

# NOTICE TO SHAREHOLDERS

## DELTA EMD LIMITED

(Formerly Delta Electrical Industries Limited)  
(Incorporated in the Republic of South Africa)  
(Registration number 1919/006020/06)  
Share code: DTA ISIN: ZAE000132817  
("Delta" or "the Company")

Notice is hereby given that the ninety-third annual general meeting of shareholders of Delta will be held in the board room, Building 3, Deloitte place, The Woodlands, 20 Woodlands Drive, Woodmead, Sandton, Johannesburg, on Thursday 29 April 2010 at 11h00 for the following purposes:

1. To receive and consider the annual financial statements of the Company and the Group for the year ended 27 December 2009.
2. To re-elect the following directors of the Company:

2.1 Mr. P. Baijnath

2.2 Mr. J. S. Seymore

who retire by rotation in terms of the Company's articles of association ("the articles") and being eligible, offer themselves for re-election.

A brief curriculum vitae follows in respect of each director referred to above:

**Mr. P. Baijnath (46) Chem. Eng, MSAChE, MBA (Wales), PMD (UCT) (Chief Executive Officer)**

Mr. P. Baijnath joined the Group as C.E.O. on 26 January 2009. He has 22 years experience in the chemical processes industry and was the Chief Executive Officer of Gold Reef Specialty Chemicals, as well as a director on the operational board of the Frame Textile Group. Previously, he was employed for 20 years with ICI/Huntsman Tioxide in a series of increasingly responsible international roles, culminating as a member of the senior management team at Huntsman Tioxide Southern Africa.

**Mr. J. S. Seymore (42) CA (S.A.) (Executive Director)**

Mr. J. S. Seymore joined the Group on 3 December 2009. He has 22 years of diverse financial, strategic and operations management experience within global engineering, telecoms, defence, mining and industrial groups and served as Financial Director/CFO for VWS Envig (Pty) Limited and prior to that as CFO for SAAB Grintek Limited.

3. To re-appoint Deloitte & Touche as the independent auditors of the Company, to determine their remuneration for the past year and to appoint M. H. Holme as the individual designated auditor of the Company to hold office for the ensuing year.

To consider and, if approved, to pass with or without modification, the following resolutions:

**4. Ordinary resolution number 1**

"RESOLVED THAT the annual fees payable by the Company to independent non-executive directors be approved for 2009 and payable in 2010 as follows:

Board/Committee	Proposed fee	
	2009 R'000	2010 R'000
Non-executive (non-independent) Chairman	300	300
Non-executive Directors	100	100
Chairman of the Audit and Risk Committee	80	80
Member of the Audit and Risk Committee	40	40
Member of the Remuneration and Nominations Committee	30	30

The fees have been recommended by the Remuneration and Nominations Committees".

**5. Ordinary resolution number 2**

"RESOLVED THAT the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company until the next annual general meeting and that the directors of the Company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such ordinary shares to such person or persons on such terms and conditions and at such times as the directors of the Company may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act (Act 61 of 1973) as amended ("the Act"), the articles of the

Company and the Listings Requirements of the JSE Limited ("JSE"), when applicable".

#### **6. Ordinary resolution number 3**

"RESOLVED THAT the board of directors of Delta be and are hereby authorised by way of a general authority to make payment to Delta shareholders from the Company's share capital and/or share premium as and when they in their discretion deem fit, subject to the Act and specifically to the provisions of section 90 of the Act, the Company's articles, the JSE Listings Requirements, and the following limitations, namely that:

- (a) this authority is valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- (b) the payment shall not exceed 20% of the Company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year; and
- (c) any general payment will be made pro rata to all shareholders.
- (d) Announcements will be published on SENS and in the press setting out the financial effects of the general payment prior to such payment being effected and complying with Section 11.31 and Schedule 24 of the JSE Listings Requirements"

#### **Rationale for the authority**

The board of directors of Delta intend to use the authority, if appropriate, to make a cash payment to shareholders should there be excess cash reserves on hand in the Group.

Other disclosure required in terms of the JSE Listings Requirements is set out under special resolution number 1.

#### **7. Special resolution number 1**

Special resolution number 1

"RESOLVED THAT, as a general approval contemplated in sections 85 to 89 of the Act, the acquisitions by the Company, and/or any subsidiary of the Company, from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, be and is hereby authorised, but subject to the Articles of Association of the Company, the provisions of the Act and the JSE Listings Requirements, when applicable, and provided that –

- (a) the repurchase shall not in the aggregate in any one financial year exceed 20% of the Company's issued share capital of that class;
- (b) the repurchase must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party (reported trades are prohibited);
- (c) this authority shall lapse on the earlier of the date of the next annual general meeting of the Company or the date 15 months after the date on which this resolution is passed;
- (d) the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the 5 business days immediately preceding the date of the repurchase;
- (e) the number of ordinary shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% in the aggregate of the number of issued ordinary shares in the Company at the relevant times;
- (f) the Company only appoints one agent to effect any repurchase(s) on its behalf;
- (g) after such repurchase the Company will still comply with the JSE Listings Requirements concerning shareholder spread requirements;
- (h) the Company and the Group will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period; and
- (i) when the Company has cumulatively repurchased 3% of the initial number of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made."

The reason for and the effect of the special resolution 1 is to grant the Company's directors a general authority to approve the Company's repurchase of its own ordinary shares and to permit a subsidiary of the Company to purchase ordinary shares in the Company.

At the present time the directors have no specific intention with regard to the utilisation of this authority which will only be used if the circumstances are appropriate.

For the purposes of considering ordinary resolution number 3 and special resolution number 1 and in compliance with the JSE Listings Requirements, the following is disclosed, some of which disclosures are contained elsewhere in the annual report of which this notice of annual general meeting forms part.

