



Delta SBD Limited

ABN 18 127 894 893

Securities Trading Policy

14 December 2010

1. SECURITIES TRADING POLICY OF DELTA SBD LIMITED

1.1 Need for policy

- (a) The legal duties placed on Directors and certain others in relation to transactions in the securities of the Company and certain other companies are onerous. Heavy sanctions apply if these duties are breached. The material issue concerns the misuse of information that is Price-Sensitive or otherwise confidential.
- (b) In view of this, and because of the difficulty in determining whether information is Price-Sensitive, the Board has adopted this policy governing dealings in Securities and the securities of certain other companies by Directors and certain others as detailed in this policy.

1.2 Legal constraints

- (a) Legal constraints applicable to directors and officers of a listed company dealing in securities in the company concerned arise from the following sources:
 - (i) Common law;
 - (ii) The Act; and
 - (iii) ASX Listing Rules.
- (b) As regards Price-Sensitive Information, if a Director or an Officer is in possession of any such information which has not been publicly disclosed, there are a number of general and some specific legal constraints on dealings in securities.
- (c) Price-Sensitive Information is not easy to define and must be regarded as being very broad in scope.

1.3 General

- (a) Whilst it is desirable that Directors, executives and other employees of the Group should hold Securities, such persons to whom this policy applies who wish to trade (buy or sell) Securities must have regard to both the applicable legal constraints and to this policy and abide by the spirit of this policy as well as the letter of the law.
- (b) No such person may trade in Securities, either for short-term speculative gain or otherwise, whilst in possession of Price-Sensitive Information.
- (c) Such trading is prohibited, whether concluded personally by a person to whom this policy applies (as referred to in clause 1.12 below) or through a related party within the meaning of section 228 of the Act which applies to public companies and, for convenience and in summary, specifies the following as related parties in relation to the Company:
 - (i) any entity that controls the Company;
 - (ii) each of the following:
 - (A) any Director;
 - (B) any director of any entity that controls the Company;
 - (C) each of the persons making up any entity that controls the Company but is not itself a body corporate; and

- (D) any spouse or de facto spouse of any of those persons;
- (iii) parents and children of any of those persons;
- (iv) any entity controlled by any of the above related parties;
- (v) Any entity that was, at any material time, any of the above related parties at any time within the previous six months;
- (vi) any entity that, at any material time, believes or has reasonable grounds to believe that it is likely to become any of the above related parties at any time in the future; and
- (vii) any entity acting in concert with any of the above related parties on the understanding that the related party will receive a financial benefit if the Company gives the entity a financial benefit.

1.4 Price-Sensitive Information

The Board has adopted the following definition of Price-Sensitive Information:

'Price-sensitive information can be regarded as information that relates to the financial affairs of the Company or the Group the knowledge of which may give the person proposing to deal in Securities an advantage over other persons holding or dealing in Securities and, if it were generally available, would be likely to materially affect the price of the Securities in question.'

Information such as material changes in turnover, current or prospective profit figures, proposed action in the form of dividends, bonus issues or other new share issues, proposed material disposals or acquisitions of assets and proposed material contracts beyond the size and nature of contracts normally undertaken by the Company, could all be considered to constitute price-sensitive information.

Information concerning the Company or the Group related to any of the following subjects could also be regarded as price-sensitive information:

- (a) *proposed changes in capital structure;*
- (b) *information to be disclosed under the Act or under the ASX Listing Rules;*
- (c) *proposed changes to the Board other than the filling of a casual vacancy or a retirement due to ill health or some similar situation;*
- (d) *proposed changes in the general character or nature of the business;*
- (e) *information regarding changes in the holdings of substantial shareholders;*
- (f) *proposed material changes in the holdings of any Director;*
- (g) *appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by it or any of its child entities;*
- (h) *a recommendation or declaration of a dividend or distribution;*
- (i) *a recommendation or declaration that a dividend or distribution will not be declared;*
- (j) *under-subscriptions or over-subscriptions to an issue;*

