



DELEGAT'S GROUP LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of Delegat's Group Limited (the "Company") will be held at

**2pm on 31 October 2006 at the Langham Hotel,
83 Symonds St, Auckland.**

The Explanatory Notes which accompany this Notice of Annual Meeting set out the details of the transactions which are the subject of the resolutions and the approval required for each resolution by the Shareholders of the Company pursuant to the NZX Listing Rules (the "Listing Rules"), the Companies Act 1993, (the "Companies Act") and the Constitution of the Company.

AGENDA

A: ORDINARY BUSINESS OF THE MEETING

1. Financial Report and Statements

To receive and consider the Consolidated Financial Statements of the Company and the Company's controlled entities and Reports of the Directors' and of the Auditor for the year ended 30 June 2006.

2. As an Ordinary Resolution - Re-election of John Maasland as Director

John Maasland retires in accordance with the provisions of the Constitution of the Company and, being eligible, offers himself for re-election.

3. As an Ordinary Resolution - Re-election of Rosemari Delegat as Director

Rosemari Delegat retires in accordance with the provisions of the Constitution of the Company and, being eligible, offers herself for re-election.

4. As an Ordinary Resolution – Increase in Directors Fees

That the aggregate maximum amount of fees which can be paid to the Directors be set at NZ\$250,000 in respect of each financial year, where such amount (or lesser amount determined by the Directors for a financial year) will be divided among the Directors in such proportion and in

such manner as they may agree, provided that such amount may be increased proportionately if further Directors are appointed, such an amount representing an increase of \$98,000 in fees paid to Directors for the preceding financial year.

Further information about this resolution is contained in the Explanatory Notes.

5. As an Ordinary Resolution - Reappointment and Remuneration of Auditors

To record the reappointment of Ernst & Young as Auditors of the Company under section 200 of the Companies Act 1993, and to authorise the Board to fix their remuneration for the forthcoming year.

B: SPECIAL BUSINESS OF THE MEETING

6. As a Special Resolution - Adoption of New Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

That the existing Constitution of the Company be revoked, and the Company adopt a replacement Constitution in the form tabled at the meeting and signed by the Chairman for the purpose of identification.

Further information about this resolution is contained in the Explanatory Notes.

C: GENERAL BUSINESS OF THE MEETING

To consider such other business as may properly be raised at the meeting.

By Order of the Board of Directors

Robert Lawrence Wilton
Chairman

ORDINARY/SPECIAL RESOLUTIONS

Ordinary resolutions are required to be approved by a simple majority of more than 50% of votes validly cast at the Annual Meeting.

Special Resolutions are required to be approved by a majority of 75% or more votes validly cast at the Annual Meeting.

Pursuant to Rule 6.1.1 of the Listing Rules of New Zealand Exchange Limited (the "Listing Rules"), this Notice of Meeting has been approved by New Zealand Exchange Limited.

VOTING RESTRICTIONS

No Director of the Company, or any of those Directors Associated Persons (as that term is defined in the Listing Rules) shall be entitled to vote on Resolution 4.

Aside from the above restriction in the immediately preceding paragraph, no person is restricted from voting on any of the resolutions referred to in this Notice of Meeting.

PROXIES

All Shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote for them instead.

A proxy need not be a Shareholder of the Company. The Chairman of the Board of Directors is prepared to act on your behalf (see the explanatory notes).

A proxy form is enclosed and to be effective must be lodged with the Company's Registrar, Computershare Investor Services Limited, Private Bag 92119 Auckland 1020 no later than 48 hours before the meeting is due to begin (i.e. before 2pm, Friday 27 October 2006).

EXPLANATORY NOTES

General

The purpose of these Explanatory Notes is to provide Shareholders with information to decide whether to vote in favour of Resolutions 4 and 6, including enabling Shareholders to understand and assess the merits of those resolutions. In addition, the implications of the Listing Rules, the Companies Act and the Constitution insofar as they relate to the resolution is addressed in the Explanatory Notes below.

Resolution 4

It is proposed that the maximum aggregate Directors remuneration be set at NZ\$250,000 in respect of each financial year. This represents an increase of \$98,000 in fees paid to Directors in the previous financial year. The Directors seek approval of a remuneration level which will ultimately better

reflect the increased size of the Company and governance responsibilities. The aggregate Directors' remuneration shall be divided among the Directors in such proportion and in such manner as they may agree. The total quantum of Directors fees may be increased proportionately if further Directors are appointed in the future.

