst themselves) and the Compensation Team on what is indeed in the best interests of the company.

Although frustrating for those concerned, the Compensation Team believes that the results of a longer consultative and consensus driven approach are improved policy, pay schedules, contracts and ultimately the greater buy-in of all stakeholders.

The Compensation Team would like to thank Directors Sam, Robert, Liz and Monz for their very significant investment of time and effort into this process.

The Employment Policy has been primarily drafted by Richard with considerable assistance from Sebastian. The Contracts were drafted by Sebastian, Jacqui, and Richard. Sebastian sends his apologies for not being able to make the AGM ... he really wants to be at the AGM and see this wrapped up.

Please note: The policy has been written in various tenses and it's not stylistically optimal. It's really been originally written as a letter to Directors & Members. However, we feel that in the course of the various drafts the ambiguity has been removed, that it's sufficiently clear on all issues (that we have contemplated at this point in time) and is thus suitable as a policy document.

We are satisfied with what's being presented at the 2012 AGM, and we firmly believe that the implementation of this policy, pay schedule and related contracts will very significantly contribute to transforming AfrikaBurn into a much better functioning organisation, and lay solid foundations for healthy long term growth. In short – we recommend adoption.

Yours in flames,

AfrikaBurn volunteer Compensation Team

(Richard Bowsher, Sebastian Prinz & Jacqui Woolfson).

AFRIKABURN EMPLOYMENT POLICY

PLUS ADDENDUM 1 - SCHEDULE OF ROLES & PAY for 2012/13 CYCLE

Good employment process and policy (which is worth adopting) needs to meet the following criteria and goals:

- a) It needs to be practically implementable by the team we have (including Members, Directors and Portfolio Coordinators) in the short term.
- b) It needs to become easy to manage and cyclically straight forward in the long term.
- c) It needs to be as open, fair and transparent as possible in the short term and long term.
- d) It needs to favour good performers/contributors and create tools and systems for change where staff (paid or voluntary) are not meeting their commitments.
- e) It needs to honour and favour those that have worked within the organisation in the past, and who have done a reasonable job, and who wish to continue.
- f) It needs to continue to open up all levels of the organisation and AB employment opportunities to our greater community in the medium and long term in a clear, structured and understandable open way.
- g) It needs to favour continuity and the smooth as possible transition from where we have come from to where we are going.
- h) The processes and policies need to be changeable if they are not working.
- i) It needs to comply with SA labour law and good practice.
- j) Some others we can't fathom yet or remember ...

The following employment processes and policies are adopted:

- 1) Directors get employed first. Once Directors have signed their contracts and are employed, they become principally responsible for filling the Portfolio Coordinators and Portfolio Staff roles. So, simply put, as in any company the Directors have senior HR responsibility to diligently and professionally handle the hiring of the other staff.
- 2) In fairness to past contributions and in favour of continuity within the organisation, incumbent Directors have the option to remain in their existing positions. Robert, Monza, Liz, Sam and Ardi are the existing Directors. Should they wish to continue, we propose that they have the option to sign a 15 month (see

point 8 below) fixed term Directors employment contract and start work as such on August 1st, 2012 and ending at the 2013 AGM in Oct 2013.

Following signature, their first salary of R5000 would be paid (less taxes etc) at the end of August and on a monthly basis. The Directors contracts define a whole range of very senior responsibilities and accountabilities very clearly. The Director positions are going to require significant amounts of work and focus going forward. If any Director feels he/she may not meet their obligations, then they should not enter into such employment, and should resign forthwith.

For eligibility to apply as a Director applicants/nominees must be able to show a significant history of volunteering and contribution of effort to the organization of AB in the past.

After nomination (or application), the applicant should send a letter of application and motivation, at least one month prior to the AGM meeting, to be circulated amongst all Members and Directors. This letter of motivation should include an up to date resume, and references. Applicants may be required to meet with Directors to answer questions, discuss issues, and discuss the role.

- 3) In fairness to past contributions and in favour of continuity within the organisation, incumbent Portfolio Coordinators (and paid staff within portfolios and volunteer staff) have the option to remain in their existing positions. Should they wish to continue, they will have the option to sign the one year (or in some cases 6 months or less) fixed term employment contracts and start work as per their agreements. The Portfolio Coordinators and Portfolio Staff contracts define a whole range of very senior responsibilities and accountabilities very clearly. These positions are going to require significant amounts of work and focus going forward. If anyone feels he/she may not meet their obligations, then they should not enter into such employment.

