

King V – Comparison with Companies Act & JSE Listings Requirements





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JSE Listings Requirements - general

- Simplified JSE LRs came into force 13 January 2026
- Disclosure of compliance with entirety of King V must be disclosed
- But only certain aspects are mandatory
- Corporate Governance now has its own chapter: Section 5
- Focus herein is on Main Board (MB)

Composition of the Board



- King V
 - Majority non-executives
 - Majority of non-executives to be independent
 - Minimum two executive directors
 - Diversity policy
- Companies Act
 - Not prescriptive in general
 - Save for companies that need audit committee and SEC
 - Regulated company may need to co-opt independent director for affected transaction
- JSE LRs
 - Diversity policy
 - Classification of directors must be in accordance with King V
 - Must have financial director

Rotation of Directors

- King V
 - Leaves it to the company to determine rotation
 - Strike balance between fresh perspectives and institutional knowledge / continuity
- Companies Act
 - No rotation provisions
 - Can be a director until removed
 - MOI can contain specific provisions
- JSE LRs
 - 1/3 of non-executive directors must retire at every AGM (longest in office)
 - At first AGM after listing, all non-exec's retire



Director independence: test

- King V
 - Nine criteria (factors) listed – see para 42
- Companies Act
 - No stand-alone independence criteria
 - S94 contains independence criteria for audit committee (public & SOCs only)
 - Takeover law (if affected transaction) – factors are with reference to independence in respect of the offer
- JSE LRs
 - Independence to be assessed in accordance with King V and s94 Companies Act

Board chair & LID

- King V

- Must be independent non-executive
- Chair & CEO cannot be the same person
- Lead independent director – absence of chair; chair is conflicted; evaluation of chair
- Role set out in some detail

- Companies Act

- Not prescriptive – can be any director (incl. CEO)
- Role not set out
- Casting vote provisions (tied vote)

- JSE LRs

- Same as King V
- If chair not independent non-exec, must have lead independent director
- Chair has role in director dealings

Board committees & composition

- King V
 - Audit – all independent NEDs
 - Risk (can be combined with audit) – exec & NEDs, majority NED, one independent
 - Nominations – all NEDs, majority independent
 - Remuneration – all NEDs, majority independent
 - Social & ethics (SEC) – exec & NEDs, majority NEDS, one independent
- Companies Act
 - Audit – only public co's (not linked to audit requirement) – all independent NEDs
 - SEC – PI score 500. Public co: majority NEDs; Private co: 1 NED
- JSE LRs
 - Audit – all independent NEDs
 - Remuneration – as per King V
 - SEC – as per Companies Act & King V

Chair's involvement in committees

- King V
 - Audit – should not be a member
 - Risk – can be a member and chair
 - Nominations – can be member and chair
 - Remuneration – can be member but not chair
 - Social & ethics (SEC) – can be a member but not chair
- Companies Act
 - Audit – can be member and chair, if complies with s94
 - SEC – can be a member and chair
- JSE LRs
 - Audit – as per King V
 - Remuneration – as per King V
 - SEC – as per King V

Company Secretary

- King V
 - Arm's length relationship with board
 - Should not be a director
- Companies Act
 - Only public co & SOCs require a cosec
 - Can be a director
- JSE LRs
 - As per King V

Shareholders' say on pay

- King V

- Remuneration policy & report
- Non-binding advisory vote (51%): annually for report, and every 3rd AGM for policy
- But recommended only for companies that meet SEC requirement

- Companies Act

- Director fees: special resolution (two years max)
- Pending: binding approval by shareholders (51%) rem policy & report
- Policy: every 3 years; report: annually

- JSE LRs (there will be separate remuneration overhaul in due course)

- Annual non-binding advisory vote
- 75%
- If 25% or more voted against: engage & report back at next AGM

Group governance

- King V
 - Holdco should adopt group governance framework
 - Each subsidiary must adopt same
- Companies Act
 - Not dealt with other than regulating transactions within a group & disclosure of remuneration
- JSE LRs
 - Subsidiary MOI compliance

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