

LEADER OF BUSINESS SOUTH AFRICA

Leslie Boyd, Vice-Chairman of the IoD and Chairman of Anglo American Industrial Corporation was elected Chairman of Business South Africa 22 November 1995.

Leslie Boyd succeeds the first Chairman of Business South Africa, Mr David Brink, who is also a Vice-Chairman of the IoD and will become Deputy Chairman of BSA.

IMPORTANT DIARY DATES

January - March 1996

18 January	IoD Golf Day
08 February	Directors' Forum
	- Affirmative Action Workshop
21 February	Speaker Luncheon
	- Inanda Club, Illvo
28/29 February	IoD/IABC Business Communications Conference
06 March	Directors' Forum
28 March	IoD/FM Conference
	- Qualitative Corporate Governance

BUSINESS INITIATIVE AGAINST CORRUPTION AND CRIME

The Institute of Directors has fully endorsed the initiative launched by Business South Africa and COSAB against corruption and crime.

The conference held at the World Trade Centre 15 August 1995, produced through consultation and debate, many recommendations which emanated from the various discussion groups.

The summit, which aimed to produce feasible and practicable solutions to the crisis South Africa is facing due to the spiralling crime rate, undoubtedly achieved its primary objective of obtaining the input of top business, industry, religious and political leaders in the country.

The research analysis and action committee produced by Executive Summary of the findings of the conference, a copy of which is available from the IoD National Office on request. The Executive Summary has been handed to President Mandela with copies to the Deputy Presidents and affected Cabinet Ministers.

Agreement has been reached that the implementation and administration of the recommendations would be taken over by the national Business Initiative, under the guidance of a steering committee consisting of Piet Liebenberg, Chief Executive of COSAB, as Chairman, and senior business leaders nominated by BSA member organisations.

Hopefully this initiative will lead to the containment and reduction of the spiralling crime and corruption in South Africa.

SEASON'S GREETINGS

The President, Vice-Presidents, Chairman and Council wish all IoD members a peaceful festive season and successful 1996.

INSTITUTE OF DIRECTORS IN SOUTHERN AFRICA

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DIRECTOR DEVELOPMENT

GRADUATE DIPLOMA IN COMPANY DIRECTION



1994 Top Student

Mr Mxolisi Mgojo 1994 "Top Student" was suitably acknowledged at a function 29 July 1995, receiving recognition from Mr David Hutton-Wilson, Chair of IoD Director Development Committee.

Seven of the 1994 graduates with IoD and GIMT dignitaries.

Back Row:
Michael Bracker, David Hutton-Wilson - Chair IoD Director Development, Grant Crow-GIMT Programme Director, Mxolisi Mgojo - top student, Jerry Gule, Piet Steenkamp, Andy Andrews-Managing Director GIMT.

Front Row:
Jerry Mnisi, Peter Joubert and Mervyn King- IoD Vice-Presidents, Sibongite Modise.



BUSINESS SKILLS

The IoD has accepted an invitation from the Business Skills for South Africa Foundation to endorse and work with them in the promotion of this nationwide programme aimed at the upliftment of emerging businesses.

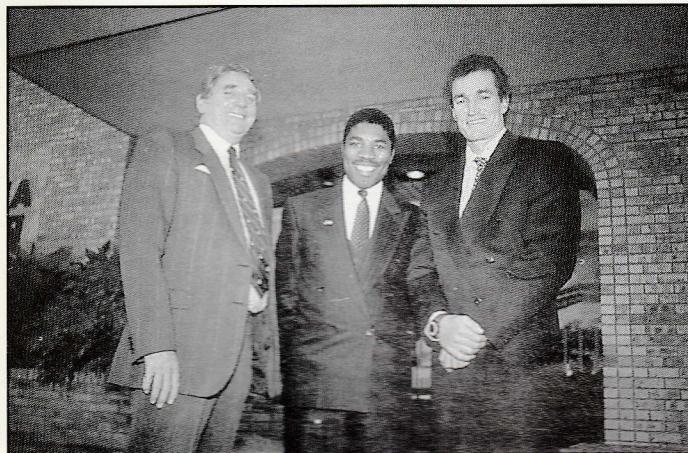
The Business Skills for South Africa (BSSA) programme provides smaller firm owners with business skills needed to achieve and sustain success. Nearly 3 000 candidates have already completed the core programme with positive effects on job creation.

business is based on the successful United Kingdom programme adapted for South African conditions by Coopers and Lybrand and academic leaders.

