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## COMPANIES ACT ENACTMENTS

President Cyril Ramaphosa signed sections 5, 6 and 19 of the Companies Amendment Act, 2024 into effect.

President Cyril Ramaphosa signed sections 5, 6 and 19 of the Companies Amendment Act, 2024 (Act No. 16 of 2024) into effect on 22 May 2026. These sections deal with the remuneration and benefits of directors and prescribed officers; the duty to prepare and present a company remuneration policy and remuneration report; and, lastly, amendments to the alternative dispute resolution procedures.

These enactments are discussed below.

### Annual Financial Statements

Companies that are required to prepare audited annual financial statements in terms of the Companies Act must include, disclose and identify the remuneration of each individual director and prescribed officer and the benefits received (section 5 of the Companies Amendment Act, 2024 amends section 30(4)(a) of the Companies Act, 2008).

### Duty to prepare and present a company's remuneration policy

Public and state-owned companies must prepare and present a remuneration policy for the shareholders' approval at the annual general meeting by way of an ordinary resolution.

It will remain in force for 3 years from the date of approval and must be approved every 3 years. An unapproved policy must be presented at the following annual general meeting or at a shareholders meeting called for said purpose.

The policy may be amended prior to the end of the 3-year period, but any material amendment can only be implemented once it is approved by the shareholders by means of an ordinary resolution at a shareholders meeting called for this purpose or at an annual general meeting (section 6 of the Companies Amendment Act, 2024 inserted as section 30(A) of the Companies Act, 2008).

### Duty to prepare and present a company's remuneration report

Public and state-owned companies must annually prepare and present a remuneration report in respect of the previous financial year for approval at the annual general meeting. The report must consist of a background statement, the company's remuneration policy, and an implementation report.

The implementation report must set out—

- each director and prescribed officer's total remuneration;
- the highest and lowest remunerated employee's total remuneration;
- the average total remuneration of all employees;

- the median remuneration of all employees; and
- the remuneration gap reflecting the ratio between the total remuneration of the top 5% highest and the bottom 5% lowest paid employees of the company.

If the shareholders do not approve the company's remuneration policy at two consecutive annual general meetings, the remuneration committee must provide an explanation at the next general meeting of how the shareholders' concerns had been taken into consideration.

Directors not involved in the day-to-day management of the business of the company who serve on the committee may continue to serve as directors provided that they are re-elected at that annual general meeting, and will not be eligible to serve on the committee for 2 years thereafter.

During the review process directors will be exempted if they served on the committee for fewer than 12 months (section 6 of the Companies Amendment Act, 2024 inserted as section 30(B) of the Companies Act, 2008).

The newly inserted section 30(4A) indicates that where any provisions of the directors' remuneration report, as contemplated in section 30B above, becomes subject to an audit in terms of section 30, no company policies or the background statement of the remuneration report should be subject to such audit.

### Voluntary resolution of disputes

The Companies Tribunal can, as alternative to a court or Commission in terms of Part D, deal with a complaint for resolution through mediation, conciliation or arbitration. In the event of a mediation or conciliation process, the Companies Tribunal determines whether a party or parties acted in bad faith, and if there is no reasonable possibility that the matter will be resolved, it must issue a certificate of non-resolution.

Furthermore, because of the certificate of non-resolution, the affected party can refer the matter to the Companies Tribunal for arbitration. If there is a member of the Companies Tribunal in the arbitration process who had also attempted to resolve the matter through mediation or conciliation, the party may object to the arbitration by filing an objection with the Companies Tribunal.

After receiving the objection, the Companies Tribunal must substitute said member listed in the complaint and appoint another member.

Lastly, the arbitrator's award will be final and binding on the parties (section 19 of the Companies Amendment Act, 2024 amends section 166 of the Companies Act, 2008).

## EMPLOYMENT EQUITY

### The 2025 Employment Equity Public Register

The Department of Employment and Labour published the *2025 Employment Equity Public Register* on 5 June 2026 in *Government Gazette* No. 54783 listing all designated employers who reported in the 2025 reporting cycle.





