



REPUBLIC OF NAMIBIA

MINISTRY OF PUBLIC ENTERPRISES

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COMMON PRINCIPLES OF CORPORATE GOVERNANCE AND GOOD PRACTICE:

DOCUMENT NUMBER 3/2016

SUBJECT – MATTER:

SUSPENSIONS OF CHIEF EXECUTIVE OFFICERS, MANAGING DIRECTORS AND SENIOR MANAGEMENT IN PUBLIC ENTERPRISES (INCLUDING INDIVIDUALS IN AN “ACTING” CAPACITY IN ANY OF THESE)

INTRODUCTION:

- 1.1 The Ministry of Public Enterprises already last year, took note of a disturbing practice of what seemingly indiscriminate suspensions of CEO/MD and Senior Managers in the public enterprise sector. All the noted suspensions do not seem to be underscored by any legitimate, underlying or '*prima facie*' reasons.
- 1.2 The alarming and widespread nature of this practice prompted the Ministry of Public Enterprises to call an urgent press conference to address the matter at hand publicly by putting it in the public domain as a matter of the utmost serious concern. The aim of this exercise was to curtail this indiscriminate practice by bringing some semblance of order and procedure to it.
- 1.3 Due to the seriousness of this matter, the Ministry of Public Enterprises wishes to place it on record that it continues to take a very dim view of this practice and forthwith urges all concerned to desist with immediate effect from this practice and to follow the procedures that are outlined herein in respect of any envisaged suspension in the public enterprise sector.

All official Correspondence must be addressed to the Permanent Secretary

1.0 APPLICATION:

This directive is of general application to all current board members, new board members and all senior Managers.

2.0 STATUTORY BASIS FOR THIS DOCUMENT:

This document is being issued in consonance with the clear provisions of section 4(1)(a) and (j) of The Public Enterprises Governance Amendment Act, 2015 (Act 8 of 2015) which stipulates that one of the functions of the Minister responsible for public enterprises is **"to establish generally accepted common principles of corporate governance and good practice governing public enterprises"** and

Section 4 (1) (j) empowers the Minister of Public Enterprises to perform any other function entrusted to him under the said Act or any other law.

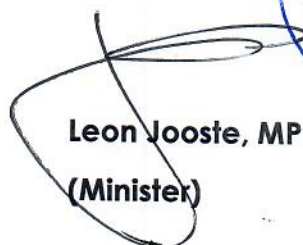
3. Procedure to envisaged suspensions in the Public Enterprises


Before any suspension can be undertaken by a Board of a Public Enterprise the Board **MUST consult the Minister responsible for Public Enterprises AND the Portfolio Minister.**

If there are valid grounds for suspension of a CEO/ MD or Senior Manager of a PE (including individuals in an acting capacity) the Minister Responsible for Public Enterprises and the Portfolio Minister must in writing notify the Board of the Public Enterprise of the outcome.

4. CONCLUSION:

Boards of Directors of public enterprises must adopt and abide by the foregoing common principles of corporate governance and good practice pertaining to suspension of employees and implement same vigorously without any deviation therefrom.


Leon Jooste, MP
(Minister)



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