The BSSA contributes directly to two of the five elements of the Reconstruction and Development Programme : Developing Human Resources and Building the Economy.

The IoD welcomes this opportunity to be associated with the BSSA to inculcate elements of good corporate governance and business ethics into emerging small business enterprises.

BMF JOIN IoD and GIMT IN DIRECTORS PROGRAMME



IoD Executive Director, Richard Wilkinson, BMF Managing Director, Bheki Sibiya and GIMT Programme Director, Grant Crow, photographed after negotiating the involvement of the Black Management Forum in the Graduate Diploma in Company Direction Programme.

The Graduate Diploma in Company Direction programme promoted jointly by the Institute of Directors and the Graduate Institute of Management and Technology has just completed its second successful year.

Negotiations have been concluded for the Black Management Forum (BMF) to join the IoD and GIMT as a full partner in an alliance to promote this important diploma course.

The four month innovative diploma programme provides newly appointed and aspirant directors from all fields and sizes of companies with a sound professional understanding of their duties, responsibilities and liabilities in accepting a director appointment.

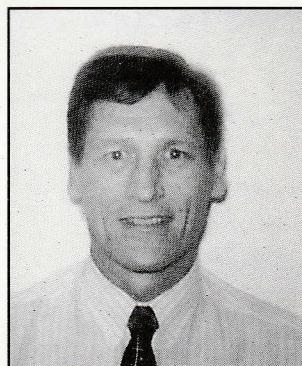
The direct association of BMF with the programme will enhance marketing of the diploma to black business organisations and increase the transformational role of directors in the programme. Bheki Sibiya, an IoD member and Executive Director of the BMF, said "the BMF organisation welcomed the involvement and part ownership of the programme. Democratic management skills were essential if a non-racial South Africa is to succeed. In addition, the need for better corporate governance and the transformation of boards and corporate structures within the country is necessary".

LONRHO - IoD BURSARIES

IoD Patron, Lonrho SA (Pty) Limited, has joined the IoD in making bursaries available for the Graduate Diploma in Company Direction programme in 1996.

In making an amount of R20 000 available per annum, for a three year period, Mr. Tony Frost, Human Resources Director of Lonrho, has asked that the funds be used to assist worthy candidates from the previously disadvantaged community.

The IoD welcomes this association with Lonrho in the important field of director development.



Tony Frost of Lonrho

SUBSCRIPTIONS 1996



Council have agreed a moderate increase in subscription fees for 1996. In the Gauteng Region the fees for Associate, Ordinary and Fellow Members will be R600.00 and for Retired Members R130.00. For all other areas the equivalent subscriptions are R520.00 and R110.00.

Invoices and statements of account have been mailed. Subscriptions are due 1 January 1996. The co-operation of members in effecting early settlement would be appreciated.



C O R P O R A T E G O V E R N A N C E

KING COMMITTEE

The first anniversary of the King Report on Corporate Governance was celebrated 29 November 1995.

The King Report, and in particular, the Code of Corporate Practices and Conduct continues to be well received by business, large and small, in this country.