Neither Mr Jim Deleat, nor Ms Rose Deleat receive Directors fees, nor shall they receive any Directors fees in the forthcoming financial year.

No Director of the Company, or any of those Directors Associated Persons (as that term is defined in the Listing Rules) shall be entitled to vote on this resolution.

Resolution 6 – Special Resolution: Adoption of New Constitution

Background to Constitutional Changes

On 10 May 2006 and 1 July 2006, changes to the listing rules of the NZX ("the Listing Rules") became effective. As required by the terms of the Listing Rules, to which the Company is bound, the Company's Constitution must be amended to ensure that its provisions are consistent with the Listing Rules as now amended.

Given the administrative benefits of having one document setting out all constitutional provisions rather than several documents linked by cross-referencing, the Directors have recommended that the Company adopt a new Constitution incorporating these changes rather than seeking to substantially modify the existing Constitution.

The special resolution to be put to Shareholders will give effect to this recommendation.

Changes

Apart from the changes made to the Constitution to accommodate the new changes made to the Listing Rules, the new Constitution preserves all existing material substantive Constitutional provisions either by way of reference or expressly. **The principal material changes made to the Constitution are set out in the enclosed table.**

Constitution Inspection

A copy of the proposed new Constitution of the Company is available for inspection or uplifting from the Company's registered office at Level 1, 16 Viaduct Harbour Avenue, Maritime Square, Auckland between 9.00 a.m. and 4.00 p.m. Monday to Friday. Alternatively, a copy may be viewed online at www.delegatsgroup.co.nz/docs.html or a copy may be obtained by writing to the Directors: PO Box 91681, Auckland 1010.

SUMMARY OF THE PRINCIPAL MATERIAL CHANGES MADE TO THE CONSTITUTION

Constitution Regulation #	Description of Regulation	Description of Change	Comment
1.1	Definition of "Average Market Capitalisation" amended	"Average Market Capitalisation" has been defined as being the Volume Weighted Average Price of the Security for the previous 20 Business Days. The definition is used to measure the thresholds in Regulation 2.7 (disposal/acquisition of assets), Regulation 2.11 (material transactions with related parties, and Regulation 5.7 (permitted financial assistance).	The calculation of Average Market Capitalisation takes into account volume and price which will provide a more accurate reflection of the materiality of a transaction or event when calculating the relevant thresholds. This will ensure the relevant rules apply when and only when they are required to.
1.1	Definition of "Renounceable Rights" added	"Renounceable Rights" is defined as having the meaning given to it in the NZX Rules.	Added to retain consistency with amendment to Regulation 3.7(h) relating to Renounceable Rights.
2.9	Exception from requirement to approve transaction Disposals or Acquisitions by special resolution	The exceptions to Regulation 2.7 have been amended so that the takeover exception in Regulation 2.9 is extended to include takeovers of Issuers that are not Code Companies.	This amendment improves the operation of the Constitution when making offers in respect of companies that are not code companies.
2.12	Definition of "Related Party" amended	The definition of "Related Party" has been amended as follows: <ol style="list-style-type: none"> The definition of officer has been amended to "executive officer" The holding of a relevant interest in a class or equity securities deemed to make someone a related party is increased to 10%. The insertion of an exception for common Directors (i.e. where a Director of the Company is also a Director of the party potentially a related party). The exception applies where: <ol style="list-style-type: none"> the only relationship is the common directorship; no more than one third of the Directors are also Directors of the other party; and there are no other material direct or indirect economic interests in the other party. The insertion of an exception for subsidiaries and joint ventures where no Related Party has any interest in the subsidiary or incorporated joint venture or unincorporated joint venture participant and where the Issuer is entitled to participate in at least half of the income or profits of the subsidiary, joint venture or joint venture participant. 	These amendments represent significant changes for related party transactions. It is expected that fewer applications for waivers from NZX will be required with the new exceptions, reducing compliance costs for the Company.
2.13 (a)	Banking business exception to material transactions amended	The Regulation has been amended to delete the reference to the credit recourse of "the bank" which leaves the exception applicable to transactions undertaken in the "normal course of banking business".	It is expected that the amended exception will reduce the number of waivers sought from the NZX Rules in relation to banking transactions conducted in the normal course of business, saving costs for the Company.
2.13 (d)	Approval of employment or contract for personal services - exception from Material Transaction provisions	The exception has been amended to no longer require NZX approval of Directors' remuneration arrangements. Instead these transactions will be automatically exempt where certification is provided by the Independent Directors of the Company to NZX that the terms were set on an arms length and commercial basis.	The Company will no longer be required to seek approval for executive director remuneration packages where the remuneration exceeds the applicable threshold. This benefits the Company by reducing compliance costs that would have been incurred in applying for NZX approval of the remuneration.

