

King V - Public Comments

King Committee Responses

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Introduction

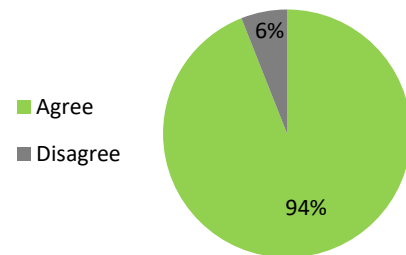
The IoDSA and the King Committee would like to express their gratitude to those who participated in the public commentary period. A total of **136** comments were received, of which **52%** (71) were from individuals and **48%** (65) were from organisations.

The results of the survey questions posed under each section of the commentary form, reflected on average more than 90% support “in favour” of the changes proposed. Notwithstanding the favourable support, we thought it prudent to provide feedback on some of the comments received as well as our responses thereto.

All submissions submitted within the stipulated time period have been reviewed and considered in the finalisation of the King V Code. However, due to the large volume of comments received, we are unable to provide individual responses to every submission or comment and have instead summarised and consolidated comments into broad themes and have provided corresponding responses on how we have dealt with the overarching comments.

Should you have any specific queries, please direct them to forums@iodsa.co.za.

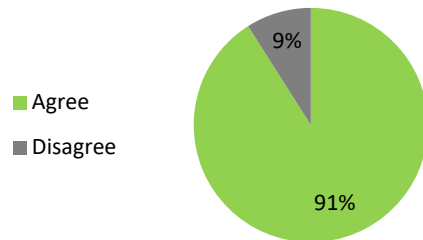
Intended changes in the visual presentation of the Code



Of the 136 comments submitted, 94% (128) agreed with the separation of the previously combined report into multiple parts, to be accessible from a single entry point to improve usability. The remaining 8 comments (6%) opposed the separation. Set out below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
To merge the Code, Glossary and Disclosure Template into one document or provide a summary page with links to all sections for easier access.	A dedicated King V page is available on the IoDSA website, which centralises access to all related resources, enhancing accessibility and integration. Hyperlinks and cross-references were included to support easy navigation. We believe this achieves accessibility and integration in an effective manner.
To provide clear cross-references to ensure users do not miss connected content.	
To clarify the difference between “King V Report” and “King V Code”.	Now clarified.
Design suggestions included adding visual tools to represent complex relationships between principles and practices, hover-over definitions, and more interactive elements.	The Code contains minimum graphics to improve accessibility for visually impaired users and ensure compatibility with screen readers. Some graphic representation is used in King V Foundational Concepts for illustration of some concepts.

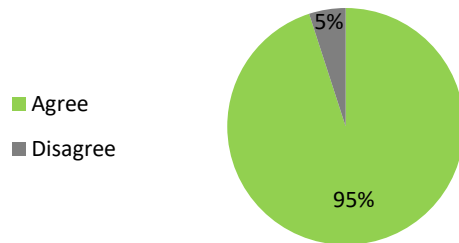
Simplification of content and plain language



91% (124 comments) agreed that the overall simplification of content and the use of plain language in the King V Code and Glossary improves accessibility and usability. The overall majority of commentators welcomed clearer, simpler language and the reduction of principles, noting that these changes support broader adoption, particularly among those with limited governance experience. 9% (12 comments), however, disagreed with this change. Set out below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
Concerns around oversimplifying key governance concepts and removing or replacing terms like “six capitals” and “triple context” without adequate explanation.	In response to the comments, the use of well-known concepts has been retained e.g. six capitals. “Triple context” is still used albeit in its expanded form, namely the economic, social and environmental context. The King V Glossary and King V Foundational Concepts documents explain the use of terminology in detail.
Suggestions included translating the King V Code into multiple South African languages, providing case studies and detailed examples to guide implementation, and offering a transition guide from King IV to King V.	Given that English is the primary business language in South Africa, all King V content has been published in English only. Key changes from King IV are explained in the King V Foundational Concepts and were also covered during the King V Information Sessions. Additional Guidance Notes (where applicable) and IoDSA King V Training will support implementation with practical examples.

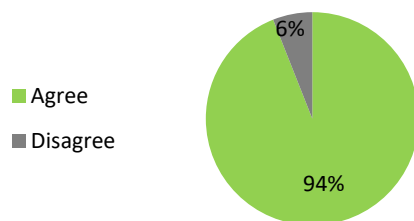
Philosophy and Approach



95% (129 comments) agreed that the inclusion of an executive summary in the King V Code highlights the meaning of the fundamental concepts and philosophies that underpin it and assists with the interpretation of the Code. Comments also supported the inclusion of the concept “Ubuntu” as a uniquely South African value, aligned with stakeholder inclusivity and ethical leadership. 5% (7 comments) disagreed with this change. Set out below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
Comments re “Ubuntu”: - Should form part of a broader concept of inclusivity philosophy rather than serve as a central theme. - Might be perceived as too ideological or prescriptive and called for neutrality and flexibility in interpretation	“Ubuntu-Botho” is explained in King V Foundational Concepts and referenced under certain recommended practices in the King V Code, recognising its status in our common law. “Ubuntu” has been expressly part of the King reports since King II and experience has taught that it is very well received by organisations inside and outside South Africa. It locates the King Report within an African context and, reinforces and underpins the tenets of the Code.
To provide clearer definitions of key terms such as “sustainable value,” “environmental,” “ethical culture,” and “resources”, and suggestions made to replace or clarify terms like “business model” with alternatives, such as “operating model” or “entity’s model” to enhance precision.	Key terms across the Code have been reviewed and updated as deemed necessary and have further been defined in the King V Glossary and King V Foundational Concepts to enhance clarity and eliminate ambiguity. Since King V follows the Integrated Reporting Framework, terminology has to be aligned so that information can be connected by users.
To include specific sector guidance or supplements for state-owned enterprises, non-profits, SMEs, and educational institutions/publicly funded universities.	Sector-specific guidance is now available.