The envisaged ongoing committee to monitor the implementation of the Code and to recommend changes has been established. The ongoing body has retained the name - *The King Committee on Corporate Governance* - and comprises the following nominated and elected representatives:

Mr Mervyn E King	Chairman
Mr Roy E Andersen	Johannesburg Stock Exchange
Mr Philip Armstrong	Chartered Institute of Secretaries and Administrators
Mrs Miranda Baker-Feinstein	Association of Law Societies
Mr Malcolm Dunn	South African Institute of Chartered Accountants
Rabbi David Lapin	South African Institute of Business Ethics
Mr Bheki Sibiya	Black Management Forum
Mr J C Koos Smit	Registrar of Companies
Mr Andre Theron	Institute of Internal Auditors
Mr Les Weil	South African Chamber of Business

In addition, Professor Michael Katz and Mrs Monica Singer are invited members.

Mr H P Flip Dwinger is alternate for the Registrar of Companies and Mr Clive Kneale, alternate for CISA.

Nominations are still awaited from COSATU, NEDLAC and the Shareholders' Association for South Africa.

The new King Committee has already met on four occasions. Several of the recommendations for changes to the Companies Act and Statutes have been approved for consideration by the Standing Advisory Committee on Company Law.

Zimbabwe '96

The IoD has been invited to participate in a workshop to be held in Harare 1-2 February 1996, with a view to establishing a Code of Corporate Governance for Zimbabwe.

The workshop follows a Conference held early in 1995 at which Mr Mervyn King was a keynote speaker on the King Report. The IoD experience and the King Report will be used as a reference at the workshop.

Company Report Awards

A number of institutes, associations, other organisations and the media have approached the Institute of Directors and the King Committee to become involved in an annual award with a view to promoting good corporate governance and reporting.

IoD Council is considering such an association and an announcement will be forthcoming shortly.

PUBLICATIONS

Two further publications on Corporate Governance have been endorsed by the IoD in recent weeks and circulated to members separately.

The Deloitte & Touche-Progress Report Three, covered Internal Auditing, Derivatives and the management of financial risks, Corporate Governance developments elsewhere in the world and examples of disclosures.

The Coopers & Lybrand-Revised JSE Listings Requirements - Continuing obligations for directors. The most significant changes relate to: Shareholder spread, interim and preliminary reports and categorisation of transactions.

The report and newsletter make for extremely interesting reading and the reaction of IoD members to receipt of the publications has been most encouraging. Additional copies are available if required.

BITS AND PIECES

Market for IoD Membership:

An investigation is underway to identify the market for IoD membership in this country. Although we appear to have a comparable market share with that of a number of other countries in which IoD operates it is still not satisfactory.

A major drive to increase member numbers will be undertaken early in 1996. A logical starting point is for each member to recruit one colleague which would have a dramatic effect on member numbers. Appeals of this nature have gone almost unheeded in the past - hopefully 1996 will be more successful.

Bayathenga 2000:

This private enterprise initiative which has its roots in Durban has received wide media exposure. Bayathenga 2000 is intended to be an economic RDP. Council have decided against becoming a Patron, although we fully endorse and support the objectives of Bayathenga 2000.

Fellowship:

A detailed examination of our member database reveals that there are a number of members who qualify for upgrade of membership status to Fellows. Individual members will be advised of their elevated status with effect 1 January 1996, and will be entitled to use the letters F.Inst.D. behind their names.

Budget and Business Plan:

A detailed Budget and Business Plan, including a marketing strategy, will be considered by Council at their meeting 5 December 1995.

Director Magazine:

The Director magazine, regularly voted the best business magazine in Europe, has been offered to our membership by IoD London at a concessionary rate - a saving of 30%. Included with this Bulletin is an explanatory letter and subscription application form for your consideration.

The offer price of £44 per year to receive regular copies of Director is a worthwhile investment. Completed application forms must be returned directly to Director Publications Limited in London.

IoD Blazer Badges:

We have received enquiries from members interested in obtaining blazer badges depicting the IoD Coat-of-Arms on navy blue background. If an order for in excess of twelve badges can be placed with the manufacturer the price is reasonable at R100.00 per



unit. Should you be interested in a badge with the registered heraldic Coat-of-Arms, please contact National Office.