If there is a position which an incumbent does not wish to fill, then the role (including description & pay) should be advertised on AB's web site and newsletter with a clear application process and deadline. Applications will then be reviewed by Directors, and they (or an appointed Director) would interview and appoint the most suitable applicant. This is a very normal and standard employment process. When deciding on applicants, Directors should create some form of weighting system. The weighting system should favour past contributions to the AB organisation and events.

- 4) In the interests of building a larger organisation (with greater number of engaged staff) which spreads the experiential benefits of participation, expands the resources and impact and participation of the organisation, and spread the benefits of company remuneration from a few to many, from August 2012 onwards there should be no stacking of roles above two paid roles. Nobody should be able to fill two major Portfolio Coordinator roles simultaneously. The current major portfolios are Communications, Art/Creative and Financial/Governance.

So, for example, Liz is currently a Director and is currently both the Financial Portfolio Coordinator and the Volunteer Portfolio Coordinator. The effect is that, going forward, she may only elect to fill two of these three positions.

The organisation believes getting more people involved and spreading roles and responsibilities in an organised manner are 100% consistent with the output of both the 2011 and 2012 Stofberaad and the input received from Burning Man. Members are fairly clear in not wanting increasing concentration of influence, decision-making, and remuneration amongst a few key people. Nor do they want to fly off in the opposite direction and loose key people because they don't feel appreciated, or satisfied within their job, or because they can't afford to get by on the pay received. All these things have to be kept in balance. The policy proposed allows for all these goals to be met.

Of course, looking forward the organisation expects that AB will grow and its employment budgets will also grow. This will hopefully enable us to pay increasing salaries to Directors, Portfolio Coordinators and staff going forward.

- 5) For one or two roles, we note that the incumbents may not want the role or have not worked out how they wish to proceed. Of course, it's important to solve the areas of uncertainty. However, it's much more important that the organisation moves rapidly forward in a considered yet swift manner to prioritize and conclude Directors and Portfolio Coordinators and Portfolio Staff appointments where the incumbents do want to proceed (and are ready to sign, the roles have been defined and contracts drafted). The organisation will work against moving at the pace of slowest decision makers. If 90% of people are ready to roll, then Directors are required to sign those folk up and move forward. A clear plan, mandate, and related decisions have been achieved at the Stofberaad. We are all obligated to act on these decisions.

- 6) Where a new role is created such as the case of the newly formed Outreach Portfolio Coordinator and there is no incumbent, or where more than one candidate possibly wants to fill the role, interested parties should apply to Directors along with resume (indicating relevant experience) and letter of motivation. Directors will interview and appoint the most appropriate candidate. If these candidates are both Directors (as possibly may be the case with Robert and Monz if they both end up applying), then the applicants will recuse themselves from the decision making process. If this is still felt to be a bit hard, personal, or "close to the bone" for the remaining Directors, then the remaining Directors seek help from Members to do a vote determining who to appoint.
- 7) Initially the compensation team struggled with reconciling the AGM date with the employment cycle. The compensation team thought maybe the AGM should be moved to earlier in the year. This is challenging because the financial year end is July.

Then the more the compensation team thought about it, the more this split cycle seemed distinctly preferential and advantageous to the organisation. So, it has been agreed that there are two different employment appointment cycles.

- a) The first is the AGM cycle. Directors must be appointed at the AGM and that their contracts will be fixed for 12 months (apart from the once off 15 month contracts to be provided to Directors in August 2012. Thereafter, a 12 months cycle will apply going forward). This is of course subject to (and superseded by) the Company new Memorandum of Incorporation where relevant. The AGM is planned for the second Saturday of October each year. The date must remain firm and fixed in stone so that the Directors employment contracts are matched, and all Members and interested parties can put it into their diaries once and for all and forever.
- b) The second is the employment cycle for all other staff (i.e. Portfolio Coordinators and Staff within portfolios). These will run on a 1st August to 30 July cycle. It is beneficial to have the Directors and all other staff contracts on different cycles.

The two varying cycles for different forms of employment contribute to removing employment management complications and conflict of

interests. Come July, the Directors would be established, comfortable and experienced in their positions.

The early/mid June date for the Stofberaad is great, and Members agree that it is also set-in-stone date as the second weekend in June every year. In 2013, the stofberaad will be held on the weekend of 15-16 June. There will also be an annual post-event debrief by the AfrikaBurn event operations team and company staff held very early in June. The 2013 debrief will be on 1st June.