## LABOUR RELATIONS

### Earnings threshold

#### Earnings threshold

The Minister of Employment and Labour has determined that the latest earnings threshold of R269 600,90 per annum would be applicable effective from 1 May 2026 and reaffirmed that employees earning above the threshold cannot rely on certain provisions governed by the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) (BCEA) relating to sections 9 (ordinary working hours), 10 (overtime), 11 (compressed working week), 12 (averaging of hours of work), 14 (time period for meals), 15 (daily and weekly rest periods), 16 (remuneration for work performed on a Sunday), 17(2) (night work), and 18(3) (public holidays not ordinarily worked on).

### Restraint of Trade Agreement case law

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*Fidelity Services Group (Pty) Ltd and Another v Goveia and Another* (2026/082046) [2026] ZAWCHC 192 (28 April 2026) deals with an employee's knowledge and experience gained from working for a company, together with his/her life skills versus a restraint of trade agreement.

The essence of a restraint of trade agreement is that an employee agrees not to compete unfairly or unlawfully with the company/employer for a specified time period and within a kilometre (km) radius, and how he/she can conduct business after the employment relationship ended.

The first applicant (Fidelity Services Group (Pty) Ltd) offers residential and commercial security services and the second applicant (Fidelity ADT (Pty) Ltd) forms part of the Fidelity Services group of companies and provides 24-hour armed response services and CCTV services.

The first respondent ("employee") concluded a restraint of trade agreement ("the restraint") with the Fidelity Services Group (Pty) Ltd and its subsidiaries ("former employers").

The restraint would be effective for three years throughout the Republic of South Africa after termination of the employment relationship.

The employee ended his employment with Fidelity ADT and joined the second respondent ("new employer").

The new employer has been in business for approximately two decades offering guarding and technical services such as the installation and maintenance of alarm systems, and recently started to provide monitoring and response services but not armed patrols.

Fidelity ADT became aware of the former employee's new employment circumstances and sought to enforce the restraint of trade agreement.

The Court indicated that the restraint can be enforced if reasonable, and the reasonability can be determined if the employer has an interest that deserves protection (*Basson v Chilwan* 1993 (3) SA 742 (A) at 767E-I).



The former employer(s) did not provide evidence that their business was negatively affected by the new employer employing their former employee.

Furthermore, Fidelity ADT indicated that the employee's knowledge and experience together with their proprietary information and know-how (described by the previous employer as protectable interests) were being used to springboard into a new business directly competing with their company.

The Court did not agree on the merits of this matter and held that the employee's knowledge and experience gained while in the former employer's employment was not a protectable interest. "It is part of his life skills, and he cannot be interdicted from using them."

Based on these circumstances, the Court found that the former employer(s) did not have a protectable interest worthy of protection under the restraint, resulting in enforcement of the restraint being unsuccessful.

The Court also held that had it found an interest worth protecting in the restraint, it would have reduced the three-year period to a maximum of six months.

In essence, this case confirms that the courts will only enforce a restraint of trade if a former employee uses his/her knowledge or access to confidential information, trade secrets, client lists and unique training manuals and processes to unfairly compete with a former employer.

## LABOUR RELATIONS *(continues)*

### Registration of Trade Unions

The Department of Employment and Labour announced the registration and/or name changes of the following trade unions:

| Trade Unions                                                                                     | Registration date |
|--------------------------------------------------------------------------------------------------|-------------------|
| Maritime and Allied Workers Union                                                                | 30 March 2026     |
| African Peoples Trade Union changed its name to National Operation Workers Union of South Africa | 13 March 2026     |
| South African Trade Union of Call Centres                                                        | 04 March 2026     |

## LABOUR RELATIONS *(continues)*

### Bargaining Council Collective Agreement Information

Listed below are the Bargaining Council *Collective Agreements* that have been extended to non-parties or the extension of operation periods of certain *Collective Agreements*:

| Bargaining Council                                                     | Collective Agreements                                                                 | Date on which<br>Collective<br>Agreements<br>were extended<br>to non-parties | Date on which<br>Collective<br>Agreements<br>operation<br>periods were<br>extended |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Bargaining council for the<br>Meat Trade, Gauteng                      | <i>The Main Collective Agreement</i>                                                  |                                                                              | 30 June 2029                                                                       |
| National Bargaining Council<br>for Leather Industry of<br>South Africa | <i>The Footwear Section Collective Agreement</i>                                      |                                                                              | 30 June 2031                                                                       |
|                                                                        | <i>The General Goods and Handbag Collective Agreement</i>                             |                                                                              |                                                                                    |
|                                                                        | <i>Tanning Sector Collective Agreement</i>                                            |                                                                              |                                                                                    |
| Metal and Engineering<br>Industries Bargaining<br>Council              | <i>The Registration and Administration Expenses Collective Agreement</i>              |                                                                              | From 18 May 2026<br>for a further 12<br>months                                     |
|                                                                        | <i>The Dispute Resolution Collective Agreement</i>                                    |                                                                              |                                                                                    |
|                                                                        | <i>The Pension Fund Collective Agreement</i>                                          |                                                                              |                                                                                    |
|                                                                        | <i>The Provident Fund Collective Agreement</i>                                        |                                                                              |                                                                                    |
| National Bargaining Council<br>for the Wood and Paper<br>Sector        | <i>The Dispute Resolution Levy and Registration of Employers Collective Agreement</i> |                                                                              | From 19 May 2026<br>for a further 12<br>months                                     |
| Furniture Bargaining<br>Council                                        | <i>The Main Collective Amending Agreement</i>                                         | 30 April 2028                                                                |                                                                                    |
|                                                                        | <i>The Collective Bargaining Fee Collective Agreement</i>                             |                                                                              | 30 April 2027                                                                      |
| Motor Industry Bargaining<br>Council                                   | <i>The Amending Administrative Collective Agreement</i>                               | 31 August 2030                                                               |                                                                                    |



|                                                                                                    |                                                                   |                                                                                |                                     |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------|
| National Bargaining Council for the Road Freight and Logistics Industry                            | <i>The Main Collective Amending Agreement</i>                     | 28 February 2027                                                               |                                     |
| National Bargaining Council for the Hairdressing, Cosmetology, Beauty and Skincare Industry        | <i>The Main Amending Collective Agreement</i>                     | 28 February 2027                                                               |                                     |
|                                                                                                    | <i>The Amending Agency Shop Collective Agreement</i>              | 28 February 2029                                                               | From 1 May 2026 to 28 February 2029 |
| National Bargaining Council for the Private Security Sector                                        | <i>The Council Levies Collective Amending Agreement</i>           | Shall remain in force until such time as amended or replaced from time to time |                                     |
| National Bargaining Council for the Electrical Industry of South Africa                            | <i>The Main Collective Amending Agreement</i>                     | 28 February 2027                                                               |                                     |
|                                                                                                    | <i>The Collective Bargaining Levy Agreement</i>                   |                                                                                | From 1 June 2026 to 31 May 2029     |
| Bargaining Council for the Contract Cleaning Services Industry (Kwa-Zulu Natal)                    | <i>The Main Collective Agreement</i>                              | Shall remain in force until replaced by a subsequent agreement                 |                                     |
| Regional Bargaining Council for the Contract Cleaning Services Industry (excluding Kwa-Zulu Natal) | <i>The Main Collective Agreement</i>                              | Shall remain in force until replaced by a subsequent agreement                 |                                     |
| National Bargaining Council for the Chemical Industry                                              | <i>The Pharmaceutical Sector Collective Agreement</i>             | 30 June 2027                                                                   |                                     |
|                                                                                                    | <i>The Fast-Moving Consumer Goods Sector Collective Agreement</i> |                                                                                |                                     |

The extension of the various Bargaining Council *Collective Agreements* to Non-Parties means that other employers and employees working in the same or a similar industry are also bound by the provisions of the applicable *Collective Agreement* until the date specified in the *Government Gazette*.

## RECENTLY PUBLISHED ARTICLES

For ease of reference, please find below a summary with links to our recently published blogs.

- [Employment of foreign nationals without valid work permits: legal risks and dismissal procedures](#) (29 June 2026)
- [Return of Earnings: Compliance Mistakes South African Employers must Avoid](#) (23 June 2026)
- [Labour Inspections: A Practical Guide for Employers](#) (9 June 2026)
- [The 2026 Proposed Amendments to the B BEE Codes – Overlooked Risks Every Business Needs to Know](#) (15 May 2026)
- [Construction Sector Codes: Built Environment Professionals – Automatic and Enhanced Recognition Levels](#) (8 May 2026)

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