116 Pall Mall London:

The IoD London Headquarters is to open a stylish new wine bar in the heart of London's West End before Christmas.

The wine bar will be open from 12:00 to 20:00 Monday to Friday and is located on the lower ground floor, opposite the Brasserie.

The venue is air-conditioned and decorated in the style of a traditional brick vault.

The wine selection has been specially chosen and members will be able to order a selection of food, including gourmet sandwiches and seafood specialities.

All members of the IoD in Southern Africa enjoy full reciprocity and use of the facilities and amenities of 116 Pall Mall, London, on production of their valid membership card.

Environment:

The Environment Committee is actively working on a focus project to produce a booklet : *Corporate Governance - Guidelines on Environment for Directors*.

The guidelines will be targeted at all directors with a view to providing an appreciation of their duties and responsibilities for environmental issues and not specifically at those directors and officers of companies intimately involved in the field of the environment.

Mend Your English:

This book authored by Ian Bruton-Simmonds, "Mend Your English" and sub-titled, "What you should have been taught at primary school", makes for fascinating reading. It is a crash course, short and easy, for business people and others who wish to improve their expression and comprehension. The book is also useful to those studying English as a second language.

Without exception media reviews have been excellent and the book is available at a price of R40.00 from Ivy Publications, Johannesburg, Tel: 880-4117, the CNA and selected bookshops.

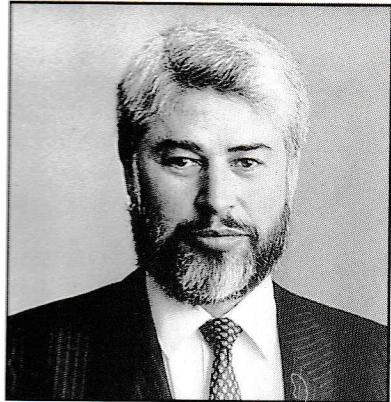


NON-PROFIT ORGANISATIONS BILL

The autonomy of non-governmental organisations (NGO's) is threatened by a proposed Bill to be tabled in parliament next year. In its present form, this Bill will place in the hands of a commission powers so draconian as to represent the greatest assault yet on the independence of non-profit organisations.

The following article, written by Mr John Kane-Berman, an IoD member and Chief Executive of the South African Institute of Race Relations, appeared in Business Day of 27 October 1995.

The IoD, SAIRR and other like-minded NGO's will be meeting early January 1996, to formulate a strategy to oppose this threatening "Non-Profit Organisations Bill". IoD members are invited to submit their observations to National Office.



NGO's Under Threat

by John Kane-Berman

The independence of non-governmental organisations (NGO's) in South Africa is threatened by a 'Non-Profit Organisations Bill' which its authors plan to see introduced in parliament early next year.

Among the main provisions of the bill, now in its second draft, is that a new 25-member commission will have the power to remove trustees from the boards of NGO's and replace them with its own nominees. This 'Non-Profit Organisations Commission' will have between 18 and 25 paid members, all but two of whom will be appointed by the government. The bill is the work of a firm of attorneys in Cape Town acting on behalf of a group calling itself 'the independent study into an enabling environment for NGO's', which in turn is supported by the 'development resources centre'.

Sections 29 and 30 of the bill are the worst. The former is reminiscent of the open-ended powers given in the early 1970's to the infamous Schlebusch Commission, which was set up to investigate the activities of four prominent NGO's - the Christian Institute, the South African Institute of Race Relations, the National Union of South African Students, and the University Christian Movement.

Section 29 thus gives the new commission open-ended powers to subpoena persons and documents from any NGO. Persons who are subpoenaed will commit an offence if they do not respond promptly. They will be obliged 'to answer questions to the satisfaction of the commission and to bring and produce books, accounts, records, and such other documents as may be specified'. As was the case with Schlebusch Commission, there is no obligation on the part of the proposed new commission to disclose to anyone so subpoenaed what the purpose of its enquiries is.

