



Notice of annual general meeting

Delta SBD Limited ACN 127 894 893

Notice is given that the annual general meeting of Delta SBD Limited (**Company**) will be held at:

Location	The Portside Centre, Level 5, 207 Kent Street, Sydney, NSW 2000
Date	Wednesday, 23 November 2011
Time	11.00am (Sydney time)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the auditor for the financial year ended 30 June 2011.

Remuneration report

To consider, and if in favour, to pass the following resolution under section 250R(2) Corporations Act:

- 1 *'That the remuneration report of the directors for the financial year ended 30 June 2011 be adopted.'*

Note: This resolution will be decided as if it were an ordinary resolution, but under section 250R(3) Corporations Act the vote on this resolution is advisory only and does not bind the Directors or the Company.

Election of directors

Re-election of Gordon Thomas Galt - Chairman

To consider, and if in favour, to pass the following as an ordinary resolution:

- 2 *'That Gordon Thomas Galt, who retires by rotation under rule 16.1 of the Constitution, and being eligible, be re-elected as a director of the Company.'*

Election of Geoffrey Stuart Garside – Non-Executive Director

To consider, and if in favour, to pass the following as an ordinary resolution:

- 3 *'That Geoffrey Stuart Garside, who was appointed to the Board following the last annual general meeting of the Company and retires under rule 13.2 of the Constitution, and being eligible, be elected as a director of the Company.'*

Note: Information about each candidate appears in the Explanatory Memorandum.

Special business

Non-Executive Directors' fees

Increase in Non-Executive Directors' fees

To consider, and if in favour, pass the following resolution as an ordinary resolution:

- 4 *'That for the purpose of ASX Listing Rule 10.17, rule 13.3(a) of the Constitution, and for all other purposes, the maximum aggregate annual fees payable out of the funds of the Company to the Non-Executive Directors for services as Directors, including service on a committee of Directors, be increased from \$120,000 (inclusive of superannuation guarantee charge (SGC) contributions) to \$450,000 per annum (inclusive of SGC contributions), to be apportioned at the Directors' discretion. (\$330,000 increase)*

Approval of previous Non-Executive Directors' fees

To consider, and if in favour, pass the following resolution as an ordinary resolution:

- 5 *'That, for the purpose rule 13.3(a) of the Constitution, and for all other purposes, the payment of \$6,237 in fees to the Non-Executive Directors by the Company during the financial year ended 30 June 2011, in excess of and in addition to the \$120,000 limit previously set by members, be approved.'*

Dated

By order of the Board



Tony McFadden
Company secretary

Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form. A proxy may also be submitted by visiting the website www.boardroomlimited.com.au/vote/deltasbdagm2011. You will need your Security holder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and VAC Number (VAC) as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (Sydney time) on Monday, 21 November 2011.
- (f) If you have any queries on how to cast your votes call Tony McFadden on 02 4629 0300 during business hours.

Voting restrictions

In accordance with section 250R(4) Corporations Act, the Company will disregard votes cast on Resolution 1 by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member, subject to certain limited exemptions where a person is appointed to vote as a proxy under section 250R(5) and section 250BD Corporations Act.

Under ASX Listing Rule 14.11, the Company will disregard any votes cast on:

- (a) Resolution 4 – by a director and their associate; and
- (b) Resolution 5 – by a director and their associate

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy form to vote as the proxy decides, or in respect of Resolutions 1, 4 and 5, to vote in accordance with the stated voting intentions.

Explanatory memorandum

Delta SBD Limited ACN 127 894 893

Ordinary business

Financial statements and reports

- 1 The Corporations Act requires that the Directors' report, the auditor's report and the financial report be laid before the annual general meeting.
- 2 Neither the Corporations Act nor the Constitution requires a vote of members at the annual general meeting on the financial statements and reports. However, members will be given reasonable opportunity at the meeting to raise questions with respect to these reports.

