

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" or "the Group")

Notice is hereby given to shareholders recorded in the Company's securities register on 24 June 2016 that the ninety-nine Annual General Meeting of shareholders of the Company will be held at the Boardroom, 10 Bompas Road, Dunkeld Johannesburg on Thursday, 1 September 2016, at 11:00 for the purpose of considering the following business and if deemed fit, to pass, with or without modification, the ordinary shareholders resolutions set out below.

The record date on which shareholders must be recorded as such in the securities register maintained for the Company for the purposes of determining which shareholders are entitled to attend and vote at the Annual General Meeting is Friday, 26 August 2016. As such, the last day to trade in order to be entitled to vote at the Annual General Meeting is Tuesday, 23 August 2016. Any person appointed as a proxy need to be a shareholder of the Company.

1. Ordinary resolutions

1.1 Acceptance of annual financial statements

Ordinary resolution 1 is proposed to receive and accept the Group audited annual financial statements for the year ended 27 December 2015, including the Directors' report, the report of the auditors and the report of the audit committee thereon. The financial statements, the Directors' report, the report of the auditors and the report of the audit committee are set out on pages 16 to 19 of the integrated annual report attached to this notice.

1.1.1 Ordinary resolution 1

"Resolved that the Group audited annual financial statements for the year ended 27 December 2015, including the Directors' report, the report of the auditors and the report of the audit committee thereon be and are hereby received and accepted."

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.2 Re-election of directors

In terms of the Company's memorandum of incorporation, at every Annual General Meeting at least one-third of the directors must retire and the directors to so retire shall be those who have been longest in office since their last election. The retiring directors shall be eligible for re-election.

Messrs A Hicks and BR Wright are required to retire by rotation and they have offered themselves for re-election.

Ordinary resolutions 2 and 3 are proposed to re-elect the directors who retire as directors of the Company by rotation in accordance with the Company's memorandum of incorporation and who, being eligible for re-election, offer themselves for re-election.

Brief biographical information of each of the retiring directors is set out on pages 3 to 4 of the integrated annual report accompanying this note.

The nomination committee of the Company conducted an assessment of the performance of each of the retiring directors and the board of directors of the Company ("the board") considered the findings of the nomination committee. Based on these findings, the board recommends to shareholders the re-election of each of the retiring directors as set out in ordinary resolutions 2 and 3.

1.2.1 Ordinary resolution 2

“Resolved that Mr A Hicks, who retires in terms of article 23 of the memorandum of incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a non-executive director of the Company.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.2.2 Ordinary resolution 3

“Resolved that Mr BR Wright who retires in terms of article 23 of the memorandum of incorporation of the Company and who is eligible and available for re-election, be and is hereby re-elected as a non-executive director of the Company.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.3 Election of directors

With the resignation of Mr P Bajjnath and passing of Mr JS Seymore the board decided to appoint Mrs EJ Nel as financial director and Mr C Naicker as operational director.

1.3.1 Ordinary resolution 4

“Resolved that Mrs EJ Nel be appointed as Financial Director.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.3.2 Ordinary resolution 5

“Resolved that Mr C Naicker be appointed as Operational Director.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.4 Election of audit committee

Ordinary resolution 4 is proposed to elect an audit committee in terms of section 94(2) of the Companies Act, 71 of 2008 (as amended) (“the Companies Act”) and the King Report on Corporate Governance for South Africa (“King III”).

Section 94 of the Companies Act requires that, at each Annual General Meeting, shareholders of the Company must elect an audit committee comprising at least three members.

The nomination committee conducted an assessment of the performance and independence of each of the directors proposed to be members of the audit committee and the board considered and accepted the findings of the nomination committee. The board is also satisfied that the proposed members meet the requirements of section 94(4) of the Companies Act, that they are independent according to King III and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Act Regulations, 2011, which requires that at least one-third of the members of a company’s audit committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Brief biographical notes of each candidate available for election as a member of the audit committee are set out on pages 3 to 4 of the integrated annual report.