#### **Working capital undertaking:**

The Company's directors undertake that they will not implement the proposed general payment or general repurchase, unless the following conditions are met:

- (a) the Company and the Group will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of the general payment/general repurchase;
- (b) recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements, the assets of the Company and the Group will exceed the liabilities of the Company and the Group for a period of 12 months after the general payment/general repurchase;
- (c) the ordinary capital and reserves of the Company and the Group will be adequate for the purposes of the business of the Company and the Group for a period of 12 months after the general payment/general repurchase;
- (d) the available working capital of the Company and the Group will be adequate for the purposes of the business of the Company and the Group for a period of 12 months after the general payment/general repurchase; and
- (e) on entering the market to proceed with the general payment/general repurchase, the Company's sponsor has confirmed that they are satisfied, prima facie, that the working capital pack supports the directors statement on the working capital, in writing to the JSE.

#### **Directors' responsibility statement**

The directors, whose names are given on page 1 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given regarding ordinary resolution number 3 and special resolution number 1 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the ordinary resolution number 3 and special resolution number 1 contain all information required by law and the JSE Listings Requirements.

#### **Material changes**

Other than the facts and developments reported on in the annual report, there have been no material changes in the financial or trading position of Delta and its subsidiaries between Delta's financial year end and the date of this notice.

#### **Litigation statement**

The directors, whose names are given on page 1 of the annual report are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened of which the Company is aware, that may have or have in the previous 12 months had a material effect on the Group's financial position.

- directors and management – page 1
- major shareholders of Delta – page 42
- directors' interests in securities – page 30
- share capital of Delta – page 32

**8. To transact such other business as may be transacted at an annual general meeting.**

**VOTING AND PROXIES**

On a show of hands every shareholder present in person or represented in terms of section 188 of the Act, shall have one vote and on a poll every shareholder present in person or by proxy or so represented shall have one vote for every share held by such shareholder.

A shareholder entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in place of that shareholder. A proxy need not be a shareholder of the Company.

Registered certificated shareholders and dematerialised shareholders with own name registration and who are unable to attend the annual general meeting and who wish to be represented at the meeting, must complete and return the attached form of proxy in accordance with the instructions contained therein, so as to be received by the transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown 2107) by no later than 11:00 on Tuesday 27 April 2010.

Holders of Delta ordinary shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, CSDP or broker to enable them to attend and vote at the annual general meeting or to enable their votes in respect of their Delta ordinary shares to be cast at the annual general meeting by that nominee or a proxy or a representative.

Equity securities held by a share trust or scheme will not have their votes at annual general meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements.

By order of the Board

**Statucor (Proprietary) Limited**

15 Heyneke Street  
Industrial Site  
Nelspruit  
Mpumalanga, 1200

5 March 2010

# FORM OF PROXY

## DELTA EMD LIMITED

(Formerly Delta Electrical Industries Limited)  
(Incorporated in the Republic of South Africa)  
(Registration number 1919/006020/06)  
Share code: DTA ISIN: ZAE000132817  
("Delta" or "the Company")

For use by certificated shareholders and dematerialised shareholders with own name registration only, at the annual general meeting of shareholders of the Company to be held at the Conference Centre, 12th Floor, Radisson Blu Hotel, corner of Rivonia and Daisy Roads, Sandton, Johannesburg, on Thursday 29 April 2010 at 11h00.

Dematerialised shareholders without own name registration, must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the necessary Letter of Representation to attend the annual general meeting in person and vote or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person. These shareholders must not use this form of proxy.

I/We

(Name in block letters)

of

(address)

being the holders of \_\_\_\_\_ shares in the capital of the Company do hereby

appoint (see note):

1. \_\_\_\_\_ or failing him/her.

2. \_\_\_\_\_ or failing him/her.

3. the Chairperson of the annual general meeting,

as my/our proxy to act for me/us at the annual general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against the resolutions in respect of the ordinary shares registered in my/our name in accordance with the following instructions:

For                      Against                      Abstain

1. Adoption of annual financial statements.
2. Re-election of directors:
  - 2.1 Mr P. Baijnath
  - 2.2 Mr J. S. Seymore
3. Re-appointment of Deloitte & Touche as auditors.
4. **Ordinary Resolution Number 1:**  
Approval of fees paid to the non-executive directors.
5. **Ordinary Resolution Number 2:**  
Placement of unissued share capital under the control of the directors.
6. **Ordinary Resolution Number 3:**  
General authority to make payment to shareholders.
7. **Special Resolution Number 1:**  
General authority to repurchase ordinary shares.

Signed at \_\_\_\_\_ on 2010

Signature

Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the meeting.

1. The form of proxy must only be used by certificated shareholders or dematerialised shareholders with own name registration.
2. Shareholders are reminded that the onus is on them to communicate with their CSDP.
3. A shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the annual general meeting". A proxy need not be a shareholder of the Company. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the Chairperson of the annual general meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing her/his capacity are produced or have been registered by the Company.
11. Where there are joint holders of ordinary shares:
  - (i) any one holder may sign the form of proxy;
  - (ii) the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear on the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
12. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Pty) Limited:

**Hand deliveries to:**

Computershare Investor  
Services (Pty) Limited,  
Ground Floor, 70 Marshall Street,  
Johannesburg, 2001.

**Postal deliveries to:**

Computershare Investor  
Services (Pty) Limited,  
P O Box 61051,  
Marshalltown, 2107.

to be received by no later than 11h00 on Tuesday, 27 April 2010 (or 48 hours before any adjournment of the annual general meeting which date, if necessary, will be notified in the press).

13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.