Remuneration report

Resolution 1: To adopt the Remuneration Report

- 1 The Corporations Act requires that the Remuneration Report be put to the vote of shareholders for adoption.
- 2 The resolution of shareholders is advisory only and **not binding** on the Company.
- 3 The Remuneration Report is in the annual report. It is also available on the Company's website (www.deltasbd.com.au/asx-announcements). It:
 - (a) explains the board's policies in relation to the nature and level of remuneration paid to Directors, company secretaries and senior executives within the Company's group;
 - (b) discusses the link between the board's policies and Company's performance;
 - (c) sets out the remuneration details for each Director and for each member of the Company's senior executive management team; and
 - (d) makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating executives, including executive Directors.
- 4 The Chairman of the meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.
- 5 As Resolution 1 relates to matters including the remuneration of the Directors, as a matter of corporate governance and in accordance with the spirit of section 250R(4) Corporations Act, the Directors abstain from making a recommendation in relation to this resolution.
- 6 Shareholders should note that, if they appoint the Chairman as their proxy and do not direct the Chairman to vote either 'for', 'against' or to 'abstain' from voting on Resolution 1, the Chairman will not vote on the adoption of the Remuneration Report unless the Shareholder ticks the relevant box at Step 1 (appointment of proxy) of the proxy form acknowledging that the Chairman intends to vote all undirected proxies in favour of the Resolution.

Election of directors

Resolution 2: Re-election of Gordon Thomas Galt



- 7 Under rule 16.1 of the Constitution, at every annual general meeting one third of the Directors (excluding Stephen Bizzaca as Managing Director) must retire from office.
- 8 In accordance with rule 16.1, Gordon Galt retires at the end of this meeting.
- 9 Gordon, being eligible, presents himself for re-election.
- 10 Gordon has worked in the resources and finance industries for more than 35 years and is currently a principal of an Australian based resources investment fund manager. He has extensive technical, operational, project management and senior managerial experience in the Australian coal industry at Thiess, Capricorn Coal, Exxon Coal and Minerals, Ulan Coal Mines and Cumnock Coal. He has served as Managing Director at Cumnock Coal, Newcrest Mining and Magnesium International and also spent several years as a Managing Director at ABN AMRO Bank Australasia focused on the Energy, Pharmaceutical and Chemical sectors.
- 11 Gordon is currently a non-executive director of the following ASX listed companies:
 - (a) Aquila Resources Limited (2007 – present);
 - (b) Discovery Metals Limited (2007 – present) – Chairman;
 - (c) Navigator Resources Limited (2008-2011);
 - (d) US Masters Holdings Ltd (2010 – present); and
 - (e) NuCoal Resources Limited (2010 – present).
- 12 For Resolution 2 to be passed, it must be approved by 50% of the votes validly cast on the resolution by Shareholders eligible to vote.
- 13 The Directors recommend you vote in favour of this resolution.

Resolution 3: Election of Geoffrey Stuart Garside



- 14 Rule 13.2 of the Constitution provides the Board with the power to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board. A Director appointed under rule 13.2 may only hold office until the next annual general meeting of the Company and is then eligible for election.
- 15 Geoff Garside was appointed as an independent, Non-Executive Director by the Board on 5 May 2011. Consequently, in accordance with rule 13.2, Geoff retires at the end of this meeting. Geoff is not taken into account to determine the number of Directors required to retire by rotation under rule 16.2 of the Constitution.
- 16 Geoff, being eligible, presents himself for election.
- 17 Geoff has worked in manufacturing, health care and financial services industries for more than 40 years. Geoff is a member of the Australian Institute of Company Directors, Chartered Institute of Secretaries and CPA Australia (FAICD, FCIS, FCPA). Geoff continues to be the principal and corporate advisor to several financial services companies and manufacturing entities. Geoff is

currently the Chairperson of the Company's Audit and Compliance Committee. Geoff has previously been a non-executive director of ASX listed Avastra Limited (2006-2009).

