



Guidance for Boards

GOVERNING BODY MEMBER DUE DILIGENCE

A guide on ensuring proper due diligence is conducted prior to appointing or accepting a governing body position

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The Board Governance Forum (the “Forum”) is constituted as a forum of the Institute of Directors in South Africa (“IoDSA”), and is sponsored by PwC. The activities of the Forum have specific focus on advancing corporate governance practices in South Africa by producing guidance papers and/or events for directors who serve on governing bodies.

The objective of the Forum is to serve as a platform for discussion and dissemination of guidance to directors serving on governing bodies, either in the form of papers or events.

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The Forum previously operated as the Corporate Governance Network (CGN), and was rebranded as the Board Governance Forum in 2020.

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Purpose of the paper

This paper aims to provide both organisations and individual members with guidance on what to consider before nominating/appointing a potential governing body member or accepting a governing body position. The paper should not be considered as an exhaustive checklist in deciding whether or not to accept a potential candidate/position.

Terminology used in the paper

The terms “organisation” and “governing body member” have been used in this paper, the guidance in the paper can be applied in principle to all types of entities and governance office bearers as outlined in the King IV Report on Corporate Governance for South Africa 2016 (King IV). which would include all forms of incorporation whether as a company {public and private, large and small, for profit and not-for-profit}, voluntary association, retirement fund, trust, legislated entity or other.

However, it is important to note that other specific requirements would need to be taken into account for different appointments such as governing body members of listed organisations/trustees/councillors, in which case the guidance would need to be tailored according to the applicable legislation and governance frameworks for such an organisation, for example JSE Listing Requirements.

Introduction

WHY UNDERTAKE DUE DILIGENCE?

Given the recent governance failures in both the private and public sectors the need for ethical and effective leadership as espoused in the definition of King IV has become increasingly evident. From an organisation’s perspective, it is important to undertake a due diligence on prospective governing body members to ascertain whether they are suitable for consideration and should be nominated for appointment i.e. whether they have the right knowledge, skills experience and personal attributes to effectively fulfil their legal and governance duties. Independence and conflict aspects should also be carefully considered

In doing so, the organisation should be mindful of the fact that it is unlikely that a single individual will fit all the requirements perfectly. If the individual has most of the skills and attributes required and is not disqualified / ineligible, most other gaps in expectations as identified should be managed accordingly. At the least, they must prove to be “fit and proper “to hold a position on the governing body.

Refer to Annexure A for a guideline on what an organisation should consider with respect to a potential governing body member.

From a prospective independent and/or non-executive governing body member’s perspective, it is imperative that prior to accepting an appointment, he/she should undertake his/her own thorough examination of the organisation to satisfy himself/herself that it is an organisation in which he/she can have faith and in which he/she will be well suited to serving. This includes whether they share similar ethical and moral values with the organisation and if its Annual/Integrated Report indicate the long term sustainability of the organisation

This due diligence allows the prospective governing body member to assess the potential personal risks posed through involvement and association with the organisation, its governance procedures, financial management and strategic aims and objectives. The exercise may reveal the main areas for input requiring the independent and/or non-executive governing body member's attention. Alternatively, it may provide some idea of just how much work will be required in performing the envisaged role.

Refer to Annexure B for a guideline on what a potential governing body member should consider about an organisation.

By making the right enquiries, asking the right questions and taking care to clearly understand the responses, the risk of unpleasant surprises can be mitigated and the likelihood of success in the role significantly increased.

Additional matters to consider

STAKEHOLDER APPOINTED GOVERNING BODY MEMBERS

With regards to stakeholder representation on governing bodies (including governing body representation of empowerment partners as well as shareholder representation, where the organisation has controlling shareholders), an inherent challenge exists as these individuals are appointed by a third-party.

From the organisation's perspective, there needs to be upfront communication with the relevant third-party to ensure that the governing body's needs are taken into account when the nomination and /or appointment is made. There should also be a clear understanding that the appointee will have fiduciary obligation to serve in the best interest of the organisation as a whole and not the appointing stakeholder

Refer to the guidance paper on "Representative Directors" for further information on this subject¹.

