

KING IV GOVERNANCE STRUCTURES

TERMS OF REFERENCE

1 Preamble

Whereas the King Committee decided on 5 May 2014 to embark on the drafting of an updated King report on governance (“King IV”), and it was agreed to set up the structures for the governance of the project (“the Project” or “King IV Project”). The governance structures are designed to facilitate broad and inclusive consultation and an appropriate approval process which result from robust discussions and challenges of both process and content.

2 Constitution

The outline of the King IV Project governance structures was approved at the meeting of the King Committee held on 18 June 2014.

These governance structures include:

- King Committee for Corporate Governance in South Africa
- Editors’ Team (including the King IV Project Lead)
- Task Team
- Theme Co-ordinators
- Technical Contributors

3 Role

Refer to Annexure A for a schematic representation of the governance and reporting structures. The role of each of the governance structures is as follows:

King Committee	Editors' Team	Task Team	Theme Co-ordinators	Technical Contributors
Final approval of submissions by Task Team	<ul style="list-style-type: none"> • Performs first edit of all content submitted to Task Team • Processes further input by Task Team, and King Committee, as applicable • Makes submissions to relevant structures 	<ul style="list-style-type: none"> • Provides general direction with regards to the drafting process and the determination of pillars and themes to be covered by King IV • Fulfils an administrative and co-ordination role with respect to input facilitated by Co-ordinators • Ensures themes are adequately covered through themes addressed • Ensures integration of pillars within content • Oversees generation and output of content • Ensures consistency of style • Recommends re above to King Committee 	<ul style="list-style-type: none"> • Perform executionary / functionary role • Provide linkage between Task Team and Technical Contributors • Ensure pillar responsible for is adequately addressed • Provide direction to activities of Technical Contributors • Make recommendations re above to Task Team 	<ul style="list-style-type: none"> • Advise with regards to the development and sourcing of content on each theme • Provide linkage with stakeholders and/or sectors

4 Duties

The specific duties of each level of the governance structure will be as set out below in relation to each phase of the Project. Refer to Annexure B for the high level project plan for reference purposes.

Phase	King Committee	Task Team	Editors' Team	Theme Co-ordinators	Technical Contributors
Phase 0: Set-up	<ul style="list-style-type: none"> • Approves governance structures' terms of reference, including role, duties and membership criteria • Approves project plan • Approves 	<ul style="list-style-type: none"> • Considers and recommends governance structures' terms of reference • Considers and recommends project plan • Explores and proposes pillars and themes to be 	<ul style="list-style-type: none"> • Drafts governance structures' terms of reference • Drafts high-level and detailed project plan • Collates pillars and themes as per input 		