- 18 For Resolution 3 to be passed, it must be approved by 50% of the votes validly cast on the resolution by members eligible to vote.
- 19 The Directors recommend Shareholders vote in favour of this resolution.

Special business

Non-Executive Directors' fees

Resolution 4: Increase to Non-Executive Directors' fee pool

- 20 Resolution 4 seeks approval to set the maximum aggregate sum payable to Non-Executive Directors at \$450,000 per annum. Under rule 13.3(a) of the Constitution and ASX Listing Rule 10.17, the approval of Shareholders in general meeting is required for this increase.
- 21 Shareholders previously approved aggregate Non-Executive Directors' fees of \$120,000. The increase is sought because, if Geoff Garside is re-elected under Resolution 3, the Company will have an additional Non-Executive Director (a total of three).
- 22 It is appropriate for the Company to pay fees to the Non-Executive Directors to ensure the Company can attract the appropriate skills mix to the Board.
- 23 The previous aggregate fees approved (\$120,000) was approved prior to the Company listing on the ASX. The increase in fees will also compensate the Non-Executive Directors for the additional duties and responsibilities of being a director of a listed company.
- 24 If approved, the maximum amount of \$450,000 will be applied to the various Directors in accordance with the discretion of the Directors.
- 25 Details of the Directors' remuneration to the period ended 30 June 2011 are contained in the Remuneration Report.
- 26 For Resolution 4 to be passed, it must be approved by 50% of the votes validly cast on the resolution by members eligible to vote.
- 27 The Directors abstain from making a recommendation in relation to this resolution.
- 28 Shareholders should note that, if they appoint the Chairman as their proxy and do not direct the Chairman to vote either 'for', 'against' or to 'abstain' from voting on Resolution 4, the Chairman will not vote on Resolution 4 unless the Shareholder ticks the relevant box at Step 1 (appointment of proxy) of the proxy form acknowledging that the Chairman intends to vote all undirected proxies in favour of the Resolution.

Resolution 5: Ratification of Non-Executive Directors' fees

- 29 Resolution 5 seeks the approval of shareholders for an excess payment of \$6,237 in director's fees to Non-Executive Directors, above the \$120,000 limit previously set by Shareholders. Shareholder approval is sought in accordance with rule 13.3(a) of the Constitution

- 30 The excess payment was made due to the appointment of Geoff Garside as Non Executive Director. This position was previously held by the Chief operating Officer with no director's fees payable.
- 31 For Resolution 5 to be passed, it must be approved by 50% of the votes validly cast on the resolution by members eligible to vote.
- 32 The Directors abstain from making a recommendation in relation to this resolution.
- 33 Shareholders should note that, if they appoint the Chairman as their proxy and do not direct the Chairman to vote either 'for', 'against' or to 'abstain' from voting on Resolution 5, the Chairman will not vote on Resolution 5 unless the Shareholder ticks the relevant box at Step 1 (appointment of proxy) of the proxy form acknowledging that the Chairman intends to vote all undirected proxies in favour of the Resolution.

Glossary

Capitalised terms contained in the Notice of Meeting and Explanatory Memorandum have the following meaning:

Term	Definition
Annual Report	means the Company's annual report for the period ending 30 June 2011.
Board	means the board of Directors.
Closely Related Parties	has the meaning given in section 9 Corporations Act.
Company	means Delta SBD Limited ACN 127 894 893.
Constitution	means the constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Explanatory Memorandum	means the explanatory memorandum contained in and forming part of this Notice of Meeting.
Key Management Personnel	has the meaning given in section 9 Corporations Act.
Non-Executive Directors	means the non-executive directors of the Company.
Notice of Meeting	means this document including the Explanatory Memorandum, the proxy form and instruction sheet.
Remuneration Report	means the remuneration report of the Directors for the financial year ended 30 June 2011.
Share	means a fully paid ordinary share in the Company.
Shareholder	means a shareholder of the Company.