There also needs to be a mechanism whereby an organisation is able to contest a stakeholder appointed governing body member that is not considered to fall within the desired criteria after taking into account the questions in Annexure A.

Examples of such organisations could include municipalities, state owned entities, retirement funds, medical aid schemes, not for profit organisations and other membership driven bodies. Reference should also be made to Principle 7 in the Sector Supplements of King IV relating to the nomination and appointment process of governing body members in certain types of organisations where these issues may be prevalent and particularly challenging.

From the individual's perspective, there should be a mechanism whereby the nominated individual can decline the appointment after consideration of the questions in Annexure B.

¹ See CGN paper: [Representative Directors](#) - Directors expected to represent the interest of the appointing party

REGULATED ORGANISATIONS

In addition to considering the matters raised in the Annexures to this paper, an organisation falling under a specific regulator such as for example the JSE, Financial Services Conduct Authority (FSCA) or Prudential Authority (PA) may be required to comply with additional requirements and submit to the relevant regulator, the relevant governing body member's declaration or documentation to show member independence and proper process was followed either prior to or subsequent to the date of appointment. Such requirements should be embedded in the compliance framework of the organisation.

CONFIDENTIALITY

As the due diligence process involves the sharing of confidential information, it is recommended that both parties (i.e. the organisation and the prospective governing body member) sign a confidentiality/non-disclosure agreement. This allows the parties to share information with each other for the purpose of the due diligence but restricts access thereof to/by third parties. Refer to Annexure C for a sample agreement that can be tailored to suit the specific circumstances.

Purpose of the Annexures

The items covered in the Annexures to this paper are intended to provide high-level guidance on the key areas to consider when undertaking due diligences of this nature – and should not be viewed as a complete/exhaustive checklist of any form. The items are designed to help organisations reach an informed and thoughtful decision before nominating a prospective governing body member for appointment; and to help prospective governing body members reach an informed and thoughtful decision before accepting or declining an offer of a position on the governing body.

In addition to the questions listed in the annexures, the organisation /governing body member should also consider any other matters that they consider pertinent in coming to an informed decision.

Annexure A

Guideline for organisation conducting a due diligence on prospective governing body members

LEGAL CONTEXT

Legislation generally provides for the manner in which members of the governing body are to be nominated and /or appointed to the governing body. Further requirements may be contained in the Memorandum of Incorporation or other founding document/s as may be applicable to the particular organisation.

A person becomes entitled to serve as a governing body member of an organisation when that person has been appointed or elected in accordance with the requirements of the relevant Act which may require delivery to the organisation a written consent to serve as a governing body member.

The various Acts and / or their attendant regulations further set out certain ineligibility and disqualification criteria for governing body members which both the organisation and the governing body member should be aware of and ensure that the necessary legal criteria are met. It is suggested that this should be included in the onboarding process and embedded in the legal compliance framework. Of particular importance the possible requirement for a governing body member to be independent in terms of the relevant legislation pertaining to the organisation, should be noted and is further highlighted in the annexures to this paper. Reference should be made to King IV Principle 7 Recommended Practices 27 and 28 for further guidance in this regard.

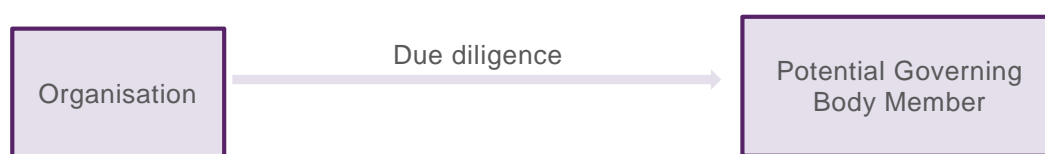
GOVERNANCE CONTEXT

The key goal in selecting governing body members is to build a suitable mix of knowledge, skills and experience that achieves a well-rounded team in fulfilling the governing body duties and responsibilities. King IV in Principle 7 page 50 states:

“The governing body should comprise the appropriate balance of knowledge, skills experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.”