The Directors will receive clear direction from Members (and other interested parties) at the Stofberaad and can structure the company's employment needs around these annually revised goals, advertise (if necessary) in late June, and get it all wrapped up by August 1st each year. It also means that incoming Directors (in October after the AGM) have good staff who already know their positions. Ultimately it separates and decouples these roles (as they should be) and makes for an easier incoming and outgoing time (without conflicts of interest) for all concerned.

- 8) Looking forward to future staff employment cycles, it is agreed that the incumbents should continue to be favoured for roles they wish to retain for as long as they wish. The Members see no sense in annual democratically idealistic "purges" where everything becomes open to everyone annually. Any good organisation wants to keep its good experienced staff and long standing contributors (who are still motivated) for as long as possible. The same will apply to AfrikaBurn.

That being said, the pre-condition is that they are indeed "good" staff and have done a good job and that they would like to continue in the role. This of course may not always be the case. If someone has not performed reasonably well (and they need to be replaced) or if they don't want the role going forward, then the soon-to-be-vacant staff role (including description & pay) will be advertised on the AB web site and newsletter with a clear application process and deadline. Applications would then be reviewed by Directors in early July annually, and they would interview and appoint the most suitable applicant.

- 9) The organisation also needs policy on performance monitoring and management. This is not anyone's favourite area of focus because it does look at some of the more negative issues around employment ... but it is very necessary to do so.

Members make it clear (and the Directors contracts make it very clear) that the Directors are responsible for leading and managing the company and organisation. They are very specifically personally and collectively responsible for creating and ensuring a smooth, happy and effective working/playing environment. The Directors have primary and very clear responsibility for HR function and implementation within the company.

If someone is not getting their work done, or not meeting their employment obligations (voluntary or paid), then the Directors have clear and immediate responsibility to assist the staff member and help him/her improve and sort out the issues.

It's very important that AB should continue to be a very tolerant and embracing employment/working/playing environment. AfrikaBurn is not about being super mega efficient or high achievers as in the corporate world. We are not looking to hire the most efficient highest output automaton worker at all. Of course, we do need to get our committed work/play done within some real time constraints and in an open, accountable, kind, human, and reasonably diligent manner.

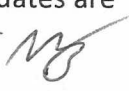
If assistance and help (and possibly training) doesn't work, then Directors have an obligation to look at how to improve someone's performance within their role. If this doesn't work, then (and only after all avenues have been systematically exhausted) the Directors have the obligation to deal with the challenge and terminate such a staff member's employment in a manner which conforms to SA employment law.

It's important to remind the Directors that they are also responsible for monitoring each other's employment performance. As a group they are responsible for resolving Directors performance matters and any conflict between Directors. Sorting out poor performance at the top of the organisation must be prioritized by Directors and rapidly resolved.

If Directors feel that a certain Director or staff member (due to poor performance or creating conflict within AB or for whatever reason) should not be eligible for a further cycle of employment, then they are obligated to communicate legitimate concerns to each other and Members in a structured, clear and professional manner ... so that the person is not re-employed.

- 10) Reporting. The organisation recognises the importance of accountability, transparency and regular reporting and distribution of relevant information to all concerned – and specifically Directors, Members, Portfolio Coordinators and Staff (paid and voluntary).

Directors will meet formerly on the last Tuesday of every second month.

Specifically ~~August, October, December, February, April & June~~. These dates are set in stone. *November, January, March, May, July & September* 

Directors will distribute a written report to all Members on the Monday following the Tuesday identified above. The report will be posted to the Directors forum and Members forum and emailed to Directors and Members. The report will include the following:

- A high level point form overview of all relevant and important matters which have been arising and dealt with in the prior two months, issues arising at the meeting, and decisions taken at the meeting. Also to include any notable successes or concerns, and any pertinent future plans and ideas under consideration.
- A brief financial report and budgetary update showing budget vs actual and highlighting any issues of success or concerns. A standardized reporting template is to be developed by Fincom and used by all Directors and staff.
- A voting record of votes cast (and by whom) if matters have been voted upon.

Portfolio Coordinators will distribute written portfolio reports to Directors and Members on the second Tuesday of every second month. Specifically August, October, December, February, April & June. These dates are set in stone. The reports will be posted to the Directors and Members forums and emailed to Directors and Members. The reports will include the following:

- A high level point form overview of all relevant and important matters which have been arising and dealt with in the prior two months and current issues arising. Also to include any notable successes or concerns, and any pertinent future plans and ideas under consideration.
- A brief financial report and budgetary update showing budget vs actual for the portfolio and highlighting any financial issues or success or concerns. A standardized reporting template is to be

developed by Fincom and used by Portfolio Coordinators and staff for reporting.

