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Remuneration Advisors

South Africa's new remuneration disclosure environment: Some ideas for Namibian Companies

South Africa's remuneration governance landscape has entered a new phase with the implementation of sections 30A and 30B of the Amended Companies Act. Public and state-owned companies are now required by law to prepare and present an annual remuneration report to shareholders for approval. The report must consist of three sections:

- A background/introduction/letter from the Remco Chair which introduces how the company's remuneration outcomes align with the company strategy and performance and what the Remco will focus on in the following year.
- The remuneration policy which is a summary of the company's policy with notes on what has changed and will be changed going forward.
- The implementation report which is backward looking and provides the remuneration information required by law.

These legal requirements enforce the transparency of certain remuneration information including prescribed officer remuneration details and various ratios that reflect the pay gap. The policy and the implementation report are now subject to binding ordinary resolutions. The policy changes cannot be implemented if the policy receives less than 50% approval. The implementation report, because it is historical, cannot be undone, but if the policy and/or implementation report receive two consecutive no votes, the Remco need to step down from the committee although they can remain on the board. The company then needs to appoint a new Remco from the remaining members. The practicality of this still needs to be proven.

Alongside these changes, the proposed Fair Pay Bill, which it still going the parliamentary process, seeks to strengthen pay transparency, reduce salary discrimination and promote fairer recruitment and remuneration practice by making companies disclose their pay ranges, allow employees to discuss their remuneration and allow them to ask why they are different.

For Namibia, the question is to what extent do the government and private sector want to follow the South African changes. These changes largely follow those made in thew UK and other western countries and they may not all be appropriate for countries in southern Africa. Remuneration decisions are increasingly expected to be transparent, defensible, and aligned with performance, fairness, and long-term sustainability.

Organisations that are best positioned for the future will not necessarily be those that disclose the most information, but those that can clearly explain what they pay, why they pay it, how remuneration supports strategy and performance, and why the resulting outcomes are fair, reasonable and sustainable.

Practical actions for Namibian organisations
Boards and Remuneration Committees can strengthen remuneration governance by:

- Reviewing remuneration policies against evolving governance practices, while ensuring they remain appropriate to the Namibian context.
- Using credible and relevant market benchmarking to support executive and broader remuneration decisions.
- Conducting pay equity and pay-gap analyses to understand internal pay relationships and identify disparities that may be difficult to justify objectively.
- Reviewing board and committee fees to ensure they appropriately reflect responsibilities, complexity, and time commitments.
- Assessing whether incentive arrangements are genuinely aligned with organisational strategy, measurable performance, and long-term value creation.
- Strengthening Remuneration Committee mandates, governance processes, documentation, and decision-making frameworks.
- Developing a clear remuneration narrative that connects strategy, performance, reward, and fairness.
- Ensuring remuneration decisions are affordable, evidence-based, equitable and defensible.

How Khokhela can help you
Khokhela supports Namibian organisations in developing practical, fair and defensible remuneration frameworks suited to the local context. Our services include:

- Remuneration governance and policy reviews.
- Executive and board remuneration benchmarking.
- Pay equity and pay-gap analysis.
- Incentive scheme design and review.
- Remuneration Committee governance support.
- Remuneration reporting and disclosure guidance.

Our focus is on ensuring remuneration is competitive, evidence-based and aligned with strategy, performance, fairness, and long-term sustainability.