The nominations committee (or if none exists, the governing body, should determine the nominees who will be put forward to the shareholders/executive authority and/or members for election. This should be based on the assessments of the proposed candidates (CV's, background checks and interviews) as well as the needs of the governing body and/or its committees (as covered in the questions below).

It is also important, that in putting forward the nominees to the shareholders/executive authority/members, that the governing body clearly inform the shareholders of the process that has been followed and the criteria that have been considered in getting to those decisions.



MINIMUM SUGGESTED AREAS TO BE CONSIDERED IN ENSURING EFFECTIVE DUE DILIGENCE

**Note this is not an exhaustive list and other matters specific to the organisation, industry and circumstances should be considered.*

For further information on the Nomination Committee process, see the IoDSA's [NED Nomination Process Research Report](#).

A1 Legal and governance

#	Questions to ask	Reason	Sources (Refer Note #)
A1.1	Is the candidate allowed to serve as a governing body member in terms of the relevant legislation and/or Memorandum of Incorporation/Constitution i.e., meets the required fit and proper criteria?	To ensure compliance with ineligibility/disqualification criteria. To protect integrity and validity of board decisions	Inspection of CV, independent background checks and enquiry at interview
A1.2	Has the candidate been declared a delinquent director?	To ensure compliance To ensure ethical and effective leadership	CIPC Delinquent Director Register (See Annexure D on how to access this)
A1.3	Does the candidate understand his/her role as an independent and/or non-executive governing body member?	To ascertain whether expectations will be met	Inspection of CV and enquiry at interview
A1.4	Are there any potential/actual conflicts of interest between the candidate and the organisation?	To ascertain independence and objectivity	Completion of a Declaration of Interests form. Inspection of CV (for other organisations on whose governing body they serve, history), background checks and enquiry at interview (further clarify information gathered and whether any relationships with board members, employees or suppliers exist).
A1.5	Has the candidate consented to act as a member of the governing body of the organisation?	To ascertain willingness to serve	Enquiry
A1.5	Would you consider the candidate to be independent (if this is a requirement for the position)?	To ascertain view on independence	Inspection of CV and enquiry at interview. Declaration of Interests Form. Background and media checks.

A2 Knowledge skills, experience and personal attributes

#	Questions to ask	Reason	Primary Source (Refer note # below)
A2.1	How will the candidate fit within the governing body culture and dynamics?	To consider suitability of personal attributes	Consideration at interview
A2.2	Does the candidate satisfy the transformation and /or the diversity considerations for the governing body?	To consider transformation targets and diversity requirements	Inspection of CV
A2.3	How will the candidate make a positive contribution to the governing body's knowledge and skills? i.e. does the individual fill the right gap/needs on the governing body?	To consider adequacy of knowledge and skills against requirements of the governing body	Inspection of CV or consideration at interview Skills and experience requirements of the governing body.
A2.4	Does the candidate demonstrate the necessary knowledge (industry, business, finance, strategy, risk, ICT, legal, governance)?	To consider adequacy of knowledge	Inspection of CV or consideration at interview
A2.5	What is the extent of the candidate's experience in governing body roles?	To consider adequacy of governing body experience	Inspection of CV and enquiry at interview
A2.6	Does the candidate portray the desired personal characteristics, including integrity, honesty, curiosity, courage, teamwork, communication skills, instinct, active contributor?	To consider suitability of personal attributes	Consideration at interview Reference and social media checks
A2.7	Does the candidate portray a level of self-knowledge and self-awareness	To consider suitability of personal attributes	Consideration at interview
A2.8	Does the candidate portray a genuine interest in the organisation and its core business?	To consider commitment	Consideration at interview