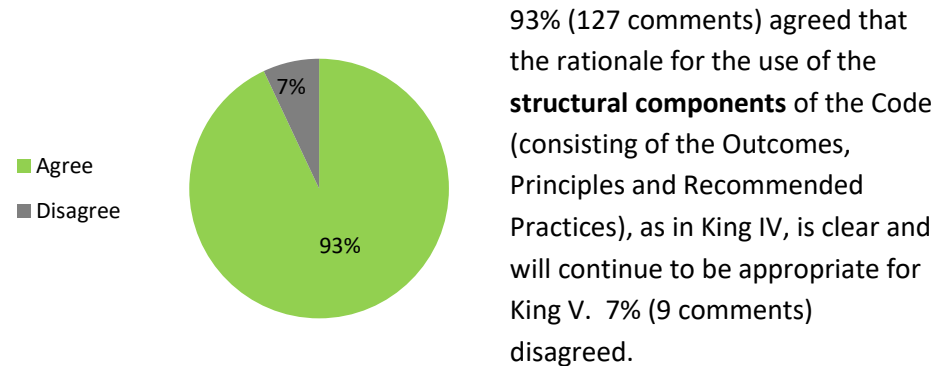
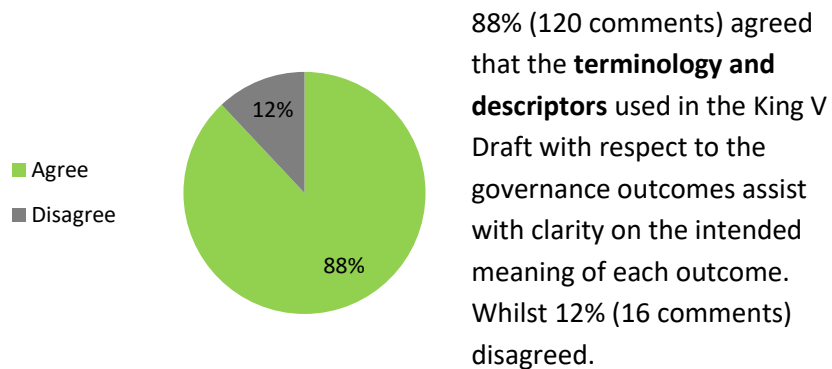
Contemporary corporate governance topics and concerns



94% (128 comments) agreed that the approach of the King Committee in addressing contemporary corporate governance topics and concerns constitutes a clear and practical application of integrated thinking, while 6% (8 comments) disagreed with this. Set out below is a summary of the key points, suggestions and concerns received.

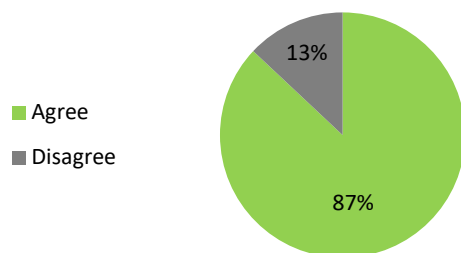
Themed Comments	King Committee Responses
To make integrated thinking and reporting more prominent, by for example, matching the disclosure template with an integrated report or strengthening board accountability and insight.	We believe these areas are sufficiently addressed and balanced with other focus areas. See the King V Conceptual Foundations section of the Code, applicable practices under Principle 3 as well as the King V Disclosure Framework. The Disclosure Framework has now also been linked to Content Element B in the IR Framework.
To provide clearer focus on digital governance topics like cybersecurity, AI, ML, data privacy, and digital identity, to match the emphasis given to ESG and ethics.	We identified and included necessary topics at a level suitable for King V. See Principle 10: Data, Information and Technology, together with its recommended practices as well as the explanation provided in the King V Background, Objectives and Key Changes document.
To consider including the context or explanation as set out in the <i>Contemporary Corporate Governance Topics and Concerns</i> section, along with the example provided in the information sheet, as part of the introduction to King V.	This has been addressed in King V Foundational Concepts. Links to useful guidance notes will be added to the IoDSA website as and when available.
To clarify why artificial intelligence (AI) is addressed as a specific topic while other important areas, such as social and environmental matters, are not treated with the same level of focus.	Concerns such as climate change, transformation and inequality are addressed in the Code as part of broader economic and social considerations referenced through “the economic, social, and environmental context”, “the six capitals” and “resources and relationships”. It is dealt with throughout the Code and serves as a demonstration of integrated thinking. Climate risk is a subset of environmental issues, which we believe has been dealt with appropriately. AI and related matters are addressed as a specific domain area of governance but (other than environmental concerns) is not dealt with throughout the Code due to the natures of the topics.
To provide a more detailed explanation of double materiality in the context of sustainability reporting. However, some stakeholders suggested that only financial materiality should be addressed.	The double materiality approach was adopted to emphasise that organisations must consider both inward and outward impacts in order to achieve integrated thinking and integrated reporting. A definition is included in the King V Glossary, and the concept is further addressed in the King V Foundational Concepts as well as in King V Background, Objectives and Key Changes.

Structural Components of the Code: Outcomes, Principles and Recommended Practices



Themed Comments	King Committee Responses
To clarify the governance outcomes, ensuring they are easy to understand and clearly indicate what they involve and who they affect, addressing confusion between intentions and interpretation.	Descriptions and explanations of the outcomes have been refined, with additional clarification provided on how they align with the principles and practices. This has been outlined in King V Foundational Concepts and in the King V Glossary.
To clarify the governing body's role in assessing outcomes, and to reflect this in the disclosure template.	The King V Disclosure Framework has been updated to include a requirement for the governing body to provide a statement on the realisation of the outcomes.
Replacing “Effective Control” with “Conformance” drew criticism, as some comments expressed the view that it emphasises compliance and rigidity, straying from King IV’s principles-based approach. Other suggestions provided were “Adherence,” “Responsible Conduct,” “Governance Integrity,” or keeping “Effective Control.” “Conformance” was also supported if clearly defined and appropriately contextualised.	The term “effective control” was previously misunderstood, and hence the decision to replace it. In acknowledgement of the comments received “conformance” was replaced with “Prudent Control and Conformance” for clarity. Descriptors were added for each outcome to ensure alignment with the intended meaning, and further clarification has been provided in King V Foundational Concepts.
To clarify and precisely define the term “Legitimacy”.	The definition was refined, with an added description to ensure clarity of its intended meaning. Further clarification is provided in King V Foundational Concepts.
To clarify whether specific principles support specific outcomes shared.	This has been addressed in King V Foundational Concepts. Principles are not linked to specific outcomes but to all, either directly or indirectly.

Application of the Code



87% (119 comments) agreed that the universal application of the principles and the proportional implementation of Recommended Practices, as in King IV, is clear and will continue to be appropriate for King V, with most commenters favouring the “Apply” and Explain” regime. 13% (17 comments) disagreed with this view. Set out below is a summary of the key points, suggestions and concerns received.