1.4.1 Ordinary resolution 6

“Resolved that Mr L Matteuci be and is hereby appointed as Chairman of the Audit Committee in terms of section 94(2) of the Companies Act to hold office until the next Annual General Meeting and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and in King III and to perform such other duties and responsibilities as may from time to time be delegated to it by the board.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.4.2 Ordinary resolution 7

“Resolved that Mr BR Wright be and is hereby appointed as member of the Audit Committee in terms of section 94(2) of the Companies Act to hold office until the next Annual General Meeting and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and in King III and to perform such other duties and responsibilities as may from time to time be delegated to it by the board.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.4.3 Ordinary resolution 8

“Resolved that AC Hicks be and is hereby appointed as member of the Audit Committee in terms of section 94(2) of the Companies Act to hold office until the next Annual General Meeting and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and in King III and to perform such other duties and responsibilities as may from time to time be delegated to it by the board.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

1.5 Appointment of external auditors

Ordinary resolution 5 is proposed to approve the appointment of Deloitte & Touche as the external auditors of the Company for the financial year ending 27 December 2016 and to remain in office until the conclusion of the next Annual General Meeting, and to authorise the directors to determine their remuneration.

Subject to the passing of the resolution, Mr AJ Wise will be the individual registered auditor who will undertake the audit during the financial year ending 27 December 2016.

Section 90(1) of the Companies Act requires the Company to appoint an auditor each year at its Annual General Meeting. The audit committee conducted an assessment of the performance and the independence of the external auditors and considered whether or not the external auditors comply with the requirements of sections 90(2) and (3) of the Companies Act and section 22 of the Listings Requirements of the JSE Limited (“JSE”), and the board considered and accepted the audit committee findings. The board is satisfied that Deloitte & Touche auditors and Mr AJ Wise comply with the relevant provisions and are duly accredited by the JSE.

1.5.1 Ordinary resolution 9

“Resolved that Deloitte & Touche be appointed as the external auditors of the Company and of the Group for the financial year ending 27 December 2016 and to remain in office until the conclusion of the next Annual General Meeting, and that their remuneration for the financial year ending 27 December 2016 be determined by the directors.”

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

2. Special resolutions

2.1 To approve the non-executive directors’ fees

Section 66(8) (read with section 66(9)) of the Companies Act provides that, to the extent permitted in the Company’s memorandum of incorporation, the Company may pay remuneration to its directors for their services as directors, provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. The remuneration committee has considered the remuneration for non-executive directors and the board has accepted the recommendations of the remuneration committee.

NOTICE TO SHAREHOLDERS (continued)

2.1.1 Special resolution 1

“Resolved that the fees payable to the non-executive directors for their services as directors be revised with effect from 1 January 2016 as follows:

Non-executive directors' fees	Present	Proposed*
Chairman of the board – base fee	R350 000	R350 000
– board meeting fee	R25 000	R25 000
– board call meeting fee	R5 000	R5 000
Non-executive directors – base fee	R100 000	R100 000
– board meeting fee	R20 000	R20 000
– board call meeting fee	R4 000	R4 000
Chairman of the audit and risk committee	R150 000	R150 000
Members of the audit and risk committee	R90 000	R90 000
Chairman of other board committees**	R100 000	R100 000
Member of other board committees**	R50 000	R50 000
Chairman of the nomination committee	–	–
Member of the nomination committee	–	–

* Per calendar year, commencing on 1 January 2016, and subsisting until another special resolution dealing with the fees payable to non-executive directors is adopted, or this special resolution expires, whichever happens first.”

** This excludes the nomination committee.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the Annual General Meeting and entitled to exercise voting rights on the resolution is required.