A3 Other considerations

#	Questions to ask	Reason	Primary Source Refer note #
A3.1	Could association with the candidate result in a risk to the organisation?	To assess possible reputational risk through association with an individual	Inspection of CV and enquiry in interview. Social media checks Background and criminal checks
A3.2	Based on his/her other commitments, does the candidate appear to have the time to make the level of commitment required to be an effective member on the governing body?	To consider ability to dedicate sufficient time and effort to duties	Inspection of CV and enquiry in interview
A3.3	How many active directorship positions does the candidate have and which organisation board's does the candidate services on?	To consider ability to dedicate sufficient time and effort to duties To ascertain any conflicts of interests.	Inspection of CV, enquiry in interview. Written confirmation of such information should be provided to the chair/relevant individual.
A3.4	What strategic relationships/alliances does the candidate have that would be of value to the organisation?	To consider potential opportunities through association with an individual	Inspection of CV and enquiry in interview
A3.5	What is the potential candidate's fee/salary expectation and can that be met by the organisation?	To consider affordability	Enquiry in interview
A3.6	Has the organisation (or its agent) checked the authenticity of the candidate's qualifications and /or that professional memberships are current/in good standing?	To provide assurance that the candidate has the appropriate qualifications and professional memberships	Inspection of certificates and confirmation with the professional body

Note #:

In addition to the specific sources listed in these tables, one would usually also look to informal networks (talking to people/contacts who may know the individual) to ascertain suitability to the position. Further, optimum utilisation of publicly available information on the internet such as Instagram /Facebook Twitter etc and any other appropriate social media networks should be made around the candidate, family and close connections which could be red flag indicators warranting further investigation.

Prospective governing body members should also use the said platforms and networks to better understand the organisation and related issues and /or risks.

Annexure B

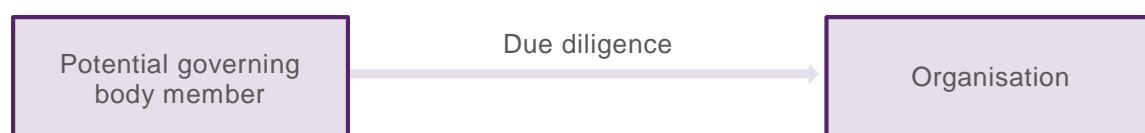
Guideline for individuals conducting a due diligence on prospective organisation's they wish to serve on

LEGAL AND GOVERNANCE CONTEXT

In terms of legislation a person becomes entitled to serve as a governing body member of an organisation when that person has been formally appointed or elected in accordance with the relevant legislation and attendant regulations pertaining to that particular organisation as earlier outlined.

In considering whether to consent to serve on a governing body, there are a number of critical matters that a potential governing body member should take into account, as covered in Section 1 below.

During this consideration or subsequent to being appointed as a governing body member, there are further informative matters that a governing body member would consider in order to familiarise himself/herself with the organisation, as covered in Section 2 below.



Section 1 – Critical matters to consider

#	Sub-Section	Questions to ask	Reason	Source
B1.1	Strategy	What is the organisation's history?	To obtain a basic understanding of the organisation	Inspection of prior annual /integrated report / website
B1.2	Strategy	What is the nature and extent of the organisation's business activities?	To obtain a basic understanding of the organisation	Inspection of prior annual/integrated report / website
B1.3	Strategy	What are the organisation's purpose vision, mission and values as set by the Governing Body?	To obtain a basic understanding of the organisation To ensure that the organisation's values align with your values as well	Inspection of prior annual /integrated report / website and at interview
B1.4	Strategy	What are the organisation's strategy and current business plan?	To obtain a basic understanding of the company's strategy	Inspection of prior annual /integrated report / website
B1.5	Strategy	What are the organisation's key dependencies?	To obtain an understanding of what the organisation relies on	Inspection of prior annual /integrated report / website