Portfolio Coordinators will also provide their proposed future annual budgets to Fincom on the last Friday of August each year, so that Fincom can amalgamate, negotiate and prepare for formal budgetary presentation to Directors and Members at the AGM in October.

11) Lastly, a re-confirmation of various employment related matters and policies.

- a) The Compensation Team resides within the Financial/Governance portfolio.
- b) Employment agreements are drafted by the Compensation Team and the team also assists with recommending and implementing employment processes and policies.
- c) In order for the Comp Team to draft the contracts, they must be provided with the job descriptions, responsibilities, deliverables and timeline by the Directors and Portfolio Coordinators. Once drafted, the contracts will be provided to the Directors and staff for careful review and editing. It is important that the responsibilities defined are a very clear reflection of what is expected.
- d) The Compensation Team is not in place to determine who fills what role, or to manage employees, or to manage performance of staff, or to enforce or terminate contracts once they have been signed. These responsibilities fall upon the Directors and Portfolio Coordinators ... with a special emphasis on Directors. Of course, Members can get involved if necessary as a last resort.
- e) Employment contracts will only come into effect once agreed and signed by employees and a Director representing the employer (with prior approval of the Board of Directors). No payment will be made or be eligible until satisfactory employment contracts are signed. No back pay will be eligible or made either for those that have failed to get their contracts concluded in time (unless clearly due to the fault of the employer).
- f) Directors are responsible for diligently monitoring the company's financial position and forecast position. Should the Directors feel the company may not be able to afford some or all of the positions at any point or for any reason, they have a duty to act upon this information, plan accordingly, and communicate to all concerned accordingly.

- g) All employees must understand that AB's financial position and cash reserves will change over time; and could improve or deteriorate with the financial success of its main event and interim events. If AB may not (or cannot) be able to afford to continue to pay some or all staff, Directors will let them know. Because AB's financial position and reserves are not yet stable, employees are advised not to borrow money against their AB income.
 - h) Staff serving the organisation in more than one role, must sign a separate employment contract for each role.
 - i) All employment contracts are subject to PAYE, UIF and any/all other relevant employment taxes. Directors may alter this in some cases when an employee can more effectively provide their services from an existing service provision business.
 - j) Even though AB is now entering into a phase of much clearer role/responsibility definition and greater remuneration for many more staff, it is still the organisations' goal to nurture and reward volunteerism at all levels of the organisation. All other attributes being equal, volunteers are preferable to paying staff to fill roles. So, if a volunteer is prepared to fulfil a role on a purely voluntary basis and they have the experience or qualification to do the job and are a comparable candidate, they should be given preference by Directors for the position.
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Addendum 1 : Roles and remuneration for the period 01/08/2012 - 31/07/2013

ROLE	PERIOD	MONTH	GROSS AMOUNT PER ANNUM	
Directors	12 months		5000	60000

Portfolio coordinators

Art/Creative	12 months		10000	120000
Financial/Governance	12 months		10000	120000
Communications	12 months		10000	120000
DPW 1	2 months	April	10000	
		May	10000	20000
DPW 2	2 months	April	10000	
		May	10000	20000
Health and Safety	9 months <i>3/12</i>	October	1000	
		November	1000	
		December	1000	
		January	1000	
		February	4500	
		March	4500	
		April	8000	
		May	8000	
		June	1000	
				<i>33000</i>
				<i>30000</i>
Volunteers	12 months	September	1500	
		October	1500	
		November	1500	
		December	1500	
		January	2500	
		February	2500	
		March	2500	
		April	6000	
		May	6000	
		June	1500	
July	1500			
August	1500			
				30000
Gate and Ticketing	9 months	September	2000	
		October	2000	
		November	2000	
		December	5000	
		January	2000	
		February	2000	
		March	5000	
		April	5000	
		May	5000	
				30000
DMV	12 months		2500	30000
Outreach	12 months		5000	60000
* New Projects	12 months		5000	60000

* Subject to role adoption at AGM

Other positions

Event and logistics	4 months	February	5000	
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Addendum 1 : Roles and remuneration for the period 01/08/2012 - 31/07/2013

	March	10000	
	April	15000	
	May	20000	50000
Special Events	per event	7000	21000
Financial manager	12 months	6000	72000
Social media manager	12 months	2500	30000
Web/Online manager	12 months	2500	30000