2.2 Loans or other financial assistance to related or inter-related companies

Section 45 of the Companies Act provides, among other things that, except to the extent that the memorandum of incorporation of a company provides otherwise, the board may authorise the Company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a related or inter-related company, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category. It may be necessary for the Company to provide financial assistance from time to time to its subsidiaries. In the circumstances and in order to ensure that the Company's subsidiaries have access to financial assistance from the Company (as opposed to from external sources), it is necessary in terms of section 45 to obtain the approval of shareholders, as set out in special resolution 2. Section 45 of the Companies Act also provides, among other things, that the Board must be satisfied that:

a) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test contained in section 4 of the Companies Act; b) and the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

2.2.1 Special resolution 2

“Resolved that the directors of the Company be and are hereby authorised, in accordance with section 45 of the Companies Act, to authorise the Company to provide direct or indirect financial assistance to any company which is related or inter-related to the Company.”

Disclosures in regard to other Listings Requirements of the JSE

The Listings Requirements of the JSE prescribe certain disclosures, which are disclosed in the Group audited annual financial statements and the integrated annual report as provided below:

Certificated shareholders/dematerialised shareholders with own name registration

Registered holders of certificated ordinary shares and holders of dematerialised ordinary shares in their own name, may attend, speak and vote at the Annual General Meeting or are entitled to appoint a proxy or more than one proxy to attend, speak and, on a poll, vote in his/her stead.

Voting and proxies

A shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead. Forms of proxy may also be obtained on request from the Company's registered office. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting should the shareholder subsequently decide to do so.

Dematerialised shareholders

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and who have not elected own name registration and wish to attend the Annual General Meeting, should timeously inform their CSDP or broker of their intention to attend the Annual General Meeting and request such CSDP or broker to issue them with the necessary authority to attend. If they do not wish to attend the Annual General Meeting, they may provide such CSDP or broker with their voting instructions.

Voting rights

The ordinary shareholders are entitled to vote on all the resolutions set out in this notice. On a show of hands, every ordinary shareholder who is present in person or by proxy at the Annual General Meeting will have one vote (irrespective of the number of ordinary shares held in the Company) and, on a poll, every ordinary shareholder will have one vote for every ordinary share held or represented. All the resolutions set out in this notice will be voted on by poll.

Identification

In terms of section 63(1) of the Companies Act, any person attending or participating in the Annual General Meeting must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote whether as a shareholder or as a proxy for a shareholder has been reasonably verified. Acceptable forms of identification include valid identity documents, drivers' licences and passports.

Electronic participation by shareholders

Should any shareholder (or a proxy for a shareholder) wish to participate in the Annual General Meeting by way of electronic participation, that shareholder should make an application in writing to so participate to the transfer secretaries, at the transfer secretaries' address, 70 Marshall Street, Johannesburg, 2001, to be received by the transfer secretaries at least five business days prior to the Annual General Meeting in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative or proxy) with details as to how to access any electronic participation to be provided. The costs of accessing any means of electronic participation provided by the Company will be borne by the Company.

By order of the Board

EJ Nel, CA(SA)

Company Secretary

Nelspruit, Mpumalanga

10 June 2016



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 ninety-ninth Annual General Meeting of shareholders of the Company to be held at the Boardroom, 10 Bompas Road, Dunkeld Johannesburg, on **1 September 2016** at 11:00.

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 Company, do hereby

appoint (see note 3):

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 shareholders resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against such resolutions in respect of the ordinary shares registered in my/our name in accordance with the following instructions:

		*In favour of	*Against	*Abstain
Ordinary resolution 1:	Acceptance of annual financial statements			
Ordinary resolution 2:	Re-election of A Hicks as a non-executive director			
Ordinary resolution 3:	Re-election of BR Wright as a non-executive director			
Ordinary resolution 4:	Election of EJ Nel as financial director			
Ordinary resolution 5:	Election of C Naicker as operational director			
Ordinary resolution 6:	Election of L Matteucci as Chairman of Audit Committee			
Ordinary resolution 7:	Election of Mr BR Wright as member of Audit Committee			
Ordinary resolution 8:	Election of Mr AC Hicks as member of Audit Committee			
Ordinary resolution 9:	Re-appointment of Deloitte & Touche as external auditors			
Special resolution 1:	Approval of non-executive directors' fees			
Special resolution 2:	Approval of general authority to grant loans or other financial assistance to related or inter-related companies			

* Insert an "X" or the number of ordinary shares (see note 9).