#	Sub-Section	Questions to ask	Reason	Source
B1.6	Risk	What are the main risks and opportunities the organisation faces, and how are these risks governed and managed	To consider how mature and /or embedded the risk governance and management process is	Inspection of risk register and risk management plan
B1.7	Risk	Does the organisation have sound and effective systems of internal controls?	To consider how mature the internal control system is	Inspection of internal audit reports and/or enquiry
B1.8	Risk	Is any material litigation presently being undertaken or threatened, either by the organisation or against it?	To consider how this impacts the future viability of the organisation and whether you want to be associated with the organisation.	Inspection of prior annual /integrated report and/or enquiry at interview
B1.9	Risk	What are the key issues and /or challenges currently facing the governing body?	To ascertain whether you want to become involved with this governing body	Inspection of governing body evaluation report (if any) or enquiry
B1.10	Risk	Are you aware of the potential legal liabilities as a governing body member? Which of those are covered by D&O insurance? What is the organisation's policy on indemnifying governing body members? Are there any outstanding/pending claims that may result in governing body member's liability?	To consider the risk involved with accepting the appointment	Review of governing body charter and enquiry at interview
B1.11	Financial	What is the organisation's current financial position and what has its financial track record been over the past three years?	To ascertain the financial viability of the organisation	Inspection of prior annual/integrated reports
B1.12	Financial	Is the organisation a going concern? Is there any reason to suspect or believe that the organisation is insolvent or heading that way?	To ascertain the financial viability of the organisation	Inspection of prior annual financial statements, going concern assessments and financial forecasts
B1.13	Financial	Has the organisation achieved unqualified audits over for the previous years?	To ascertain the quality of the organisation's financial function.	Inspection of prior annual financial statements
B1.14	Financial	Have previous audit reports revealed any issues/concerns about the organisation?	To ascertain any major concerns about the company.	Inspection of prior annual financial statements

#	Sub-Section	Questions to ask	Reason	Source
B1.15	Financial	Are non-executive and /or independent members of the governing body paid? If so, how much, how often, on what basis? Have you considered your possible annual tax burden given that your current earnings need to be combined with your new earnings?	To consider the personal financial impact of the appointment	Review of governing body charter enquiry consideration
B1.16	Governing Body composition	What is the current composition of the governing body? Who are the executives and non-executives? What is their background and how long have they served?	To gain an understanding of the current governing body and consider how well you would work with the individuals (boardroom dynamics)	Inspection of annual/integrated report /website or enquiry
B1.17	Governing Body composition	Is there a range of skills on the governing body and are those skills and experiences aligned to the organisation's strategic objectives and complexity ?	To gain an understanding of the current governing body and consider how well you would fill the gaps	Inspection of governing body evaluation report and enquiry
B1.18	Governing Body composition	Is the governing body composition suitably diverse to stimulate independent challenge and thought?	To gain an understanding of the current governing body and consider how well you would fill the gaps.	Inspection of governing body evaluation report and enquiry
B1.19	Governing Body composition	How has the governing body composition changed over the last few years? If there was a resignation, what was the reason (resignation/retirement/ removal)?	To consider the company's relationship with its governing body members.	Enquiry
B1.20	Governing Body composition	Is there a suitably experienced and qualified company secretary/governance services professional supporting the governing body? Is there adequate internal support of the independent and /or non-executives?	To gain an understanding of how sufficiently the board is supported	Inspection of governing body charter
B1.21	Governing Body composition	What is the CEO's relationship with the governing body? What is her/his performance review mechanism?	To ensure healthy tensions exist between the board and the executive.	Inspection of governing body evaluation report and enquiry

#	Sub-Section	Questions to ask	Reason	Source
B1.22	Governing Body composition	Are non-executives kept up to date of significant happenings between governing body meetings? What are the internal protocols for non-executive directors to obtain access to information?	To ascertain access to information for non-executives	Enquiry and inspection of governing body charter
B1.23	Governing Body composition	Which governing body committees have been established and which would you be required to serve on?	To gain an understanding of how the governing body operates as well as the expectations of a potential governing body member	Inspection of governing body charter and enquiry
B1.24	Governing Body meetings	Where and how often are governing body meetings held? How long does a typical governing body meeting last?	To consider whether you would be able to make this time commitment	Inspection of governing body charter and enquiry
B1.25	Governing Body meetings	Does the governing body hold an annual strategy session?	To consider whether you would be able to make this time commitment	Enquiry
B1.26	Desire	Is there anything about the nature and extent of the organisation's business activities that would cause you concern both in terms of risk and any personal ethical considerations?	To identify the reputational risk of associating with the organisation.	Consideration
B1.27	Desire	If the organisation is not performing particularly well is there potential to turn it around?	To ascertain whether you have the time, desire and capability to make a positive impact.	Consideration
B1.28	Desire	Is this a good career move? Will you grow in terms of experience and/or ability as a result of joining the governing body?	To consider whether the appointment would make sense from a career progression perspective	Consideration
B1.29	Suitability	Are you being brought onto the governing body to bolster an existing group, or to bring something new?	To ascertain expectations and whether you are able to fulfil those expectations	Inspection of Nomco minutes, previous governing body evaluation report and enquiry