Section 30 gives the commission powers to act against NGO's at any time 'if in its opinion'

- there is *prima facie* evidence of misconduct or mismanagement, or
- 'it is otherwise necessary or desirable for the purpose of protecting assets and income', or
- to promote 'the public interest'.

These powers include the power to order the suspension of any trustee or 'other officer' of an NGO, along with the power to require the appointment of any additional trustees. All or any of the powers of trustees may be suspended by order of the commission, which also has the power of 'vesting same in any other person specified'. The commission is also given the thoroughly arbitrary power to 'make such orders as it may deem appropriate' about NGO's.

The commission would thus be empowered to mount a hostile takeover of any NGO if in its subjective opinion doing so was in the 'public interest'. It would also have the power to order an NGO to stop doing anything the members of the commission thought was not in the 'public interest'. An NGO publishing a newspaper could be ordered to stop criticising the RDP or highlighting the crime rate, or drawing attention to anything else the government's appointees were sensitive about.

Mr Zane Dangor, apparently acting on behalf of those who initiated the bill, recently circulated a two-and-a-half page summary thereof. His document made no mention of the most important powers proposed for the commission.

Trade Unions in South Africa would never accept that the new Commission on Conciliation, Arbitration, and Mediation should have such powers in relation to their office-bearers and officials. Nor would the private sector accept that any government-appointed body should have the power to remove and appoint directors of companies or give orders to companies if such body formed the 'opinion' that this was necessary to prevent 'misconduct', 'protect assets', or promote 'the public interest'.

Some people argue that the bill is justified by the (as yet unproven) allegations against Dr Boesak. The same argument would justify using the Masterbond scandal to give the government powers to appoint and remove directors of companies.

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NGO's UNDER THREAT

by John Kane-Berman

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The commission will further have the power to impose fees on NGO's, presumably to help keep itself and its three secretariats - 'the registry', 'resource', and 'supervision' secretariats - in operation. Ironically, the bill claims that one of its objectives is to 'avoid the oppressive and restrictive bureaucratic control that was characteristic of the previous dispensation'. While the previous regime had powers to ban people and so remove them from participation in the activities of any organisation, it did not seek to give its nominees powers to put their men on to the boards of NGO's.

Many NGO's are already registered as incorporated associations not for gain under section 21 of the Companies Act. They already have to publish audited financial statements and comply with other provisions of the act. Some also have fund-raising numbers in terms of the Fund-Raising Act. The bill nevertheless

stipulates that, with some exceptions, all existing NGO's will be compelled to register with the commission within three years, failing which they will be prohibited from operating.

Far from seeking to 'avoid bureaucratic control', the bill imposes additional reporting duties on NGO's. They may be ordered to supply 'such information as to (their) activities, trustees, funding sources, and fundspending as may be prescribed'.

South African NGO's have a long and honourable record as critical institutions and watchdogs against the abuse of power. Some believe that they should be ready to keep playing this role wherever necessary. The new commission's powers present as great a threat to them as anything the previous government devised.

CONFERENCES, SEMINARS AND WORKSHOPS

Directors' Forum

- Affirmative Action Workshop,

Wanderers Club, Thursday 8 February 1996,
14:00 to 18:00

We are in the process of assembling a distinguished array of presenters on the important and contentious subject of Affirmative Action.

The presentations will include:-

* Productive Affirmative Action

Dr Amanda Hamilton-Attwell of National Productivity Institute.

* Breakwater Monitor

Mr Angus Bowmaker-Falconer of the University of Cape Town GSB.

* Intergration through Personnel Transformation in the SADF

Major Gen Gert Opperman of the SANDF.

* Bench Marking Exercise

Mr Bheki Sibiya of the Black Management Forum and Mr Julian Nagy of Ernst & Young.

This Forum Workshop will highlight different experiences in the line of business and culminate with a panel discussion. The interchange of views between presenters and questions from the floor promises a lively debate with conflicting views.