Signed at _____ on _____ 2016

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 Annual General Meeting.

Please read the instructions and Companies Act summary on the reverse hereof.

NOTES TO THE FORM OF PROXY

Instructions on signing and lodging of this Annual General Meeting form of proxy

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.
2. The Chairperson of the Annual General Meeting shall be entitled to decline to accept the authority of a signatory:
 - (a) under a power of attorney; or
 - (b) on behalf of a company,
unless the power of attorney or authority is deposited with the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 or PO Box 61051, Marshalltown, 2107 by no later than 11:00 on **30 August 2016**.
3. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her proxy in the blank space/s provided for that purpose.
4. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name appears first in the securities register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
5. The completion and lodging of this form of proxy will not preclude the signatory from attending the Annual General Meeting and speaking and voting in person thereat should such person wish to do so, to the exclusion of any proxy appointed in terms hereof.
6. If, in the appropriate place on the face of this form of proxy, there is no indication of how to vote in respect of any resolution, the proxy shall be deemed to have been instructed to vote in favour of the resolution.
7. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed, other than in accordance with these instructions, provided that, in the event of acceptance, the Chairperson is satisfied as to the manner in which a shareholder wishes to vote.
8. If the shareholding is not indicated on this form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
9. Please insert an "X" in the relevant space according to how you wish to vote. In respect of a lesser numbers of shares than you own in the Company, insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to be on Instruction to the proxy to vote in favour of the resolution. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and/or in respect of which abstention is recorded may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
10. A form of proxy sent by electronic medium to the Company Secretary or transfer secretaries within the time allowed for submission, shall be deemed to constitute an instrument of proxy.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the Chairperson of the Annual General Meeting.
12. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
13. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to: Ground Floor, 70 Marshall Street Johannesburg, 2001	Postal deliveries to: PO Box 61051 Marshalltown, 2107
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to be received by no later than 11:00 on **30 August 2016** (or 48 hours before any adjournment of the Annual General Meeting which date, if necessary, will be published in the press or in effect of any adjustment of the Annual General Meeting, by no later than 48 hours before any adjustment such which date is necessary will be published in the press). A proxy form not lodged by this time may be handed to the Chairman before the due commencement of the meeting.

Summary in terms of section 58(8)(b)(i) of the Companies Act

Section 58(8)(b)(i) provides that, if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the Company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, as amended, which summary is set out below: For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

A proxy appointment:

- must be in writing, dated and signed by the shareholder; and
- remains valid for:
 - one year after the date on which it was signed; or
 - any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act; or expires earlier as contemplated in section 58(8)(d) of the Companies Act.

The memorandum of incorporation of the Company prohibits:

- the concurrent appointment of two or more persons as proxy, therefore shareholders are not permitted to concurrently appoint two or more persons as proxy ; and
- the delegation of authority to act by a proxy, therefore proxies are not permitted to delegate their authority to act to another person.

A copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy:

- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - delivering a copy of the revocation instrument to the proxy and to the Company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:

- stated in the revocation instrument, if any; or
- upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(iii) of the Companies Act.

Should the instrument appointing a proxy or proxies have been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder must be delivered by the Company to:

- the shareholder, or
- the proxy or proxies if the shareholder has in writing directed the com.

The memorandum of incorporation of the Company provides that the vote of a proxy must be in accordance with the express directions as to voting the shares in question specified in the applicable proxy form or instrument appointing the proxy, failing which the Company will be entitled to disregard the proxy form or instrument appointing the proxy. Accordingly, a proxy will not be entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction.

If the Company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

- such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
- the Company must not require that the proxy appointment be made irrevocable; and
- the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.