	<p>working pillars and themes for King IV</p> <ul style="list-style-type: none"> • Approves membership of Task Team • Approves individuals to serve as 1) Champions 2) Technical Contributors 	<p>covered in King IV</p>			
Phase 1: Status quo and gap analysis	<ul style="list-style-type: none"> • Approves individuals to serve as Technical Contributors for initial consultation • Approves further version of pillars and themes • Reviews working draft 1 	<ul style="list-style-type: none"> • Recommends Technical Contributors for initial consultation • Provides input on style and format of King IV • Identifies additional sources of information for initial research • Recommends further version of themes and topics • Reviews working draft 	<ul style="list-style-type: none"> • Performs initial research and conducts interviews to source input • Captures and finalises pillars and themes • Compiles working draft 1 	<ul style="list-style-type: none"> • Recommend individuals to serve as Technical Contributors for initial consultation • Recommend themes to be addressed under designated pillars • Provide input into working draft 2 with regards to each pillar 	<p>Provide initial and provisional input into working draft 1 with regards to each theme</p>
Phase 2: Preliminary consultations	<ul style="list-style-type: none"> • Approves consultation plan • Reviews working draft 2 	<ul style="list-style-type: none"> • Reviews and recommends consultation plan • Oversees input through consultation process • Reviews working draft 2 and provides input 	<ul style="list-style-type: none"> • Drafts consultation plan • Collates all input from closed consultation process • Compiles working draft 2 	<ul style="list-style-type: none"> • Assist with engagement with Technical Contributors to determine focus, process, and content and invitees to closed consultation sessions • Provide further input into Draft 2 	<ul style="list-style-type: none"> • Participate and provide input via preliminary consultation sessions
Phase 3: Public consultations	<ul style="list-style-type: none"> • Approves plan for public consultation • Approves working draft 3 	<ul style="list-style-type: none"> • Reviews and recommends public consultation plan • Reviews and provides input to results from open sessions and written submissions • Recommends working draft 3 to King Committee 	<ul style="list-style-type: none"> • Drafts plan for public consultation • Facilitate public consultation sessions • Collates and processes results from open sessions and written submissions • Compiles working draft 3 	<ul style="list-style-type: none"> • Assist with facilitation of open consultation sessions • Assist with collation and processing of results from open sessions 	<ul style="list-style-type: none"> • Attend and participates in open consultation sessions • Consider written submissions and provides input • Review and comment on working draft 3
Phase 4: Close-out	<ul style="list-style-type: none"> • Approves final layout version of King IV • Approves arrangements for the launch of King IV 	<ul style="list-style-type: none"> • Reviews final layout version of King IV • Provides input into the launch of King IV 	<ul style="list-style-type: none"> • Oversee final content and language edits • Draft proposal for launch of King IV and implement 		

5 Composition

The appointment of members to each of the governance structures is at the discretion of the King Committee and the process for nomination and election of members is approved by the King Committee.

Each structure is composed as follows:

King Committee	Editors' Team	Task Team	Theme Co-ordinators	Technical Contributors
Chairman				
Mervyn King	Ansie Ramalho	Ansie Ramalho	n/a	n/a
Membership criteria				
As per ToR adopted by King Committee	Technical and writing skills	<ul style="list-style-type: none"> Broad in-depth knowledge and understanding of corporate governance Ability to provide strategic and holistic input Ability to constructively challenge and critique Gravitas and credibility Objectivity and free from real or perceived affiliations or conflicts of interest in order that the facilitation of the contributions and channelling of information are free from bias Composed of Theme Co-ordinators (in order to align input from Technical Contributors on each pillar) plus a maximum of 4 additional members 	<ul style="list-style-type: none"> 1 to 2 Theme Co-ordinators elected per pillar from Task Team Understanding of key issues and challenges relating to the specific pillar for which they are responsible Understanding of stakeholders involved and ability to engage Ability to assist with planning and facilitation of consultation sessions 	<ul style="list-style-type: none"> Technical academic and/ or experiential knowledge on specific corporate governance area and/or within specific sector Include members for skills transfer, transformation and diversity purposes Membership number not limited
Members				
As per records maintained by Secretariat	<ul style="list-style-type: none"> Parmi Natesan IoDSA team 	<ul style="list-style-type: none"> Len Konar Mohamed Adam Annamarie van der Merwe Lindie Engelbrecht Michael Judin Richard Foster Linda de Beer Parmi Natesan 	<ul style="list-style-type: none"> Annamarie van der Merwe (Leadership and culture pillar) Lindie Engelbrecht (Strategy pillar) Linda de Beer (Oversight pillar) Richard Foster (Accountability pillar) 	<ul style="list-style-type: none"> Organisation and sector representatives on King Committee Further contribution to be recorded by Project Lead

The King Committee retains the right to remove any individual from the membership of any King IV governance structure in the event of: -

- Poor attendance record at meetings.
- Lack of participation in activities.
- Lack of contribution to the objectives.
- Reputational risk due to association.

6 Role of the IoDSA

The IoDSA acts as the King IV Project Lead and Secretariat for the King IV governance structures set up for the purposes of the Project. The role of the IoDSA as overseen by the IoDSA King IV Project Lead as appointed by the IoDSA Board is to conduct the project management of the process and to ensure that logistic and administrative matters are attended to.