This Director's Forum will be an important gathering of divergent views, propounded by various role players and is an event not to be missed. Diarise 8 February 1996.

Global Competitiveness - The Challenge of Business Communication.

Park Hyatt, Johannesburg, 28 & 29 February 1996.

The third annual Communication in Business Conference, promoted jointly by the International Association of Business Communicators and the Institute of Directors, will be a major conference event in 1996.

The international keynote address will be given by Sir Alastair Morton, Chairman of Eurotunnel Group. Other international speakers include: Chris Lane, Chairman of Time Manager International, Mike Heron, Chairman of IABC International Board and American Cancer Society, Peter Hill of Lloyds of London.

Local presenters include: Mike Salamon, Executive Chairman Samancor, Colin Hall, Chief Executive of Wooltral, Bheki Sibiya, CEO of Black Management Forum, and many other distinguished speakers.

Qualitative Corporate Governance - The South African Business Success Factor

Carlton Hotel, Johannesburg, 28 March 1996.

Arrangements are in hand to again present the major South African Business Conference in 1996. Following the outstanding success of our 1995 event invitations are in the process of being extended to eminent speakers. Members are assured of another conference of high standing.

The detail of presenters and subjects will be communicated very early in the new year. In the interim you are asked to diarise the date of 28 March 1996 for the IoD Conference.



DIARY OF EVENTS JANUARY - MARCH 1996

18 January	Thursday	All day	IoD Golf Day, Bryanston Country Club
06 February	Tuesday	14:30	IoD Council Meeting
08 February	Thursday	14:00	Directors' Forum Affirmative Action Workshop - Wanderers Club
14 February	Wednesday	12:30	IoD Informal Luncheon, - Wanderers Club
14 February	Wednesday	14:30	IoD Environment Committee Meeting
21 February	Wednesday	12:30	Speaker Luncheon - Inanda Club, Illovo
28/29 February	Wed/Thurs	08:00	IoD/IABC Conference - Global Competitiveness - The Challenge of Business Communications - Park Hyatt, Rosebank
06 March	Wednesday	17:00	Directors' Forum - Country Club Johannesburg
13 March	Wednesday	12:30	IoD Informal Luncheon, - Wanderers Club
27 March	Wednesday	07:30	Breakfast Presentation - Country Club Johannesburg
28 March	Thursday	08:00	IoD/FM Conference - Qualitative Corporate Governance - The South African Business Success Factor - Carlton Hotel



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NEW IoD MEMBERS

We welcome the following new members to the IoD

Mr DA Ackerman	Mrs N Erasmus	Mrs D Ndaba
Ms EA Anderson	Mr J Fennie	Mr G Pretorius
Mr SJ Ashforth	Mr AC Goncalves	Mr HG Pretorius
Mr RFR Baker	Mr NC Hockly	Ms JM Priday
Mr JW Beattie	Mr JR Hollis	Ms KE Reardon
Mr SM Beesley	Mr FD Janeke	Mr DB Rhind
Mr ILS Bloxam	Mr AL Jansen van Vuuren	Mr C Rommelaere
Mr T Bonga	Mr LJ Jansen van Vuuren	Mr RM Rushton
Mr M Brosnan	Mr ST Jennings	Mr KA Schilperoort
Mrs N Bukani	Mrs RA Knight	Mr D Schreuder
Mr ES Burnett	Adv AP Landman	Dr K Sebati
Mr CJ Cochrane-Murray	Dr L Lang	Mr SJ Sibeko
Mr RG Cottrell	Mr IM Leepile	Mr SD Simpson
Mr N Cumming	Dr CV Makan	Mr HT Spencer
Mr AM De'ath	Mr GW Marray	Mr MW Spicer
Mr NE Dolbey	Dr JM Maseko	Mrs H Stewart
Mr ST Downie	Mr DR Mutlow	Mr P Swart
Mr ECH du Plessis		Mr RP Tyler
Mrs S du Plessis		Mr KH Wakefield