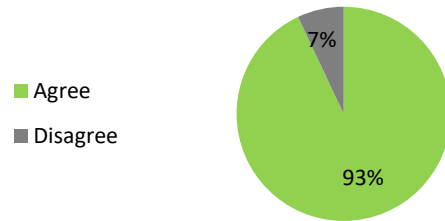
Themed Comments	King Committee Responses
It was noted that sections containing recommended practices were challenging to read and requests shared for more explicit explanations regarding the distinctions between the practices, and greater clarity about how principles relate to governance outcomes.	A header was added throughout the King V Code to emphasize the link between Principles, Practices and Outcomes, showing that applying the recommended Practices supports achieving the principles, which in turn leads to realising the governance outcomes. Additionally, practices under each principle are now grouped under headings for improved context and clarity. This is explained in detail in King V Foundational Concepts. The position has not changed from King IV to King V.
To standardised methodology (in place of the apply and explain regime) for greater consistency in financial reporting and governance disclosures.	Since the subject matter covered is different for governance information than financial information it is not possible to standardise. Governance information supplements IFRS disclosures. Greater use of links to integrated reports or websites is encouraged to streamline disclosures.
It was noted that the universal application of the King Code may lack clarity, especially regarding its relevance to government departments, SMEs, unlisted companies, and large private companies. Additionally, requests for sector-specific guidance and practical examples tailored to smaller or resource-constrained organisations to facilitate effective implementation of the principles.	Further clarification has been provided on the universal application of the principles, as well as their applicability to government entities and smaller organisations. Sector-specific guidance is also provided.

Disclosure Regime

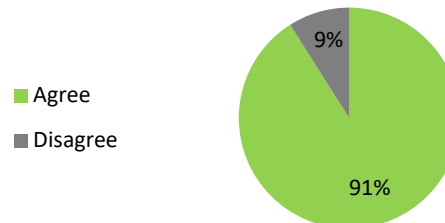
From the commentary received, below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
Concerns that some recommended practices were not clearly linked to the corresponding disclosure requirements, making alignment challenging. Additionally, it was suggested that practices should not be split between the Code and the Disclosure Template (now renamed Disclosure Framework).	After consideration and taking into account the comments overall, the King Committee decided to address disclosure requirements separately from the Code. It will eliminate duplication and cement the use of the Disclosure Framework as an integral part of giving effect to King V. It also opens up the possibility of making changes to disclosure independently from updating the Code. Reference to the Disclosure Framework under each principle has been included to ensure a clear link.
Concerns that the process for ensuring organisational accountability through disclosure might not be sufficiently clear.	This is now explained in more detail in the Application and Disclosure section in King V Foundational Concepts.
Concerns that the “apply and explain” model may enable superficial compliance. Suggestions included introducing stronger enforcement mechanisms, a compliance rating system, and clearer consequences for non-adherence, potentially through legislative references to enhance accountability.	Some governance practices are legislated through the Companies Act and the PFMA. Legislation provides for baseline compliance whilst the Code is aspirational. A code of governance provides the flexibility so it can be implemented to be suitable to the nature, complexity, size and impact of an organisation. In addition, a voluntary code encourages accountability through the leveraging of social and market forces rather than legal sanction. The benefit is more swift consequences for organisations that do not follow good governance practice. As such the King Committee is firmly of the belief that the King Report should remain voluntary and that the “Apply and Explain” regime is appropriate.

Disclosure Template (*Renamed Disclosure Framework*)



93% (127 comments) agreed that the **Disclosure Framework will assist organisations to meaningfully and qualitatively account for their implementation of King V**, with the majority praising the approach. 7% (9 comments) disagreed with this.



91% (123 comments) agreed that the **Disclosure Framework will assist stakeholders by enhancing transparency, consistency across organisations and accessibility** since corporate governance disclosures are standardised and will be available at a single point of access. 9% (13 comments) disagreed with this.

Set out below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
The King V approach has become a punitive and checklist-driven process. Recommendations to remove the exception declaration column to better align with the “Apply and Explain” disclosure regime.	To address the concerns raised, the term “template” was replaced with “Disclosure Framework” to more accurately represent its intended use. The Disclosure Framework's objective and use is clarified in King V Foundational Concepts. The King Committee is of the opinion that disclosure by exception is directly aligned with “apply and explain”. Exception disclosure is merely strengthening the explanation requirement of the regime. Additionally, the King V Disclosure Framework has been reviewed after processing of the comments to move away from general narratives to specific disclosures, many of these eliciting a concluding view from the governing body on the effectiveness of its execution of its oversight duties. The position remains that it is important for organisations to apply King V mindfully and to avoid a box-ticking approach.

Suggestions to assign oversight of the disclosure template to a committee.	This is a matter for each organisation to determine for itself. The King V practices recommend that the audit committee exercises oversight of organisational reports which include the Disclosure Framework. It is, therefore, addressed.
Concerns that the disclosure template could be viewed as too onerous and prescriptive for smaller entities and recommended that this be adapted for specific types of entities.	Proportionality is explained in some detail in King V Foundational Concepts. Those considerations should be applied by smaller organisations. It may mean that there are more recommended practices that are not applied or applied more informally. This can be explained in the context of size.
Requests to explicitly disclose material fraud incidents, remediation steps, etc. in the disclosure template.	The King V Disclosure Framework now includes disclosure regarding the effectiveness of certain processes, including the prevention, detection and responses to fraud and corruption.
Calls to consider aligning the disclosure template with international financial reporting standards e.g. ISSB, GRI, IR etc. and the difference between King V reporting and the standards.	Since the subject matter and information to be covered is different for governance reports than for financial or sustainability or integrated reports, it is not possible to achieve full alignment. These overlap to a very limited extent. Governance-specific information supplements disclosures that are made in accordance with other standards. As far as King V disclosures are concerned, the Disclosure Framework provides for inserting links to other reports, where overlap may exist, to avoid duplicate reporting.
Requests to develop and tailor clear, formalised evaluation criteria for each principle, along with a scoring system to effectively measure both compliance and impact.	This is an implementation matter, which is outside the scope of the King Code which sets the general guiding standards for corporate governance. A scoring system will need to take into account context of implementation and therefore provide different weighting to different practices depending on the size, complexity and impact of the particular organisation.