The specific duties of the Secretariat in relation to the King IV Project will include to:-

- Keep minutes of all King Committee meetings in order to record decisions made on process and content.
- Facilitate implementation of decisions.
- Convene and arrange the logistics for all meetings necessary during the process.
- Create infrastructure for written comments to be submitted electronically.
- Co-ordinate interaction amongst governance structures.
- Arrange sponsorship and endorsements of King IV.
- Arrange and co-ordinate the launch of King IV.

7 Standard of conduct of governance structure members

By accepting appointment to any of the King IV Project governance structures, each member agrees to:

- Regularly attend and actively participate in meetings and other activities and initiatives of the relevant governance structure.
- Be proactive in providing information on relevant matters and developments.
- Diligently carry out tasks and fulfil responsibilities.
- Respect and support the reputation of the King IV governance structure.

8 Confidentiality

Individual members of any of the governance structures may not represent the King Committee in their individual or other capacity. No statements may be made on behalf of the King Committee to the media or other public forums except by the Chairman of the King Committee and the designated King IV Project Lead from the IoDSA, or by any person unless specifically mandated by the King Committee.

All members will be expected to exercise discretion in the observance of confidentiality of all King IV Project and content developments, except those that are already in the public domain.

9 Copyright

It is recorded that in terms of a pre-existing agreement with the King Committee, the IoDSA owns the copyright to the existing and future reports, codes and other deliverables issued and produced by the King Committee from time to time, as well as the King brand and trademarks. The IoDSA undertakes to exercise this right in the public interest and in the spirit of being the custodian of the work of the King Committee.

The vesting of copyright in any deliverables produced in the course of the involvement of members of the governance structures with the King IV Project is determined and agreed as follows:

- New ideas and concepts that are formulated or existing ideas that are re-worked or re-formulated form part of the overall copyright of the IoDSA as set out in the paragraph above.
- In the event that a pre –existing work or idea or concept belonging to a member is adopted, the copyright in such a work remains the property of the contributing member and ownership of such copyright is acknowledged in the deliverable produced.

10 Meeting proceedings

The relevant governing structure will meet as often as is necessary to execute their duties.

Meetings will be held at such time and at such venue as notified by the Secretariat.

A quorum for binding decisions of any governance structure is the majority of the members being present. Members may be present in person, by video conference or teleconference. Save where expressly provided otherwise in these terms of reference, decisions must be approved by a majority of members present.

Except under exceptional circumstances, at least 5 business days' notice will be given for a meeting of any governance structure. Such notice will include the agenda and any supporting papers, where applicable.

Minutes of meetings, where necessary, are taken by the Secretariat and are formally approved by the relevant governing structure at its next scheduled meeting.

11 Costs

The IoDSA is liable for general costs relating to the King IV Project, provided that:

- All members of the governance structures act on an unpaid basis in relation to their time and sharing of expertise.
- The IoDSA is authorised at its discretion to source sponsorships to recoup some of the direct and indirect expenses that it has incurred as King IV Project Lead and Secretariat of the King IV governance structure.
- Costs are agreed by the IoDSA through its operational and IoDSA Board–approved delegation structures before being incurred.

It is recorded that general costs include:

- Costs associated with the duties of the King IV Project Lead and Secretariat, including the administration, project management, and allocation of resources required for research, consultation sessions, drafting and editing.
- Costs of proof-reading, printing and similar expenses relating to the publishing of King IV and any costs related to the launch.

12 Authority

The relevant governing body structure, may obtain such outside or independent professional advice as they considers necessary to perform their duties subject thereto that any costs in this regard may only be incurred on approval by the Chairman of the King Committee and the King IV Project Lead of IoDSA.

13 General

These terms of reference may be amended by majority decision of the members of the King Committee and with the agreement of the IoDSA.

Adopted and approved on this 9th day of February 2015.



Mervyn King
Chairman
On behalf of The King Committee on Corporate Governance in South Africa



Ansie Ramalho
King IV Project Lead
On behalf of The Institute of Directors in Southern Africa