- (k) *a transaction for which the consideration payable or receivable is a material proportion of the written down value of the Company's consolidated assets;*
- (l) *a claim against the Company or any other company in the Group for which the excess and/or damages payable by it is a material proportion of the written down value of the Company's consolidated assets;*
- (m) *an agreement or option to acquire an interest in a mining tenement;*
- (n) *information about the beneficial ownership of securities obtained under Part 6C.2 of the Act;*
- (o) *giving or receiving a notice of intention to make a takeover; or*
- (p) *an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).'*

1.5 Prohibited trading

- (a) Subject to any permission granted under clause 1.8, any person to whom this policy applies will be prohibited from Trading in Securities between:
 - (i) 1 July and 1 trading day following the announcement of the Company's full year results to the ASX; and
 - (ii) 1 January and 1 trading day following the announcement of the Company's half year results to the ASX.
- (b) Additionally, any person to whom this policy applies will be prohibited from:
 - (i) Trading in Securities whilst that person is in possession of Price-Sensitive Information or where trading is for short-term or speculative gain; or
 - (ii) entering into transactions or acquiring certain financial securities or products which have the intention to limit risk in participating in unvested entitlements under any equity based remuneration offered to that person.

1.6 Permitted trading

- (a) Trading in Securities by any person to whom this policy applies which is otherwise prohibited under clause 1.5 may only be conducted with written authority in accordance with clause 1.8.
- (b) Permission may be given for such trading but only after a written request for approval is provided and only if the approving person is satisfied that the transaction would not be:
 - (i) contrary to law;
 - (ii) for speculative gain;
 - (iii) to take advantage of insider knowledge; or
 - (iv) seen by the public, press, other shareholders or ASX as unfair.
- (c) As a guide, approval to trade may be given under clause 1.8 where, for example, it can be shown that Securities are to be sold to realise cash in a time of need or where Securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs.

- (d) Approval should only be given under exceptional circumstances where trading would occur in the period between 30 June and the announcement to the ASX of final results for the year and between 31 December and the announcement to the ASX of the interim results for the half-year.

1.7 Trading \$50,000 or more of Securities

In any circumstances where a person to whom this policy applies wishes to sell more than \$50,000 worth of Securities to any party, then prior to entering into discussions for the potential sale of those Securities, the person concerned shall obtain written approval from the Chairman as to the form and timing of the sale and the management of its public disclosure.

1.8 Authority to trade

Written authority to trade as referred to in clause 1.6 may only be obtained from the following:

- (a) in the case of any proposed trade by the Chairman – the approval of the Chairman of the Audit & Compliance Committee;
- (b) in the case of any proposed trade by the CEO and any Director other than the Chairman - from the Chairman or, in the absence of the Chairman, a non-executive Director nominated by the Chairman for the purpose; and
- (c) in the case of any proposed trade by any other person to whom this policy applies - from the CEO or, in the absence of the CEO, a non-executive Director nominated by the CEO for the purpose.

For the purposes of this clause, none of the persons referred to in paragraphs 1.8(a), (b) and (c) above are empowered to grant permission unless that person is not in possession of Price-Sensitive Information.

In all circumstances where permission is granted to a Trading in Securities, that the relevant trade is to take place within the seven days following the granting of permission.

1.9 Guidance for authority to trade

The power of decision makers under clause 1.8 shall be exercised in a responsible and sensible manner having regard to the purpose of this Policy and having regard to desirable protocols to be followed to prevent insider trading or the public perception that insider trading may have occurred by reason of this Policy not being adhered to. The grant of authority by decision makers mentioned in clause 1.8 is intended to be exercised having regard to the special circumstances (such as financial hardship) affecting the relevant person.