PRINCIPLE 1: Leadership

The majority of the commentators favoured merging King IV's Principles 1, 6, and 9 into a single principle, citing improved clarity and coherence, and commending the progressive, inclusive, and future-focused direction of King V. From the commentary received, below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
To provide a clearer definition of ethical leadership as a key part of governance.	The characteristics of ethical leadership are dealt with in the practices that support Principle 1.
To provide a requirement for a formal code of conduct for a governing body.	A practice was added under Principle 1 that standards for its own conduct should be documented in a charter for the governing body's consideration, approval and periodic review.
Suggestions to reaffirm the importance of proactive disclosure of conflicts, rather than focusing solely on their avoidance. Some concerns about Practice 1(a)(ii), specifically that its language on conflicts of interest seemed weaker or unclear. Some respondents expressed some uncertainty on whether conflicts of interest should always be disclosed, or only when they are deemed unavoidable.	Wording now clarified.
The term "focal point" in the principle's description was questioned, with alternatives like "cornerstone," "final arbiter," or "central authority" suggested as stronger descriptors of the governing body's role in corporate governance.	It was agreed to retain the original description of "focal point" as this is more widely understood than alternatives suggested and debated.
Concerns that consolidating or simplifying "self-evaluation" from a principle to a practice, might weaken its impact.	To allow the governing body discretion in determining how evaluations are conducted, the term " <i>self-evaluation</i> " was reworded to " <i>evaluation of the performance of the governing body.</i> " The role of the evaluation of the governing body now carries more prominence as an accountability mechanism throughout the Code
To bringing back King IV's Practice 74: "Every alternate year, the governing body should schedule in its work plan an opportunity for consideration, reflection, and discussion of its performance and that of its committees, its chair, and its members as a whole."	King IV's practice 74 in an adapted format has been reinstated into the King V Code.

To integrate anti-corruption measures, robust compliance programmes, and alignment with international best practices. Suggestions included stronger oversight of fraud risks, linking ethical values (ICRAT) to anti-fraud work, making fraud risk part of assurance processes, using forensic audits and treating fraud risk as a key assurance area. Recommendations also included using COSO Fraud Risk Management Guide, addressing digital and AI-related fraud, encouraging ethical auditing, and training on new fraud techniques.	The applicable practices were updated to include anti-corruption, fraud and money laundering measures or considerations. Further detail was not considered appropriate for the King V Report, as this should be addressed in guidance papers, preferably by professional bodies with relevant subject matter expertise.
Broader ethical and social concerns were raised, with suggestions to include digital ethics, AI governance, cybersecurity, transformation and diversity as strategic priorities.	The Code was updated where deemed appropriate. See for example Principle 2 with respect to transformation, Principle 5 on diversity in governing body composition, Principle 9 on digital ethics and Principle 11 on the wage gap.
Requests were made to incorporate whistleblower protections, anonymous reporting, safeguards against retaliation, alignment with international standards (e.g., ISO 37001, OECD) and providing a glossary definition for key terms such as “responsible tax policy,” “ethical culture,” and “corporate citizenship”.	Applicable practices were refined as deemed necessary. It is the responsibility of the governing body to consider and approve the relevant standards to be adopted by the organisation. As such, King V does not attempt to duplicate or compete with other standards. Kind V furthermore does not repeat where legal provisions are already in place.

PRINCIPLE 2: Ethics

The majority of commentators favoured merging King IV's Principles 2 and 3 into a single principle for a more streamlined approach. From the commentary received, below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
To provide clarity as to the rationale for combining King IV's Principle 2 and 3.	The reason for combining these is that corporate citizenship is considered an integral aspect of organisational ethics. The language was simplified, and the practices remained largely intact.
To replace "foster" with stronger terms like "cultivate," "develop," or "ensure," to emphasise accountability.	For clearer interpretation of the Principle, the word " <i>foster</i> " was replaced with "enables".
To include a requirement for the governing body to give guidance on sanctions for code of ethics violations, and to include a practice that reinforces recognising outstanding examples of ethical conduct and not only that/those that punish bad behaviour.	A practice has been added to address this.
To clarify the role of the Social and Ethics Committee and to avoid overly prescriptive language. Emphasis was also placed on reinforcing the governing body's responsibility to shape the organisation's ethical culture, rather than merely delegating it	It is highlighted that the language used is not prescriptive, i.e. "<i>the governing body may, at its discretion, delegate ... to the social and ethics committee, if in place,</i>" Principle 1 provides for the governing body setting the tone and exemplifying ethics. This is a separate Principle to emphasise how important this is as a foundation to oversight of organisational ethics.
To combine Principle 1 and Principle 2 as provided in the Draft for coherence, to use simplified and consistent terminology (e.g. "ethics" vs "organisation ethics"), and to move some content to guidance documents for clarity and conciseness	The reason for separating the two Principles is because Principle 1 focuses on <i>ethical governance</i> (leadership) and Principle 2 addresses the <i>governance of ethics</i> (organisational ethics). Ethical leadership establishes the foundation for the governance of the ethics of the organisation.
Requests for integrating specific concerns into Principle 2 or linking them to Principle 9, clarifying that ethical standards in Practice 7(d)(i) should address supplier and service provider oversight, and prioritising ESG issues such as social transformation, public trust, animal welfare, environmental justice, biodiversity, and climate resilience.	The applicable practices were reviewed and updated where deemed necessary. We have clarified the expectations regarding adherence to the organisation's ethics standards in relation to the supply chain; and have incorporated a broader range of matters for environmental oversight.
Requests for clear disclosure requirements in the King V Disclosure Template; inclusion of ESG metrics, ethical KPIs, and stakeholder engagement outcomes; and sector-specific guidance to support implementation were also noted	The King V Disclosure Framework has been revised to clarify specific disclosures to be made. The determination of ESG metrics and other KPIS is to be made by the governing body in each instance. King V cannot be prescriptive in this regard. Additional sector guidance is available.

PRINCIPLE 3: Strategy, performance and sustainable value creation

From the commentary received, below is a summary of the suggestions received.

