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DIRECTORS AND MANAGERS ARE BECOMING EASY TARGETS

As the laws continue to flood the business arena in South Africa -- evidenced by approximately six new acts every month over the last ten years -- it is surprising just how many directors and senior managers remain oblivious to their increasing risks that are attached to their role as a *company officer*. Indeed, these company officers -- also known as *fiduciaries* -- have both common law and statutory obligations to protect and serve the best interests of their companies, amongst other onerous duties. The Companies Act and the liabilities attached to company officers of all sized companies is quite clear, in fact *any person* who runs a business and does so recklessly or with the intent of defrauding creditors will be severely dealt with in terms of the strict provisions of the law. In such cases, if found guilty, the culprits will be held liable for all the debt, or other liabilities of the company. More importantly, it is critical that directors and managers take greater accountability to ensure that their employees are also cognisant of the increasing focus being placed upon organisations to not only be seen as a good corporate citizen, but that it is in fact applying such behaviour throughout its operation.

Informed consumers and supply chain

As more consumers are becoming acutely aware of what is considered acceptable behaviour from businesses -- including the additional legislative protection being afforded to consumers such as those found within the Consumer Protection Act (CPA) and the National Credit Act (NCA) -- company officers will need to quickly brush up their act if they intend to avoid the severe financial penalties or even jail sentences when they are found guilty of acting against the rights of consumers.

Of course company officers will also need to consider those actions -- not just from an informed consumer with his or her newly acquired protection from for example the CPA and NCA, but indeed also the likely collective action that will occur when aggrieved consumers decide to institute a class action against an offending company. This of course will have further knock-on implications, particularly when the defending company goes on an internal witch-hunt to determine *which* company officer was the cause of such action. It's been previously said that being a company officer is not for sissies and that being an officer within any company is a contact sport -- company officers do get hurt when they are unprepared! This expression cannot be truer today than when it was first uttered, particularly when the company can prove that its offending company officer did not fulfil their duties to serve and protect the company against damages from a third party.

Officer's liabilities

The new Companies Act 2008 clearly sets out, in sections 76 and 77, what company officers should know about their common law and statutory duties and the associated liabilities, including the conduct expected of them.

Clearly, directors and senior managers will require assistance to steer their companies through increasingly complex legislation, in order to remain in business or stay out of trouble. In the larger companies, this form of assistance may be found within the offices of the company's Company Secretariat, however the reality is either the company officers are not aware of their own lack of knowledge in these areas, or in many cases the directors and senior managers simply do not devote time to undergo the required training as they race through their pressurised 16-hour work days. This causes them to become extremely vulnerable and indeed breach their most basic officer duties. As expected, in smaller companies the risks of penalties for non-compliance and their lack of understanding of these duties is even higher and many smaller companies and their officers either have no knowledge of their attached fiduciary duties, or they see these matters as trivial and therefore ignore the provisions of the various laws applicable to them.

Help is at hand

In an effort to provide company officers an overall understanding of what is expected of them, CGF Research Institute (Pty) Ltd -- a well known and established company who specialise in governance, risk and compliance reporting -- has compiled a **Fast Tracking Company Officers Manual** which addresses high-level fiduciary related issues in an accessible manner, and without the cumbersome legalese.

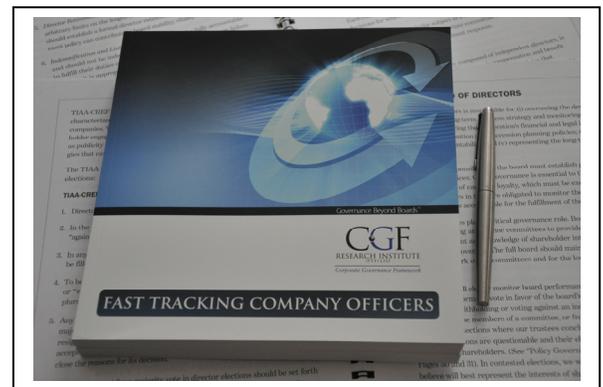
This affordable **Fast Tracking Company Officers Manual** provides a simplified account of those matters covered in the Companies Act 71 of 2008 while integrating aspects of King III related recommendations and relevant principles of Common Law. The manual may be used as an indispensable day-to-day reference book. It is essential for all companies and organisations in a business supply chain to be brought up to speed as these changes affect them directly.

As such, the material contained within the **Fast Tracking Company Officers Manual** is an invaluable source of information to all company officers. It provides some guidance for the officers of any company or organisation in their fiduciary duties and responsibilities. Moreover it facilitates the ongoing professional development of a company's leadership and workforce. In this way it is a tool in ensuring that company officers continue to develop the knowledge and skills expected of them. This is a key contributing factor to the success, sustainability and longevity of a business.

The 180 page **Fast Tracking Company Officers Manual** covers the following areas:

- Officers of a company
- Initial duty of accountability
- Director's (& other officer's) primary duties
- Director's liabilities
- Directors' personal financial interests
- Directors' (& other officers') functions
- Matters of trust
- Conduct of a director (& other officers)
- Ineligibility & disqualification
- Application to declare a director delinquent or under probation
- Removal of directors
- Board vacancies
- Powers & restrictions (company & officers)
- Director evaluation & rotation
- Regulatory institutions
- Categories of companies
- Other "company types"
- Formation of companies
- Constitutional documents
- Pre-existing companies
- Close corporations
- Board committees & board meetings
- Record keeping requirements

The **Fast Tracking Company Officers Manual** is a must-have for every director and manager



The cost of the **Fast Tracking Company Officers Manual** is R285.00 (Incl. VAT excl. postage) / R365.00 (Incl. VAT incl. postage) per manual.

To order your copy of the **Fast Tracking Company Officers Manual**, please contact: CGF Research Institute (Pty) Ltd on Tel: +27 (11) 476-8264 / 1 / 0; Fax: 086 623 1269; or Email: accounts@cgf.co.za , or visit www.cgf.co.za to collect and submit your Order Form.

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