1.10 Trading by Directors

Insofar as Directors are required to have details of their changes in Security holdings notified to the Company and to ASX, the Company, subject to the ASX Listing Rules and in the context of section 205G of the Act (or any ASIC class order modifying or exempting the application of section 205G) shall ensure that the Secretary is immediately notified of any trading by a Director so as to facilitate the timely lodgement with ASX of an Appendix 3Y or other prescribed form relating to required notifications to ASX of the initial acquisition, change of interests or cessation of Directors' interests as required by the ASX Listing Rules.

1.11 Informing the Company and the ASX

- (a) Persons to whom this policy applies who have been involved in any such trading in Securities, either personally or through a family member, or a trust or a Company as referred to above, must advise the Secretary in writing of the details of completed transactions within fourteen days following each transaction. Such notification is necessary whether or not prior authority has been required.
- (b) The Secretary must maintain a register of securities transactions for the purposes of this policy.
- (c) Persons listed in a schedule prepared and maintained by the Secretary who are either Directors or directors of any subsidiary registered (or incorporated) in Australia have an obligation under the Act to notify both the ASX and the Company in writing of any changes in their holdings of Securities or interest in Securities.

1.12 Persons covered by this Policy

This policy applies to all Directors and to all Officers, executives and employees nominated by the Board. Persons nominated are to be listed in a schedule prepared and maintained by the Secretary and include the following:

- (a) all Directors and all Officers including the CEO;
- (b) key executives including the CFO and COO and any director of a subsidiary of the Company;
- (c) corporate and divisional accounting officers reporting directly to any of the above executives;
- (d) secretaries and assistants performing confidential work and reporting to any of the above positions; and
- (e) members of corporate staff who have access to Group results.

1.13 Securities covered by this Policy

- (a) This policy applies to all Securities including issued and non issued and is not limited to ordinary shares, preference shares, debentures, convertible notes, options, and hedging mechanisms or derivatives instruments.
- (b) This policy does not apply to any acquisition of Securities as part of a new issue or dividend reinvestment plan where the issue is available pro rata to all holders of Securities of the relevant class.

1.14 Families and trusts

Persons to whom this policy applies must not trade through any member of their family, or through a trust or company over which they have influence or control, in circumstances where they would have been prohibited from trading in their own name.

1.15 Other companies' securities

Trading by persons to whom this policy applies in the securities of other corporations in which the Company has a substantial investment interest (10% or more) are subject to the same approval procedures as for Securities.

1.16 Trustees

A person to whom this policy applies, and who is a joint trustee or a trustee of a deceased estate, should advise his co-trustees or trust beneficiaries, as the case may be, of his relationship with the Company and the consequential restrictions on his ability to give advice in respect of Securities.

1.17 Disclosure of this policy

Each annual report of the Company will contain a statement indicating that a securities trading policy has been adopted within the Charter.

2. TERMS AND INTERPRETATION

Act	<i>Corporations Act 2001 (Cth)</i>
AGM	annual general meeting of the Company
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691
Board	board of Directors
Chairman	chairman of the Board
CEO	the executive officer or executive officers (whether or not a Director or Directors, and by whatever title known, whether chief executive officer, managing director, or otherwise) with sole or joint responsibility for the strategic and operational management of the Company and the Group
Company	Delta SBD Limited ABN 18 127 894 893
Director	director of the Company
Group	Company and its controlled entities
Managing Director	means a person appointed to that role by the Board and, in the absence of a managing director means CEO
Officers	means persons who are considered to be 'officers' within the meaning of Section 9 of the Act.
Permission	in relation to Trading in Securities, is the written authority given under section 1.8 of this document
Price-Sensitive	price-sensitive within the meaning of section 1.4 of this document
Price-Sensitive Information	price-sensitive information within the meaning of section 1.4 of this document
Secretary	secretary of the Company
Security	equity, debt or other security of any kind of the Company
Shareholder	holder of shares in the Company
Trading in Securities	any form of dealing with issued or non issued securities of the Company