Themed Comments	King Committee Responses
Suggestions for organisations to formulate and pursue a well-considered purpose and to make organisational purpose more prominent within the practices.	The practices in support of Principle 3 have been reviewed to address this recommendation.
Suggested to use the term “threat(s)” instead of “risk(s)” to align with global standards. This change is intended to reflect concepts like resilience, continuity planning, and scenario analysis.	The term “risk(s)” was retained in the King V Code as this is the common terminology used in various standards, including recent sustainability reporting standards. The King V Glossary now incorporates a reference to threats.
Opinions varied on whether the governing body should approve operational plans, with some seeing it as overstepping its mandate. The main consensus was that the governing body should focus on strategic oversight, monitoring and reviewing strategy execution, without directing daily operations. Requests were to clarify the governing body’s role in this regard	The applicable practices have been refined to clarify that operational plans refer to budgets and those operational plans that give effect to strategy, and the means by which organisational performance will be measured.
Requests for integrating sustainability outcomes into organisational strategy, recommending inclusion of “performance” and “outcomes” in principles and practices, plus guidance on measuring long-term viability. Additional suggestions included using KPIs and dashboards to track strategic and ESG performance.	The Principle was updated to include the word “ <i>Performance</i> ” and now reads “ <i>Strategy, Performance and Sustainable Value Creation</i> ”. Practices indicate sustainability outcomes.

PRINCIPLE 4: Reporting

There was strong support for including both financial and impact materiality in reporting (i.e. double materiality). From the commentary received, below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
To broaden the reference to value creation to encompass also “preservation,” and “erosion” of value over the short, medium, and long term.	Where King V refers to value creation without other qualifiers, it indicates only the positive. “Value creation, preservation and erosion” is used where context requires for example reporting. Principle phrased accordingly.
To keep the terms "short-term," "medium-term," and "long-term" instead of replacing them with "sustainable value creation" to ensure clear evaluation of performance over specific time frames.	Principle phrased accordingly
To provide clearer guidance on applying double materiality across various types of reports (such as integrated and sustainability reports), and for alignment with global reporting frameworks. Additional requests included more precise definitions for terms such as “report,” “materiality,” and “impact.”	The adoption of double materiality is explained in King V Foundational Concepts. Further guidance is provided by various professional bodies and standard setters. See King V Glossary for definitions.
To include inclusive stakeholder engagement, with specific attention to rural communities and future generations, and requests for more accessible reporting formats and clearer communication channels to ensure broader stakeholder reach and understanding.	The King Committee agrees with the sentiment of the comment. Practices under Principles 1, 2 and 13 were updated as deemed necessary.
To broaden stakeholder engagement to include: - Public sector entities, municipalities, and government departments. - SMEs, youth, women-led organisations, and NPOs.	Sector guidance is published to provide additional guidance where necessary.
Mixed views regarding the governing body’s role in approving all formal external reports issued by the organisation. Concerns were raised around overburdening boards, with suggestions to delegate certain responsibilities to board committees or management.	The wording of the applicable practice has been updated to emphasise that the governing body is accountable for ensuring the integrity of the organisation’s external reports, meaning structured accounts of the organisation's strategy, business model and performance and does not include regulatory filings or public statements. The governing body can rely on the work done by other committees when it applies its mind to the approval of external reports.

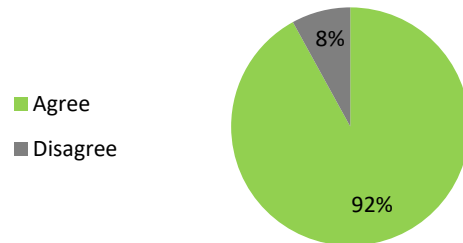
PRINCIPLE 5: Composition of the governing body

There was strong support for the transparent, fair, and inclusive nomination processes. From the commentary received, below is a summary of the key points, suggestions and concerns that were received.

Themed Comments and Suggestions	King Committee Responses
Concerns that Principle 5 may not be universally applicable, as it does not appear to apply to the governing bodies of State-Owned Companies.	The King Committee is of the view that the Principle can be universally applied. An explanation is provided in the King V – Application to State-Owned Entities Guidance Note.
To provide clarity on the term “staggered rotation” to avoid misinterpretation.	As this is a commonly used governance term, it was agreed that there is no need to amend it. It will be addressed through further guidance should this be necessary.
To retain King IV practices 16(a), (b) and (c); and for clearer definitions and measurable targets for diversity, including race, gender, age, culture, language, and diversity of thought. Further suggestions to distinguish between executive and non-executive diversity to avoid masking a lack of transformation at executive levels	Practice 16(a) is included in adapted form and (b) and (c) are implicitly dealt with.
To reinstate certain King IV practices relating to the nomination criteria, over boarding and director time availability. And suggestions to include specific expertise required on the board and to involve a broader range of stakeholders, such as shareholders and employees, in board appointments	Practices relating to nomination processes were applicable have been reinstated, refined and simplified to make these universally applicable and support transparent, fair, and inclusive nomination processes. A practice was also added to highlight that the performance of both the chair and the lead independent director should be addressed as part of the board performance evaluations. In addition, a practice was added to ensure that current and future needs (identified by the governing body) can be accommodated without prescribing specific types of expertise (e.g., climate change, technology, fraud, or AI experts) or individuals on the governing body. The recommended practices provide for a formal and transparent process, and the governing body should determine what is an appropriate process for each organisation as well its composition needs. Further guidance papers will be considered on this area to provide additional support.
To add more emphasis to succession planning for key roles, including the chairperson, lead independent director, and committee chairs.	A practice is included to deal with this aspect.

Queries on whether the board chair should also chair the nominations committee, with requests to retain flexibility in committee leadership to avoid overburdening the chair.	This practice recommendation has been retained in view of the chair of the governing body's direct stake in the composition of the governing body, which is the responsibility of the nomination committee. Since it is a recommendation, there is built-in flexibility, and if not followed it can be explained.
Mixed views on the independence criteria and the 9-year tenure period as this is seen as a safeguard to preserve director independence. The following suggestions were received: • Consider amending independence tenure to 12 years. • 9-year tenure rule is too restrictive and may reduce the pool of experienced non-executive directors (NEDs). • The “substance-over-form” and “holistic assessment” approaches for independence determination may be too vague or open to manipulation. • Clearer guidance on cooling-off periods and related-party relationships needed. • Consider strengthening independence criteria, particularly for former executives and board chairs.	- Nine-year tenure remains a consideration for director independence, along with other factors, but it's not prescriptive or a rigid cut off subject to substance over form. - Independence and conflict of interest practices have been strengthened, with board oversight and monitoring thereof now part of the governing body evaluation process. - The “substance-over-form phrase” has been refined to stress the consideration of all relevant factors for director independence. - “Related parties” is clearly defined in the King V Glossary, referencing Section 2(1) of the Companies Act. - Cooling-off period wording has been clarified in some instances.
Calls to include connections with customers or buyers as one of the factors for categorising an NED as independent.	This has been included.

