

ARTICLE

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CGF AND EO COLLABORATE TO ENHANCE SA DIRECTORSHIPS

Since the release of the King Report on Governance for South Africa 2009 (King III) in March 2010, companies should know the standards of skill, ability and performance expected of directors. When the prerequisite criteria are lacking from directors, or haphazardly applied, severe forms of penalties can be applied against the company and its failing directors. And so it is not a surprise, particularly given the many examples of failed corporations -- exacerbated by corporate greed -- that some companies have taken to produce various forms of internal policies to guide their leadership in terms of considered good business practices and benchmarking. One of the most recognised and recent Governance Codes is the King III Report, however there are other codes across the globe who equally espouse ethical business practices which include the Turnbull Report (UK:1999), the Codex (Germany: 2002) and the Higgs & Smith Reports (UK: 2003).

Common to all these governance codes is the need for companies and their leadership to not only exercise effective leadership, good corporate citizenship and sustainability; but indeed that these requirements of companies be evaluated to determine that they are living up to their commitments. Achieving this will require, amongst other issues, a great team of directors who are knowledgeable, skilled and share a similar 'chemistry' found within sound corporate governance principles and practices.

It is in this vein that CGF Research Institute ('CGF') and Executives Online ('EO') embarked on a journey to assist their respective constituents. Through our collective market strengths and experience, CGF and EO will offer much needed assistance for companies to improve the calibre of their Non-Executive Directors (NEDs) by proactively searching, selecting and recruiting credible and experienced candidates.

Both CGF and EO have extensive reach within the local and international markets and their strategic alliance will undoubtedly bring much needed relief to companies in their quest to find the right calibre individuals with the skill-set mix to serve on boards, be these executive and non-executive directors.

Executives Online boasts a Global Executives Talent Bank of 80 000 plus, comprising both local and international executives who have been defined within EO's database by their roles, country or industry. Between the two companies, CGF and EO have formulated an aggressive strategy which will provide companies a unique service that adds a substantial value-add as compared to the traditional executive recruitment operation. Our joint efforts and collaboration with our respective clients should come as good news for the chairpersons and CEOs of companies, considering the increasing challenges companies face when attempting to find new directors, most particularly skilled and independent NEDs. As companies are required through their Memorandum of Incorporation (MOI) to rotate their NEDs on a staggered basis, it becomes a critical imperative to know that there will be a healthy pool of new NEDS to draw upon, and to ensure that the continuity of the businesses' leadership and culture is not compromised.

CGF is delighted with the EO alliance; as is customary within CGF's pioneering approach to assist companies to apply governance in a practical and meaningful way, we will inform our constituents of the exciting developments in this arena as more developments unfold.

Further Media Information:

Terry Booyesen
CEO: CGF Research Institute (Pty) Ltd
Office: (011) 476 82 64 / 1 / 0
Cell: 082-373 2249
Email: tbooyesen@cgf.co.za
www.cgf.co.za / www.corporate-governance.co.za

Ivan Solomon
Director: Executives Online SA
Office: (011) 243 2801
Cell: 082 449 6859
Email: ivan@executivesonline.co.za
<http://www.executivesonline.co.za/>