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## **MARKETING AND GOVERNANCE: EMERGING ACCOUNTABILITY RISKS UNDER KING V™**

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South Africa's governance landscape is entering a more integrated era. For years, reporting under King III™ and King IV™ was often heavily narrative-driven. Organisations could describe their board structures, ethical intentions, and processes with limited standardisation or substantiation. Yet despite their well-established structures, internal codes and reported assurance processes, *major failures persisted in both public and private sectors* - often in organisations that projected strong governance credentials on paper.

King V™ which was launched in October 2026 and effective in the 2026 financial reporting year, **seeks to close this gap**.

One of its most significant innovations is the standalone

**Disclosure Framework** - a standardised mechanism requiring organisations not only to explain *how governance principles are applied*, but to *substantiate them meaningfully*, including deviations and compensating measures. The governing body (Board) must take ultimate accountability for these disclosures and is required to sign these off annually.

This shift has implications well beyond the boardroom - particularly for marketing professionals, communications teams, annual report writers, branding agencies, investor relations specialists, and consultants who shape governance narratives.

### **Governance reporting is no longer merely narrative**

King V™ moves governance disclosure toward a *more structured, evidence-oriented approach*. The goal is greater transparency, consistency, comparability, and credibility. It explicitly rejects "tick-box" compliance in favour of substance.

Annual integrated reports, ESG disclosures and similar external communications, including governance statements are *not just branding tools*. They are formal representations to shareholders, regulators, investors, employees, customers, lenders, civil society, and other stakeholders. They *influence trust, investment decisions, reputation, and legitimacy*.

### **The Board and Company Secretary remain central**

King V™ reinforces that the Board is the ultimate custodian of governance. Directors cannot delegate away accountability for the organisation's disclosures. The Company Secretary plays a vital coordination role in supporting



the Board, maintaining integrity, and *ensuring alignment between approved governance practices and public reporting*. This said, modern reporting has become multidisciplinary. Marketing, communications, investor relations, ESG consultants, and external agencies now frequently draft, design, and 'polish' these documents. This creates a critical new intersection, and one that should not be taken lightly.

### The silent expansion of Marketing's governance role

Marketing functions have evolved far beyond advertising with catchy billboard promotions or glitzy events. They now shape reputation, ESG messaging, stakeholder confidence, crisis communication, and public perception of governance itself. In many organisations, **marketers directly contribute** to integrated annual reports, sustainability reports, governance summaries, and external disclosures designed for a wide array of key stakeholders.

Given the role and functions of marketing, the key question is: What happens when governance *communication* becomes disconnected from the organisation's governance *reality*?

### The governance-reality gap

South Africa has seen this disconnect play out painfully, not once or twice, but on many occasions. Notably -- and it's the largest of all these governance failures to date -- is the case of Steinhoff. It's a stark example of repeated and prolonged *misleading representations* which led to the organisation's governance collapse. In 2024, the Financial Sector Conduct Authority imposed a **R475 million penalty** on former CEO Markus Jooste for false and misleading financial statements, including omitted disclosures.



(Photo: Waldo Swiegers / Bloomberg via Getty Images) | The late and former Steinhoff CEO Markus Jooste. (Photo: Gallo Images / Brenton Geach)

Similar patterns emerged at the SABC, where formal structures coexisted with systemic weaknesses. These cases show that *governance language, policies, and reports do not automatically equal effective governance*. Internationally, the Volkswagen "Dieselgate" emissions scandal offers a powerful parallel. For years, VW aggressively marketed its diesel vehicles as "Clean Diesel" -- environmentally friendly, low-emission, and technologically advanced -- through sophisticated global advertising campaigns. In reality, the company had installed defeat devices in approximately 11 million vehicles to cheat emissions tests. The scandal exposed deep governance and cultural failures, including inadequate board oversight, and resulted in billions in fines, executive resignations, and long-lasting reputational harm. Notably, marketing teams played a central role *both in promoting the overstated narrative and in later crafting remedial apology campaigns*.

King V™ is designed to narrow this appearance-versus-substance gap.

### Why marketing professionals should pay attention

This is not an argument against marketers, nor an attempt to shift board accountability onto them. It is recognition that marketing now participates in *governance representation*. Marketing teams may face pressure to:

- soften governance language,
- reframe concerns more favourably,
- emphasise image over substance, and
- present stronger perceptions of maturity than evidence fully supports.

Globally, stakeholders are increasingly alert to *greenwashing*, *ethics washing*, and *governance washing*. Reputational damage can be swift, and as Warren Buffett noted: “*It takes 20 years to build a reputation and five minutes to ruin it.*” With this in mind, he then questioned if our actions would change?

### **The emerging professional risk**

The Marketing Association of South Africa (MASA) has advanced marketing professionalism through designations such as AMSA, MPSA, and CMSA, which carry expectations of ethical conduct, professional competence, and responsible communication. However, senior marketing executives who exercise significant influence over stakeholder trust, ESG positioning, reputation strategy, and governance-related messaging may -- depending on the facts and circumstances -- exercise authority and decision-making influence comparable to that of “*prescribed officers*” under the Companies Act, 71 of 2008.

This raises an important governance question:

### **At what point does authority over organisational communication and stakeholder representation give rise to governance-level accountability and fiduciary-style duties under company law principles?**

This question is increasingly relevant in environments where external reporting, brand narratives, ESG disclosures, and integrated communications *materially influence stakeholder decision-making and organisational reputation*. While there is limited South African case law directly addressing the liability of marketing or communications professionals in the same manner as directors, the statutory concept of “*prescribed officers*” suggests that accountability may extend beyond formally appointed board members where individuals exercise comparable levels of influence over the management or direction of the company.

Accordingly, organisations and professional bodies may need to consider whether senior marketing and communications roles carry an expanded duty of care aligned, in substance if not always in form, with fiduciary expectations traditionally associated with directors. Where influence is exercised, **visibility and accountability must follow**.

### **Governance literacy is becoming essential**

As expected of all Board members, *governance literacy* is becoming just as essential for the marketing profession. The solution lies in collaboration and capability, where marketing professionals will benefit from their foundational knowledge and understanding of:

- governance principles and fiduciary duties,
- disclosure integrity and evidentiary alignment,

- governance standards, disclosures and ESG communication risks, and
- the boundaries of narrative construction.

Notably, this literacy elevates marketing's strategic role while protecting personal and organisational credibility. Modern marketers are increasingly custodians not only of reputation, but of **organisational credibility**.

### Conclusion

King V™ may be remembered as a turning point in South Africa's governance reporting landscape - not just in governance standards, but in *how* governance claims are communicated and substantiated. Expectedly, for marketing professionals, this brings both opportunity and responsibility. Opportunity to become even *stronger strategic partners to the board*, and responsibility to help *ensure the organisation can credibly stand behind the story it tells*.

### Practical steps forward:

- Establish clearer internal governance-marketing collaboration protocols.
- Include governance professionals in final sign-off on substantive claims.
- Invest in cross-functional training on King V™ disclosure expectations.
- Embed continuous assurance mechanisms that align governance claims with verifiable organisational evidence.

South African organisations will continue producing increasingly sophisticated reports. However, under King V™, the decisive question becomes *less about presentation and more about substantiation*.

Can you evidence and defend the governance story you are telling, at any point in time and through verifiable organisational reality?

**END**

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