



# KING IV APPLICATION REGISTER 2017

## CORPORATE GOVERNANCE – KING IV APPLICATION REGISTER 2017

This document has been prepared in terms of the JSE Listing Requirements and sets out the application of the corporate governance principles by Delta EMD Limited (“Delta”) as recommended by King IV Report on Corporate Governance (hereafter referred to as King IV

NO	PRINCIPLE	APPLICATION OF THE PRINCIPAL
1.	Leadership: The governing body should lead ethically and effectively.	The Delta board of directors (“Delta board”) is the governing body and committed to good corporate governance principles as set forth in King IV, these being the overarching principles for an ethical application in society as a whole. Delta has adopted a Code of Ethics and Standards for Conduct which applies to all directors and staff in order to ensure that Delta maintains the highest level of integrity and ethical conduct.
2.	Organisational Ethics: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Delta EMD commits to achieve high levels of ethical conduct and standards. The Delta core values include safety, health and welfare of the public, honour, integrity, respect, truthfulness, honesty and fortitude.
3.	Responsible Corporate Citizenship: The governing body should ensure that the organisation is and is seen to be a responsible citizen.	The board fulfils its Corporate Citizenship responsibilities through delegated responsibility to the Delta Social and Ethics Committee combined with the Audit and Risk Committee since 2015. The function of the Social and Ethics Committee covers in broad base, social and economic development where applicable, corporate citizenship, environment safety and health and public safety.
4.	Strategy and Performance: The governing body should appreciate that the organisation’s core purpose, is risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	Delta EMD shareholders approved the discontinuation of its business in 2014. Although the company is no longer a sustainable business the governing body is committed to optimize the value on disposal of the remaining assets held for sale, and complete the ultimate goal of closure, de-registration and delisting.
5.	Reporting: 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 Delta board is assisted by the Audit and Risk Committee to review the integrity of the annual integrated report and interim reports issued by the company. The integrated report includes all relevant information to enable stakeholders to make an informed assessment of Delta’s performance.
6.	Primary role and responsibilities of the governing body: The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The board had adopted a Board Charter that ensures its roles, responsibilities and accountability are documented and adhered to, which includes responsibilities relating to corporate governance. The Board, supported by various Board Committees, which have delegated responsibility to assist it to fulfil certain specified

		functions. The Board Committee report to the Delta board at every board meeting.
7.	Composition of the governing body: The governing body should comprise the appropriate balance of knowledge, skill, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively.	The Delta board is committed to the effective leadership, strategic decision and control of Delta. Delta has a unitary Board, consisting of executive directors who have an intimate knowledge of Delta's business and non-executive directors who adds a broader view to Delta's activities. The Board believes that the current mix of knowledge, skills and experience meets the requirements to lead the business effectively.
8.	Committees of governing bodies: 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.	The Board has exercised its prerogative to establish various Board Committees, which are legally compliant and constituted, in order to assist it to effectively discharge its duties and also allows for balance of power.
9.	Evaluations of the performance of the governing body: 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.	An annual assessment of skills by way of self-evaluation is conducted. Directors are appraised wherever necessary of new legislation and changing commercial risk that may affect the Company. The Board satisfies itself annually on the competence, qualifications and experience of the Company Secretary. The Financial Director is evaluated by the Audit and Risk Committee to ensure that she has the relevant skills and expertise to fulfil the requirements of the position.
10.	Appointment and Delegation to Management: The governing body should ensure that the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.	In the current state of closure of the company no new appointments are made.
11.	Risk governance: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The Board is assisted by the Delta Audit and Risk Committee in order to govern risk in a way that supports Delta in achieving its objectives. In its current state of closure all risks are identified and steps are taken to mitigate these risks.
12.	Technology and information governance: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board is assisted by the Delta Audit and Risk Committee in order to oversee the governance of Information Technology. The committee ensures that all Information Technology systems are in place to support the activities still undertaken under the current state of closure.
13.	Compliance Governance: The governing body should govern compliance with applicable laws and adopt, non-binding rules, codes and standards in a way which supports the organisation being ethical and a good corporate citizen.	The Board is assisted by the combined Social and Ethics and Audit and Risk committees in order to oversee the governance of compliance.

14.	Remuneration Governance: 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.	The Board is assisted by the Delta Remuneration Committee in order to oversee the governance of all remuneration matters. In the current state of closure the role is limited as no new appointments and adjustments to remuneration are made. No remuneration report will be tabled to be voted on by shareholders, in the current state there is only one person employed by the company.
15.	Assurance: 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 Audit and Risk Committee reviews Delta's assurance approach. The Audit and Risk Committee annually reviews the expertise, resources and experience of the company finance function. The Audit and Risk Committee has introduced additional internal controls, involving the Audit Committee, relating to the transfer of cash as this is the only remaining assets with value.
16.	Stakeholders; In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interest and expectations of material stakeholders in the best interests of the organisation over time.	The Board understands the risk of reputation, and there is regular engagement with Delta's stakeholders through various platforms. The Board understands that there are a variety of stakeholders and attempts to consider all stakeholders when decisions are made.