

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:** govern 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 the 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 organisations 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