



THE KINGDOM OF SWAZILAND

Ref: CF 80

To all Chief Executives of Public Enterprises:

PEU CIRCULAR No. 2/2009

DIRECTORS' FEES FOR PUBLIC ENTERPRISES

BACKGROUND

1. This is to inform you that Cabinet Standing Committee on Public Enterprises has, through minute SM 23/2009, approved a revision to the fees paid to the members of the Governing bodies of Category A Public Enterprises.
2. For purposes of paying Board fees all the Category A Public Enterprises are divided into three groups – Group 1, Group 2 and Group 3. (see attached listing).

RETAINER FEES

3. The **maximum** monthly retainer fee to be paid to Directors has been revised as follows:

	<u>Member</u>	<u>Chairman</u>
Group 1	E 1350	E 1,500
Group 2	E 1,200	E 1,350
Group 3	E 1,050	E 1,200

SITTING FEES

4. The **maximum** sitting fee has been revised as follows:

	<u>Member</u>	<u>Chairman</u>
Group 1	E 1,650	E 1,800
Group 2	E 1,455	E 1,650
Group 3	E 1,305	E 1,455

5. Each Public Enterprise is free to decide in consultation with the Board on when to pay these fees.
6. The sitting fee should only be paid for all properly constituted Board and Board Sub-Committee meetings. The Chairperson of a Board Sub-Committee meeting should receive the same fee as the Chairman of the Board for a Board Sub-Committee meeting.
7. In cases where Directors attend a workshop or conference or any other similar gathering in his/her capacity as a Board member he/she should be paid only the travelling expenses and the enterprises should cater for the other expenses like accommodation and other related costs.
8. There is no obligation on any Board to pay the full amount of these fees if the Directors decide to accept a lesser amount. This particularly applies in respect of Public Enterprises facing financial constraints or where Directors want to identify with wage and salary restraints that are being requested of their own workforce.
9. Where Directors only partly attend a Board meeting proportional sitting fees will be paid on the following basis:
 - a. Less than one-half meeting: no sitting fee paid.
 - b. More than one-half meeting, but not a full meeting: one-half of the sitting fee paid.

NON-ATTENDANCE AT MEETINGS

10. SCOPE has also endorsed the action to be taken in cases where Directors fail to attend meetings, namely:
 - a. If a Director fails to attend 2 meetings in succession, without satisfactory explanation to the Chairman, the Secretary to the Board shall inform the responsible Minister.

- b. If a Director fails to attend 3 meetings in succession, the Secretary of the Board shall notify SCOPE through the Minister responsible, and retainer fees shall be suspended until reinstated by SCOPE.

FREQUENCY OF MEETINGS

11. SCOPE has also directed that Boards should hold their normal meetings once a quarter or 4 times in twelve months. Extra-ordinary meetings should be held where there is an emergency but not on a regular basis.

TRAVEL EXPENSES

12. Government rates should be used by all Public Enterprises to reimburse Directors for vehicle expenses.

EFFECTIVE DATE

13. The above retainer and sitting fee rates are effective from 1 July 2009 until further notice.
14. Each Chief Executive is required to ensure that the above fees are correctly paid. Public Enterprise auditors will in future be asked to certify that fees have been paid in accordance with these rates.
15. Any queries concerning the above should be referred to the Public Enterprises Unit.

Victor P. Nxumalo
Director
Public Enterprises Unit

Group 1
Swaziland National Provident Fund
Swaziland Electricity Company
Swaziland Development and Savings Bank
Swaziland Posts & Telecommunication Corporation
Swaziland Water Services Corporation
Swaziland Development Finance Corporation
Swaziland railways
Motor Vehicle Accident Fund
Swaziland Water and Agricultural Development and Enterprise
Swaziland National Housing Board
University of Swaziland
Swaziland National Trust Commission
National Emergency Response Commission on HIV /AIDS
Piggs Peak Hotel
Group 2
Royal Swazi National Corporation
National Maize Corporation
Swaziland Dairy Board
Swaziland Television Authority
Small Enterprise Development Company
National Agricultural Marketing Board
Group 3
Commission for Mediation Arbitration and Conciliation
Swaziland Investment Promotion Authority
Swaziland Cotton Board
Swaziland Environment Authority
SEBENTA National Institute
Swaziland Tourism Authority
Swaziland Standards Authority
National Industrial Development Company
Central Transport Administration