



# **Remuneration of Ex-Officio Board Members in Zambia: Governance Implications & Policy Perspectives**

Presented by:

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# Introduction

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A portrait of Prof. Esther Munalula Nkandu, a Black woman with short, dark, curly hair, wearing a yellow and black striped top and large, light-colored, teardrop-shaped earrings. She is looking directly at the camera with a slight smile.

# Introduction

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Dr Sabina Mubanga Luputa,  
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Prof Jason Mwanza – Primary Supervisor



# Corporate Governance

Corporate governance is the system of rules, practices, and processes by which an entity is directed and controlled. It is about putting systems in place so as to attain:

- Efficiency
- Probity /virtue/integrity
- Responsibility
- Transparency &
- Accountability



# Corporate Governance

Corporate governance is key to accountability and performance.

- Board composition determines independence and effectiveness.
- Ex-officio members serve 'by virtue of office,' not election.
- Their dual roles raise issues of accountability and fairness.







# Definition of Ex-Officio Member

- ❖ Derived from Latin ex officio – 'from the office.'
- ❖ Individuals hold Board seats automatically through another role.
- ❖ Common in government-linked or statutory bodies.

Purpose: institutional memory, coordination, and policy alignment.





# Rationale for Ex-Officio Inclusion

- ❖ Preserves strategic continuity.
- ❖ Enhances inter-agency collaboration.
- ❖ Provides sectoral expertise and networks.
- ❖ Ensures representation of key public interests.





# Emerging Roles

- ❖ Ambiguity in roles and accountability.  
Potential conflict of interest (management vs oversight/fiduciary roles).
- ❖ Risk of 'double remuneration.'  
Threats to Board independence and credibility.



# Emerging Roles

- ❖ South Africa – King IV (2016): Ex-officio may serve, but ideally non-voting; remuneration must be transparent.
- ❖ Kenya – Mwongozo Code (2015): Emphasizes independence; typically unpaid if linked to public office.
- ❖ Botswana (2012): Non-duplicative remuneration model.
- ❖ Ghana (SIGA Act 2019): Oversight of SOEs, no clear rule on double pay.
- ❖ Nigeria (NCCG 2018): Disclosure of directors' pay; independent oversight encouraged.



# International Perspectives

- ❑ Philippines: Strict prohibition of double compensation.
- ❑ OECD Guidelines (2013–2024): Emphasize transparency and parity with public pay scales.
- ❑ Australia & India: Caps within public service limits.
- ❑ UK & USA: Require disclosure of all Board-related pay.
- ❑ Canada & China: Treat participation as public duty—no extra remuneration.





# Take aways from Global Models

- ❑ Common practice: No additional pay for ex-officio roles.
- ❑ Compensation should align with public service values.
- ❑ Emphasis on transparency, disclosure, and non-duplication.
- ❑ Philippines: Strict prohibition of double compensation.





# Zambia's Governance Framework

- Guided by the Companies Act (2017) and Employment Code Act (2019).
- Defines Board powers and Director responsibilities.
- No explicit policy on ex-officio remuneration.
- Result:  
Inconsistent and discretionary practices.



# Study Objectives

- Assess current remuneration practices for ex-officio members.
- Identify governance risks and accountability gaps.
- Benchmark Zambia's situation against regional/international norms.
- Recommend policy and governance improvements.



# Research Design

➤ Survey: 50 targeted IoDZ governance practitioners.

➤ Responses: 21 valid returns.

➤ Interviews: 10 conducted until data saturation.

Analysis: Descriptive (Excel) + Thematic (Qualitative).







# Key findings

## Organisational Representation

- Respondents from corporates, SOEs, NGOs, microfinance, and hybrids.
- Roles: 12 Board members,
- 5 Executives,
- 3 Ex-officio,
- 1 Board Secretary.





# Key findings

## Compensation Practises

- 11 organizations: no allowances for ex-officio members.
  - 9 organizations: some compensation (meeting fees).
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- Meeting allowances: ZMW 2,000–4,000, sometimes higher.
  - Majority: no retainer fees for ex-officio roles.





# Key findings

## Perceptions & Risks

- Mixed views: 9 opposed compensation (double-dipping risk).
  - 5 supportive (extra workload).
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- Policy inconsistency causes confusion.
  - Ambiguity weakens transparency and public trust.



# Discussion

- ❖ Practices remain inconsistent and unregulated.
- ❖ Lack of clear policy = discretionary decisions.
- ❖ Ethical risks: overpayment, favouritism, blurred accountability.
- ❖ Alignment needed with OECD, King IV, and Mwongozo standards.



# Recommendations

- ❖ Develop clear written policies on ex-officio roles and compensation.
- ❖ Prefer non-monetary recognition (training, awards).
- ❖ Allow compensation only when additional duties are proven.
- ❖ Align with King IV, OECD, and emerging Zambian Code.
- ❖ Strengthen role of Board Secretaries as governance custodians.

Prof. Esther Munalula Nkandu



# Policy & Practice Implications

- ❖ Transparent pay builds stakeholder trust.
- ❖ Standardized frameworks reduce conflict of interest.
- ❖ Aligning with regional codes enhances governance credibility.
- ❖ Evidence-based reforms position Zambia as a regional model.





# Conclusion

- Wide disparities in ex-officio remuneration practices.
- Need for codified, transparent, and ethical frameworks.
- Future research: longitudinal and sectoral comparisons.
- Goal: strengthen accountability and integrity in Zambia's governance systems.





# Conclusion

ZAMBIA

Corporate Governance is a topical Issue.

Development of National Corporate Governance Code.

Window of opportunity to address refined roles & remuneration of Ex-officios





# Conclusion

## AAPAM as trail blazer





# Thank You

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