

## **KING IV – 17 PRINCIPLES™**

### **The 3 principles for Leadership, Ethics & Corporate culture (with 15 recommended practices)**

1. The governing body should set the tone and lead ethically and effectively.
2. The governing body should govern the ethics of the organisation in such a way that supports the establishment of an ethical culture.
3. The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

### **The 2 principles for Strategy, Performance and Reporting (with 15 recommended practices)**

4. The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
5. The governing body should 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.

### **The 5 principles for Governing Structures & Delegation (with 99 recommended practices)**

6. The governing body should serve as the focal point and custodian of corporate governance in the organisation.
7. 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.
8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.
9. The governing body should 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 and effectiveness.
10. The governing body should ensure the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.

### **The 5 principles for Governance Functional Areas (with 61 recommended practices)**

11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.
12. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
13. The governing body should 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.
14. The governing body should 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.
15. The governing body should 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.

### **The 2 principles for Stakeholder Relationships (with 25 recommended practices)**

16. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

#### ***Corporate principal:***

17. The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.