#	Sub-Section	Questions to ask	Reason	Source
B1.30	Suitability	What is the total time commitment required? Could you find the time to deal with emergency situations? Which other events would you be required to attend? What site visits would you be required to make?	To ascertain whether you are able to make the time commitment required to adequately fulfil the responsibility	Consideration
B1.31	Suitability	Would accepting the membership of the governing body put you in a position of having a conflict of interest?	To consider whether you would still be independent (on other governing bodies you serve on)	Consideration

Section 2 – Informative matters to consider

#	Sub-Section	Questions to ask	Reason	Source
B2.1	Structure Insight	What is the legal status of the organisation?	To obtain a basic understanding of the organisation	Inspection of prior integrated report / website
B2.2	Structure Insight	What is the organisation's group structure and level of complexity	To obtain a basic understanding of the governance structure in which the organisation operates	Inspection of prior integrated report / website/enquiry
B2.3.	Structure Insight	Who are the major shareholders /or executive authority of the organisation?	To obtain a basic understanding of the organisation	Inspection of prior integrated report / website
B2.4	Stakeholders	Who are the organisation's major stakeholders?	To obtain an understanding of who the major stakeholders are and to what extent this impacts the organisation	Inspection of prior annual/integrated report / website
B2.5	Stakeholders	Does the organisation have an effective stakeholder/engagement communications policy?	To ascertain how well the organisation engages with and communicates to its stakeholders	Inspection of prior integrated report / website or enquiry
B2.6	Stakeholders	If the organisation operates in a regulated sector, who are the regulators and what is the relationship with the regulators like?	To consider the organisation's regulatory standing	Inspection of prior integrated report / website
B2.7	Stakeholders	Who are the organisation's major competitors?	To consider how well the organisation is doing in its market	Enquiry

#	Sub-Section	Questions to ask	Reason	Source
B2.8	Stakeholders	What is the organisation's competitive position and market share in its main business areas?	To consider how well the organisation is doing in its market	Inspection of prior integrated report / website/marketing reports or enquiry
B2.9	Financial	Has the organisation issued an integrated report?	To ascertain the positive and negative key aspects including the organisation's attitude towards sustainability and integrated strategy and reporting.	Inspection of prior integrated reports and enquiry
B2.10	Financial	Who are the organisation's auditors? How long have they served? And if there has been a recent change, why?	To ascertain auditor independence and the organisation's relationship with its auditors.	Enquiry
B2.11	Governance	Does the organisation apply King IV on a proportionate any other governance guidelines?	To ascertain the organisation's attitude towards corporate governance	Inspection of website/integrated report/governance report.
B2.12	Governance	Have you reviewed governing body policies including governing body charter, governing body code of ethics and /or code of conduct, conflicts of interest policy, induction policy, chair role description, governing body member development policy, governing effectiveness evaluation policy, delegations of authority?	To understand the powers and expectations of a member of the governing body of the organisation and the implications of governing body related documents/ policies	Inspection of the relevant documents mentioned
B2.13	Governance	Are the governing body, its committees and individual governing body members evaluated regularly and are action plans put in place to address areas of weakness?	To ascertain the organisation's stance towards continual improvement	Inspection of governing body charter and previous governing body evaluation report
B2.14	Governance	Are you aware of where and how to get advice if you have concerns regarding corporate governance matters?	To enable awareness	Inspection of governing body charter or enquiry