PRINCIPLE 6: Committees of the governing body



92% (125 comments) agreed with the practice recommendation for both the Risk Committee and the Social and Ethics Committee to comprise a majority of non-executive members, including at least one independent member, which would support the objective and effective functioning of these committees. Additionally, there was strong endorsement for mandating this composition across principal committees. The remaining 8% (11 respondents) disagreed. Below is a summary of the key points suggestions and concerns received.

Themed Comments	King Committee Responses
To require a majority of independent members or stipulating that the chairpersons be independent. There were also concerns regarding the practical difficulties smaller organisations may encounter in fulfilling these requirements.	The recommended practices on committee composition aim to strike a balance between independent oversight, on the one hand, and contribution of organisational and industry knowledge as well as practical availability of independent governing body members. If organisations are not able to implement the recommended practices, they need not, subject to reasonable explanation of the rationale and compensating practices.
To include recommendations for regular external evaluations of committees (e.g., every three years).	The determination of the methodology of the evaluation is left to the discretion of the governing body. However, this is a specific disclosure to be made through the use of the Disclosure Framework.
To provide clarity on the proportional implementation of these principles by organisations that do not have governing body structures, small and medium-sized enterprises (SMEs) and non-listed companies. There were suggestions to formally acknowledge joint committees and combined roles as valid governance structures for smaller entities.	Guidance on proportional application is provided, and King V sector-specific guidance notes are published separately.
To provide clearer articulation of delegation mechanisms, including: - The use of formal terms of reference. - Clear delineation of responsibilities between overlapping committees. - Explicit guidance on who defines committee roles and how overlaps should be managed. - To retain or expand King IV practices 41 and 48 that clarify delegation to individuals and the role of committee observers.	The issues raised are addressed either directly or implicitly in the recommended practices. Practices 41 and 48 have been removed since these are regarded as common sense. Further issues with regards to delegation to committees are/will be addressed in guidance papers.
Some comments indicated confusion about which responsibilities the governing body may delegate to specific committees. Others noted that when delegation to a particular committee was explicitly specified, it was seen as overly prescriptive.	Where reference is made to delegation to a specific committee, it is clarified that the decision whether to delegate, and to which committee, remains at the discretion of the governing body.

PRINCIPLE 7: Appointment and delegation to management

There was support for the clearer articulation of the CEO's role in both strategy development and execution, and clear delegation of authority to prevent overlaps and accountability gaps. From the commentary received, below is a summary of the key points, suggestions and concerns received.

Themed Comments	King Committee Responses
To reinforce CEO accountability through performance evaluations and incorporate succession planning and leadership development into governance practices.	A practice is included for CEO performance evaluation, which should be conducted annually. Where the accountability of the CEO's appointment and succession is concerned, practices have been refined to ensure clarity on the governing body's responsibility in this regard.
To retain King IV practice 80 <i>"The CEO and the governing body should agree on whether the CEO takes up additional professional positions, including membership of other governing bodies outside the organisation. Time constraints and potential conflicts of interest should be considered and balanced against the opportunity for professional development."</i>	This was not reinstated as it was deemed unnecessary to specify. However, as part of the CEO evaluation, aspects such as time commitment, accountability, and overall performance should address any concerns related to this issue.
To include written delegation frameworks, a distinction between strategic and operational roles, regular reviews of delegation structures and an emphasis that delegation does not remove the board's ultimate accountability.	The governing body's ultimate accountability for delegation is emphasised through the first practice under every Principle. The differentiation between strategic and operational roles is an implicit requirement throughout the Code and is highlighted in King V Foundational Concepts, where the overarching role and functions of the governing body is explained.
To include practices that cover regular assessments of the performance and independence of professionals providing corporate governance services, e.g. the company secretary. To clarify reporting lines, e.g. functional accountability to the board and administrative accountability to the CEO and maintain distinct roles by not combining them with other governance service functions.	The recommended practices regarding the appointment, evaluation and reporting lines of the company secretary address the issues raised. Additionally, the King V Disclosure Framework has been updated to include the performance of the company secretarial service.

PRINCIPLE 8 & 9: Risk and Compliance

Many commentators supported combining risk and compliance governance, citing their alignment with international standards and functional overlap. There were also arguments shared for keeping them separate. From the commentary received, below is a summary of the key points, suggestions and concerns received.

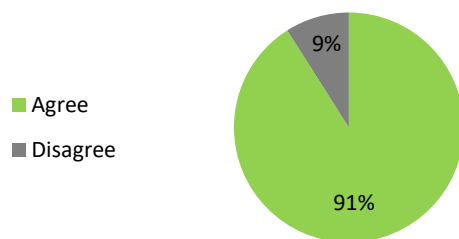
Themed Comments	King Committee Responses
Arguments for keeping risk and compliance separate included that risk is strategic and broad, while compliance is focused on legal requirements. There were concerns that merging these two areas could reduce effectiveness in regulated sectors such as the public sector and medical aids.	The principle, as was provided in the Draft, has now been separated into two distinct principles: <i>Principle 8</i> , which focuses on <i>Risk Governance</i> , and <i>Principle 9</i> , which addresses <i>Compliance Governance</i> in recognition of the validity of the comments received. This change reflects that the objectives and management approaches for risk and compliance governance differ, each requiring distinct skills and expertise.
Concerns that the current Draft places too much emphasis on opportunity, potentially at the expense of adequate controls and risk mitigation and suggestions were provided to include the below: • Risk considerations into the strategy-setting process, not just into decision-making. • Clear ownership of risk and compliance responsibilities (e.g., Chief Risk Officer, Compliance Officer). • Independence of the compliance function to ensure objectivity. • Board-level oversight with clearly defined roles and responsibilities. Periodic, independent assurance to evaluate the effectiveness of risk and compliance management. • Assessing and disclosing the organisation's level of risk maturity. • Fostering a risk-aware culture and promoting continuous improvement.	The recommended practices on risk have been revised to ensure balance between threat and opportunity management. The consideration of risk as part of strategy-setting is dealt with under Principle 3. The independence of the risk and compliance functions is not addressed explicitly as the same level of structural independence is not required for these as for assurance services. However, the risk and compliance functions are incorporated in the practices as part of combined assurance. In addition, assurance on the effectiveness of these functions (and therefore, their objective execution) should now be considered by the governing body. The level of risk maturity and fostering a risk-aware culture are valid contributions which we believe will be covered if a risk standard is followed as recommended in the practices.
To include the following under risk governance: integration of business continuity, resilience, and crisis management; stress-testing procedures for risk mitigation strategies; recognising operational risk as a distinct category of risk; and adopting the term “operational resilience” instead of “business continuity” in order to align with emerging global standards.	The applicable practices already address business continuity arrangements that allow for organisational resilience. The different categories of risk are not addressed as it is deemed too detailed and is likely to be provided for in the risk standard that is adopted.