2.13 (g)	Threshold for service contracts - exception from Material Transaction provisions	The de minimus threshold below which the Material Transaction rules do not apply has been capped at \$250,000 (and for services contracts at \$250,000 per annum regardless of the term of the agreement).	Reduces compliance cost of application for exemptions.
3.7(c) & 3.7(d)	Pro-rata and \$5,000 offer rules amended	The amendment to Regulation 3.7(c) requires the Company to extend a \$5,000 offer to beneficial owners of securities held through a custodian. Additionally, Regulation 3.7(d) has been amended to impose a 3 month limit on placing shares under this Rule.	This aligns the Regulations and the NZX Rules with the Securities Act (Share and Unit Purchase Plans) Exemption Notice 2005 which allows Issuers to issue shares without a prospectus. This will simplify compliance and remove costs.
3.7 (h)	Exceptions to offering to all security holder	This amendment allows pro-rata, \$5,000 offers, and dividend reinvestment plan offers, to exclude overseas Shareholders if the laws of that jurisdiction would make the offer there unduly onerous.	The Company will be saved the costs of having to apply for a waiver where an offer falls within the policy of the exception that was previously set out in a footnote to NZX Rules. This is intended to simplify processes when companies who have overseas Shareholders undertake these actions.
3.9	Employee Share Issues	Under Regulation 7.3.6, an Issuer may issue to employees up to 3% of the Securities on issue per year without Shareholder approval with no 5 year cap.	The Company will be able to issue shares to employees without seeking Shareholder approval. This is intended by NZX to provide greater opportunities for the Company to provide share based incentives and remuneration to valued employees.
5.2	Prohibition on acquisition or redemption of shares	The amendments consolidate the prohibitions on acquisitions or redemptions into a single regulation.	This amendment clarifies the application of the Regulations (in relation to acquisitions and redemptions by the Company of its equity securities) and avoids the need for the Company to make waiver applications in relation to the interaction of those regulations.
5.7	Cap on financial assistance	The threshold test for financial assistance has been amended from 5% of Shareholders Funds to 5% of the Company's Average Market Capitalisation.	This aligns the measure of the threshold for financial assistance with the rest of the Constitution and NZX Rules.
5.9	New time limit for financial assistance, redemptions and buy-backs	The timeframes for completing financial assistance, redemptions and buybacks has been aligned with the timeframes for issuing shares in accordance with the NZX Rules.	The timeframe for providing financial assistance, redemptions and buybacks has been aligned with other similar provision in the Constitution. This amendment will reduce the number of waivers sought from NZX from this Regulation in relation to employee shares schemes, reducing compliance costs for the Company.
6.11	Proxies	The Regulation has been amended to: 1. Make clear the right of a proxy to vote when the manner in which the proxy form has been completed does not indicate how the proxy is to vote. 2. Consequentially amend the specified form of proxy.	The amendment clarifies the position for proxy directions other than "for" or "against" to align the Regulation with current practice. This change is intended to simplify the procedure for approval of these documents by NZX.
7.6	Director Nominations	This Regulation has been amended as follows: 1. Reference to the opening date have been removed and left at the discretion of the Company. 2. The notice requirement in the Regulation relate only to the announcement of the closing date. Under the Regulation as amended, the only announcement required by the Company is of the closing date for Director nominations, and this announcement must be made at least 10 business days prior to the closing date – which must be no more than 2 months prior to the meeting date.	The Company is now only required to announce the closing date for Director nominations which will simplify planning for Annual Meetings and provide the Company with greater flexibility for meeting timing.