#	Sub-Section	Questions to ask	Reason	Source
B2.15	Governance	Does the organisation offer a suitable governing body member induction programme and adequate ongoing professional development? Is it clear from the organisation how you will acquire an understanding of the business activity?	To ascertain the organisation's commitment to governing body member development	Review of governing body charter/induction programmes and enquiry
B2.16	Governing body meetings	What is attendance and participation at governing body meetings like?	To consider the commitment of the current governing body members	Inspection of governing body meeting minutes, governing body evaluation and enquiry
B2.17	Governing body meetings	How focused and complete is the governing body agenda?	To ascertain the governing body's effectiveness through meaningful agendas	Inspection of governing body agendas and enquiry
B.18	Governing body meetings	How far in advance of meetings are governing body meeting packs sent out? Are governing body meeting packs sufficiently detailed and well presented?	To ascertain how well the secretariat function supports the governing body by enabling the governing body members to fully prepare for meetings	Inspection of governing body charter/governing body meeting packs and enquiry
B2.19	Governing body meetings	Is there an annual work plan for the governing body and how comprehensive is it?	To consider how the governing body ensures that it fulfils its responsibilities	Review of annual work plan of the governing body and enquiry
B2.20	Governing body meetings	Do governing body meeting minutes have the right level of detail?	To consider how well the secretariat /corporate governance services function supports the governing body	Review of governing body meeting minutes

Annexure C

Sample Confidentiality Agreement

*(*Note: Any legal agreements should be reviewed and approved by the organisations legal department)*

It is understood and agreed to that the below parties will provide and receive certain information during the governing body member appointment due diligence process that is and must be kept confidential. To ensure the protection of such information, it is agreed that:

1. The confidential information includes, inter alia:
 - Relevant personal information about a potential governing body member
 - Business, financial, governance, intellectual property and other relevant information relating to the organisation
2. The parties agree not to disclose the confidential information obtained to anyone unless required to do so by law.
3. This Agreement records the entire agreement between the parties concerning the disclosure of confidential information. Any addition or modification to this Agreement must be made in writing and signed by the parties.
4. If any of the provisions of this Agreement are found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Agreement as a whole.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

Signed by the parties:

Name:

Capacity:

On behalf of [insert organisation name]

Signature:

Date:

Name:

Potential independent/ non-executive governing body member :

Signature:

Date:

Annexure D

How to access the CIPC Disqualified Director Register (DDR)

(extracted from IoDSA [Director Misconduct Guidance Note](#))

Step 1: Create a CIPC Customer Account

Website:

Click on Customer Registration link found on the left hand column (see red arrow and circled area below)

eservices.cipc.co.za

Companies and Intellectual Property Commission - eServices

Welcome GUEST

PLEASE LOG IN TO START TRANSACTING

CUSTOMER LOGIN

PASSWORD RESET

CUSTOMER REGISTRATION

ENTERPRISE SEARCH

search for enterprises on our register using enterprise name, enterprise number or director ID/passport number

CONTINUE TO SEARCH

HOW-TO VIDEOS

watch our how-to videos to guide you in filing transactions or retrieving documents

WATCH VIDEOS

SOCIAL MEDIA

follow us on social media to interact with us and to get the latest updates

SUPPORTED BROWSERS

You are here: CIPC eServices » Home » Transact

CIPC eServices System

Welcome to the CIPC eServices system. To transact on this system you must have a valid CIPC customer code. Please note that currently you can only register private and non-profit companies with standard memorandum of incorporation, all other company types must be filed manually. Forms are available on <http://www.cipc.co.za/>

Customer Registration & Login

1. Click on "CUSTOMER REGISTRATION"
2. Indicate whether you are South African or not
3. Type in ID or passport number
4. Fill in all required fields on the registration form
5. Set new password
6. Login using customer code and password
7. Security code and password are case sensitive

OR

Click on "PASSWORD RESET"

- Type in customer code
- OTP is sent to cellphone number
- Once OTP confirmed, set new password

Follow instructions on [this page](#)

Services Offered

- COMPANY REGISTRATION
private and non-profit company registration
- NAME RESERVATIONS
reserve a name for company registration
- NAME CHANGES
change company name
- NAME SEARCH
search registered and reserved names
- DIRECTOR AMENDMENTS
amend company directors
- MEMBER AMENDMENTS
amend close corporation members
- FINANCIAL YEAR END CHANGES
change financial year for companies and close corporations
- ENTERPRISE ENQUIRY
enterprise details
- ANNUAL RETURNS
file company and close corporation annual returns
- AUDITOR CHANGES
appoint / resign auditors
- ADDRESS CHANGES
change company and close corporation addresses
- NAME EXTENSION
extend reserved name expiry date

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Step 2: Login in

Click on the Customer Login link found on the left hand column and login into your customer account using the login details created under Step 1.