PRINCIPLE 10: Data, information and technology

The majority of the comments received shared support for the inclusion of a dedicated Information Governance Principle. From the commentary received, below is a summary of the suggestions received.

Themed Comments	King Committee Responses
Mixed views on whether "Information Governance" should serve as the overarching term, and whether information and technology governance should be addressed separately.	In response to the comments, information governance is no longer positioned as the overarching concern. The terminology throughout the principle has been reviewed and updated to reflect data and information governance and technology governance as separate but related subjects. The title was changed to " <i>Data, Information and Technology</i> " and accompanying description and applicable practices have been refined to enhance clarity and consistency between King Committee intent and users' interpretation. The documents King V – Background, Objectives and Key Changes explain the approach to this Principle in more detail.
Requests for clearer definitions and simplification.	The Glossary has been updated to provide clearer definitions for "Data," "Information," and "Technology." Additionally, this Principle has been restructured into two separate sub-headings to simplify interpretation and enhance clarity; namely – <i>Data and Information</i> ; and <i>Technology</i> . Artificial intelligence and other emerging and disruptive technologies are addressed as part of technology.
To address third-party management and associated risks, especially for entities operating across different jurisdictions and under various privacy frameworks. As well as suggestions for specific disclosures related to cybersecurity and the Internet of Things (IoT) and calls for governance practices to address outsourcing, cloud services, and third-party risks, with a strong emphasis on due diligence, contractual compliance, and data protection, including cross-jurisdictional privacy concerns.	Practice have been added and refined to address these comments.
To expand the scope to cover other emerging technologies like blockchain, quantum computing, IoT, robotics, and cloud computing. Several commenters also recommended using technology-neutral language to maintain flexibility for future innovations.	We have updated the terminology to " <i>emerging, innovative and disruptive and technologies</i> ," which is more appropriate and allows for broader utilisation. This terminology is now also defined in the Glossary and has been kept as simple as possible.
To incorporate "Knowledge Management" as a component of Information Governance, with its significance underscored for strengthening public sector resilience and enhancing audit readiness.	This subject is too detailed to be included in the Code and would be more suitable as separate guidance instead.

PRINCIPLE 11: Remuneration



91% (124 comments) agreed that the retention of the non-binding remuneration vote in the King V Draft for companies not scoped into the provisions of the Companies Act will add to transparency and good practice, with support shared for remuneration policies that are fair, responsible, and transparent. The remaining 9% (12 respondents) disagreed with this view. From the commentary received, below is a summary of the key points and suggestions received.

Themed Comments	King Committee Responses
For remuneration to be aligned with long-term value creation rather than short-term financial performance. The incorporation of ESG metrics into remuneration frameworks was encouraged, with further suggestions emphasising the need for alignment with broader economic, social, and environmental contexts.	We have updated the principle's description to: <i>"The governing body ensures that the organisation remunerates fairly, responsibly, and transparently to promote sustainable value creation by the organisation within its economic, social, and environmental context."</i> The applicable practices under the principle already ensure alignment with sustainable value creation and the measurement of broader performance which is not limited to financial performance only.
For the remuneration policy to include elements such as the rationale for setting entry-level wages, remuneration design principles, benchmarking practices, and the determination of non-executive director (NED) fees. It was proposed that these elements be incorporated into the guidance notes to be developed in support of the recommended practices. A concern was raised that highlighting only three matters under section 77(b) might create a narrow perception of what the remuneration policy should encompass.	The practices include recommendations that address the socio-economic complexities and the wage gap between executive management and other employees. Some of the practices have been reworded and expanded to clarify what the remuneration policy should encompass. Guidance papers to expand implementation considerations will be identified, considered and developed by the IoDSA Remuneration Committee Forum in collaboration with SARA and other relevant bodies.
Emphasis on the need for promoting equity, including addressing pay gaps such as CEO-to-median employee ratios and disparities based on gender and race. Additionally, there were calls for clear definitions of remuneration to encompass both monetary compensation and non-monetary benefits.	The response provided in the preceding section is also applicable here.
Instead of having a practice that addresses non-binding votes on the remuneration policy and implementation, suggestion to include practices highlighting that the governing body should ensure that remuneration	The King V Disclosure Framework requires disclosure of the steps taken to address shareholder concerns if either or both votes (on the remuneration policy and implementation) fail to achieve 75% approval.

disclosures and the related shareholder voting meet the requirements of prevailing legislation, regulations and good practice in order to prevent overreach and complexity.	The suggested change was considered too vague to include.
Concerns raised about making premature changes to King V before sections 30A and 30B of the Companies Amendment Act come into effect. There were also requests for guidance documents to address gaps left by pending or incomplete legislation, along with a strong desire for alignment and consistency between King V, the Companies Act, and the JSE Listing Requirements.	The practices were drafted to cater for the interim period as well as for when the Companies Act provisions become effective. Guidance papers may be developed by the IoDSA Remuneration Committee Forum and by other professional bodies such as SARA.
Recognition that SMEs and public sector entities faced unique implementation challenges. Suggestions were made for governance practices that were scalable, cost-effective, and proportionate. Additionally, there were calls for greater clarity on how these practices applied across different types of entities.	Explanations have been provided on proportional implementation in King V Foundational Concepts. Various sector-specific guidance notes are also available.

PRINCIPLE 12: Assurance

There was recognition of internal audit as a critical assurance provider, and some mixed views on the removal of the “Assurance of External Reports” section. From the commentary received, below is a summary of material key points, suggestions and concerns that were received.

