

# KING IV™ EXPLAINED

## GOVERNING BODY ROLES & RESPONSIBILITIES

1

STEERS AND SETS STRATEGIC DIRECTION

2

APPROVES POLICY AND PLANNING

3

OVERSEES AND MONITORS

4

ENSURES CONSISTENCY

## PRINCIPLES OF KING IV REPORT™

*The governing body should...*

- Principle 1:** lead ethically and effectively.
- Principle 2:** governs the company's ethics to build an ethical culture.
- Principle 3:** ensure the organisation is a responsible corporate citizen.
- Principle 4:** appreciate that the company's core purpose, risks, opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation.
- Principle 5:** ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.
- Principle 6:** serve as the focal point and custodian of corporate governance in the organisation.
- Principle 7:** comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.
- Principle 8:** ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and effective discharge of its duties.
- Principle 9:** ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance effectiveness.
- Principle 10:** ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.
- Principle 11:** govern risk in a way that supports the organisation in setting and achieving its strategic objectives.
- Principle 12:** govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
- Principle 13:** govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
- Principle 14:** ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
- Principle 15:** ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.
- Principle 16:** adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.
- Principle 17:** ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.

## RESULTS OF APPLICATION OF KING IV™

1

ETHICAL CULTURE

2

GOOD GOVERNANCE

3

EFFECTIVE CONTROL

4

LEGITIMACY