Companies and Intellectual Property Commission - eServices

Welcome GUEST

PLEASE LOG IN TO START TRANSACTING

CUSTOMER LOGIN

PASSWORD RESET

CUSTOMER REGISTRATION

ENTERPRISE SEARCH

search for enterprises on our register using enterprise name, enterprise number or director ID/passport number

CONTINUE TO SEARCH

HOW-TO VIDEOS

watch our how-to videos to guide you in filing transactions or retrieving documents

WATCH VIDEOS

SOCIAL MEDIA

follow us on social media to interact with us and to get the latest updates

SUPPORTED BROWSERS

You are here: CIPC eServices » Login

Login to CIPC eServices

Customer Code

Customer Password (case sensitive)

Enter security code displayed above. (case sensitive)

Tick to accept the CIPC Terms & Conditions

LOGIN

FORGOT PASSWORD

Before you login make sure you have a **valid email address**, you will not be able to transact if you don't have one. You can register for a free email address at Gmail.

If you are experiencing problems resetting your password, send an email to resetpassword@cipc.co.za with the following:

- Certified identity copy (certification not older than three months)
- [Password Reset Request Form](#)

Once you receive notification that your details have been updated, reset your password online. [Click here](#) to view the step by step guide.

Step 3: Option 1: Click Transaction and select DDR

The screenshot shows the CIPC eServices portal. At the top, there are navigation links: HOME, **TRANSACTION** (highlighted with a red circle and labeled 'Option 1'), and CART (0). Below the navigation bar, the main content area is divided into several sections. On the left, there is a sidebar with links like 'EDIT CUSTOMER DETAILS', 'LOGOUT', 'BALANCE: R 0.00', 'ENTERPRISE SEARCH', 'HOW-TO VIDEOS', 'SOCIAL MEDIA', and 'SUPPORTED BROWSERS'. The main content area has a 'CIPC ENTITY SEARCH' section with a 'Search by' dropdown (labeled 'Option 2') and a search button. Below this is a table titled 'CURRENT PROCESSING DATES' with columns for 'TRANSACTION TYPE', 'CURRENT PROCESSING DATE', and 'LAST UPDATED'. To the right of the search section is a grid of service icons. The 'DISQUALIFIED DIRECTORS REGISTER' icon (labeled 'Option 1') is highlighted with a red circle. Other icons include 'COMPANY REGISTRATION', 'AMEND COMPANY DIRECTOR DETAILS', 'AMEND CC MEMBER DETAILS', 'NAME RESERVATIONS', 'FILE ANNUAL RETURNS', 'AUDITORS & ACC. OFFICERS', 'CO & CC ADDRESS CHANGES', 'FINANCIAL YEAR END CHANGES', 'CERTIFICATES & DISCLOSURES', 'ENTERPRISE ENQUIRY', 'TRANSACTION STATUS', 'CUSTOMER TRANSACTIONS', 'NAME CHANGES', 'DOCUMENT UPLOAD', 'THIRD PARTIES', 'HOW-TO VIDEOS', 'BANKING DETAILS', 'EXTERNAL COMPANY REPRESENTATIVES', 'FINANCIAL STATEMENTS', and 'COMPLIANCE CHECKLIST'.

Option 2: On front page – from drop down list select ID

CIPC ENTITY SEARCH

Director ID No. ▼ Type in enterprise name, number or director ID number



Step 4: Enter individual's RSA ID number of Passport number

Results of search will then be displayed.

Notes

[illegible]



HOW CAN WE HELP YOU?

Individual Services	Corporate Services	Thought Leadership
<ul style="list-style-type: none">- IoDSA Membership- NED Vacancies- Director Certifications- Individual Director Development Programmes	<ul style="list-style-type: none">- Customised Board Development Programmes- Board Performance Evaluations- Governance Advisory Services	<ul style="list-style-type: none">- King Reports and Practice Notes- General Board Guidance- Board Committee Guidance- Research Projects

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