Themed Comments	King Committee Responses
To specify the lines of assurance or defence, i.e. three or five lines.	It is not considered necessary to be prescriptive on this issue as it is a matter for each organisation to decide. It is more important that it is decided how the various lines and services of assurance are to be combined.
Recommendations included aligning with the Global Internal Audit Standards™, ensuring the independence of the Chief Audit Executive (CAE), establishing clear mandates, charters, and reporting lines, conducting regular internal and external assessments, and addressing dual roles and potential conflicts of interest.	Recommendations have been addressed.
Reinstating or at least referencing to independent assurance for sustainability and ESG reports, as well as financial disclosures. There was also encouragement to align with established standards such as ISAE 3000, AA1000, and IFRS.	Assurance on financial statements is adequately provided for. Independent assurance on sustainability disclosure is according to the recommended practices a matter for determination by the governing body – see Principle 4 on reporting.
There were calls for assurance practices to address key areas such as cybersecurity (e.g., ISO 27001), AI governance (e.g., ISO 42001), digital compliance and data integrity, as well as business continuity and resilience.	The recommended practices now provide for the governing body to consider periodic assurance on risk, compliance as well as data, information and technology.

PRINCIPLE 13: Stakeholders

The majority of commentators were in agreement with this principle and its practices as outlined. From the commentary received, below is a summary of material key points, suggestions and concerns that were received.

Themed Comments	King Committee Responses
To define key terms such as “material stakeholders” and “public interest.” Suggestions included providing guidance on identifying, prioritising, and engaging stakeholders, especially in complex or conflicting situations. Additional clarification was sought regarding the expected outcomes of stakeholder engagement and balancing competing interests.	The term “material stakeholders” was replaced with reference to “significant stakeholder interests” and the King V Glossary has been updated in this respect. A brief clarification is provided in King V Foundational Concepts on how stakeholder inclusivity should be understood and that the balancing of competing interests should be considered in light of the best interests of the organisation.
To incorporate risk assessments, resilience strategies, and crisis management into stakeholder engagement practices. Emphasis was also placed on the importance of understanding cross-dependencies and ensuring business continuity in stakeholder relationships.	This is addressed under the risk principle; the principle and practices outlined in this principle should be considered as an integrated part of a holistic governance framework.
To provide clearer guidance on governance responsibilities within group structures, particularly for multinational subsidiaries. Additionally, suggestions were made to adopt more inclusive terminology, such as using “holding entity” and “group entities” instead of “holding company” and “board.”	Practices under this Principle have been reworded for wider applicability than companies, and guidance is available on the governance of group structures.
The need for balancing short-term business needs with long-term sustainability goals was emphasised together with alignment to global standards, such as the Global Reporting Initiative (GRI) and the UN Guiding Principles.	The use of standards for sustainability disclosure is according to the recommended practices a matter for determination by the governing body – see Principle 4 on reporting.
There were requests for the use of case studies, practical examples, and metrics to support implementation. Additionally, there was a call for the promotion of sector-specific dispute resolution mechanisms and compliance tools.	This level of guidance is not appropriate for inclusion in a code for corporate governance but there is a variety of guidance papers available.
Commentors encouraged the disclosure of stakeholder engagement outcomes in governance reports.	This is covered in the King V Disclosure Framework.

Other General Comments

From the commentary received, below is a summary of key points, suggestions and concerns that were received under general and which did not relate to any of the sections covered above.

Themed Comments	King Committee Responses
Concern that King V places insufficient emphasis on transformation.	This is dealt with as part of the economic, social and environmental context. See also practices under corporate citizenship, Principle 2.
Comments that, since King V is non-binding and does not intend to override legislation or regulation, guidance is needed for foreign jurisdictions and South African multi-jurisdictional organisations.	Harmonising King V with legislation is briefly addressed in King V Foundational Concepts.
For King V to align with international standards, such as ISO standards 37000, ISO 22301, and ISO 31000, as well as frameworks including the OECD Guidelines, CSRD, TCFD, SDGs, and GDPR. King V should strengthen alignment with integrated reporting guidelines and frameworks such as the IFRS Sustainability Disclosure Standards.	King V is not in conflict with ISO3700 and some international guidelines except in the rare instances where different local context has different requirements. King V aligns, for example, with the terminology from the International Integrated Reporting Framework and some of the definitions from the ISSB and ESRS standards. It is not the purpose of King V to address subject matter at the level of detail than what is done through these standards. Therefore, King V provides for the governing body to adopt other standards as applicable as part of the overarching governance framework of an organisation.
To integrate the Code with South African legislation such as the Companies Act, POPIA, and PFMA and the inclusion of B-BBEE and other transformation imperatives as strategic priorities.	The King Report is aligned with legislation in SA, including with the Companies Act and PFMA. The purpose of a code of governance is different from legislation. Legislation operates at the level of baseline compliance whilst King V is aspirational, therefore, King V sets a higher standard for corporate governance.
Clarity on how it was decided which practice recommendations go into the King disclosure template and which ones go in the Code.	The Disclosure Framework prompts disclosure on certain key issues (i.e. it focuses purely on what should be disclosed), whereas the Code covers the actual principles and practices to be applied.
To retain the paragraph on the legal status of the Code as is currently included in King IV.	This is included in King V Foundational Concepts.
To clearly define the objectives, roles, and responsibilities of each assurance provider, including external audit and internal audit. This to help achieve clarity, it was recommended that whenever “audit” or “auditor” is mentioned, it should be accompanied by “external” or “internal”.	Now addressed in practices under the assurance principle.

To consider a definition of internal auditing that can be adopted according to the Standards, to assist an organisation in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.	The definition is provided by the international recognised standard for internal audit (referenced in the practices under internal audit) and therefore not considered necessary to repeat.
To address Emerging and Cross-Cutting Fraud Risks, Cryptocurrency and Digital Asset Fraud.	These risks should be managed as part of the organisation-wide system of risk management. The same principles apply.
Concerns that the Code does not provide adequate structure or metrics for ESG reporting.	The issue is clarified in the King V Foundational Concepts. Structure or metrics for ESG reporting is provided by other standards or frameworks which the governing body should consider adopting.
Observation that the Code encourages but does not require action in response to shareholder feedback on executive remuneration	This has been addressed in the King V Disclosure Framework.
Concern that there is an omission of Beneficial ownership (BO) in the draft Code, especially given that South Africa's regulatory changes regarding BO were introduced as part of broader reforms aimed at addressing deficiencies that contributed to the country's grey listing by the Financial Action Task Force (FATF).	This is addressed in legislation and regulation and embedded in King V through the compliance principle and practices.
Observation that the draft states that the governing body is "responsible," the more appropriate term may be "accountable," with responsibilities being subject to delegation.	See the definitions of "responsibility" and "accountability" in the Glossary. The use of the respective terms has intentional.
Request for greater emphasis to be placed on aligning governance with the achievement of an organisation's purpose in a manner that reflects its core values.	This aspect was reviewed and refined as deemed necessary.