THE 17 PRINCIPLES OF KING IV ON CORPORATE GOVERNANCE

These principles are taken from the King IV Report on corporate governance which has become the standard for good governance in South Africa. It applies to both private and public organisations and the way they conduct themselves and their business, and has been in force since 2017.

The principles are divided into groups, linked by a common theme or concept.

For more information about corporate governance and the principles, take our online, short courses on Corporate Governance Parts I and II, which can be found at www.clearlawsa.org.za.

Leadership, ethics and corporate citizenship

Principle 1: The governing body should lead ethically and effectively.

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Principle 3: Responsible corporate citizenship

Strategy, performance and reporting

Principle 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.

Principle 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.
Governing structures and delegation

Principle 6: Board as custodian of good governance
Principle 7: Board composition
Principle 8: Effective board structures and delegation of authority
Principle 9: Board performance evaluation
Principle 10: Board/management relationships

Governance functional areas

Principle 11 Risk governance
Principle 12 Technology and information governance
Principle 13 Compliance governance
Principle 14 Remuneration governance
Principle 15 Assurance

Stakeholder relationships

Principle 16: Stakeholder-inclusive approach
Principle 17: Responsible investment