
Option deed

Delta SBD Limited ACN 127 894 893

Taurus Funds Management Pty Limited ACN 121 452 560

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Option deed

Dated December 2010

Parties

Grantor **Delta SBD Limited ACN 127 894 893**
of Suite 220, 4 Hyde Parade, Campbelltown, New South Wales

Grantee **Taurus Funds Management Pty Limited ACN 121 452 560**

Background

- A The Grantor has agreed to grant to the Grantee an option to require the allotment of 2,500,000 Shares upon payment of the Exercise Price in one or more parcels subject to the Grantor listing on the ASX.
- B The parties have agreed to enter into this document, which supersedes all previous arrangements in respect of the options to be granted to the Grantee by the Grantor.

Agreed terms

1 Definitions and interpretations

1.1 Definitions

In this document:

Term	Definition
ASX	means ASX Limited ACN 008 624 691.
Board	means the board of directors of the Grantor.
Bonus Shares	means any Shares which are Issued credited as fully paid up from any source permitted by law.
Business Day	means a business day as defined in the Listing Rules.
change in control	means, for the Grantor, a change in: <ul style="list-style-type: none"> (a) control of more than half the voting rights attaching to Shares; or (b) control of more than half the issued Shares.
Company's Constitution	means the constitution of the Grantor.

Term	Definition
control	<p>means an ability to control and includes control that can be exercised as a result of, by means of, or by the revocation or breach of:</p> <ul style="list-style-type: none"> (a) a trust; (b) an agreement; (c) a practice; or (d) or any combination of (a), (b) or (c), <p>whether or not the arrangement is enforceable and regardless of whether the ability to control is express or implied, formal or informal or exercisable alone or jointly with someone else.</p>
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Dividend	means a dividend from the Grantor.
Engagement Letter	means the engagement letter for the Grantee to provide advisory services to the Grantor dated on or about 30 June 2010 and all previous engagement letters between the parties.
Exercise Price	means, subject to clause 5, the amount set out in the Schedule.
Expiry Date	means, in respect of an Option, the expiry date set out the Schedule.
Grant Date	means the date on which the Grantee is granted an Option, which will be during the period between the issue of Shares to investors under the Grantor's IPO prospectus and the date the Grantor is listed on the ASX.
Listing Rules	means the official listing rules and requirements of the ASX.
Market Rules	means the market rules of ASX.
Nominee Default	has the meaning set out in clause 4.2.
Notice of Exercise	means notice by the Grantee specifying the number of Option Shares in respect of which the notice is given.
Option	means an option granted by the Grantor to the Grantee under clause 2.1 details of which are set out in the Schedule.
Option Period	means the period from the Vesting Date up to and including the Expiry Date.
Option Shares	means 2,500,000 Shares.
Permitted Nominee	<p>means:</p> <ul style="list-style-type: none"> (a) a proprietary limited company in respect of which the Grantee: <ul style="list-style-type: none"> (i) controls, either alone or jointly with its Related Bodies Corporate, and exercises and continues to exercise all management powers, of that company; and (ii) holds, either alone, or jointly with its Related Bodies Corporate, all the issued share capital of that nominee company but subject to the proviso that the Grantee, either alone or jointly with its Related

Term	Definition
	Bodies Corporate, is at all times able to cast sufficient votes to enable them to pass an ordinary or special resolution in all general meetings of that company;
	(b) any another entity approved by the Board in writing; or
	(c) a trust of which the Grantee is a discretionary or fixed beneficiary and of which the trustee is a proprietary limited company of the type referred to in sub-clause (a) of this definition.
Quotation Date	means the date that the Grantor is listed on the ASX.
Related Body Corporate	has the meaning set out in the <i>Corporations Act 2001</i> (Cth)
Remaining Option Shares	means those Option Shares which remain the subject of this document and in respect of which the Option has not been exercised from time to time.
Rights Issue	means any rights to acquire Shares (other than Bonus Shares) or other securities or interests offered by the Grantor to the Shareholders.
Shareholders	means registered holders of Shares.
Share	means an ordinary share in the capital of the Grantor.
Takeover Bid	has the meaning given to that term in the <i>Corporations Act 2001</i> (Cth).
Transferee	has the meaning set out in clause 4.2.
Vesting Date	means, in respect of an Option, the date set out in the Schedule.
VWAP	means, in respect of a period, the arithmetic average of the daily weighted average price for Shares traded on ASX during that period.
5 day VWAP	means the VWAP for Shares for a period of five trading days preceding the date of determination as required under this document.

1.2 Interpretation

In this document:

- (a) a singular word includes the plural and vice versa;
- (b) a word which suggests one gender includes the other gender;
- (c) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

- (f) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (g) a reference to this document includes the agreement recorded by this document;
- (h) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (i) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day; and
- (j) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity.

2 Grant

2.1 Granting of Options and termination of previous arrangements

- (a) The Grantor grants the Options to the Grantee on the terms set out in this document.
- (b) The grant of Options under clause 2.1(a) is in substitution for and supersedes any previous agreement or arrangement between the parties with respect to the grant of options to acquire Shares in the Grantor.

2.2 Exercise in tranches

The Options are exercisable at any time during the Option Period. The Grantee may exercise the Options in one or more tranches, each in respect of any number of the Option Shares, so that the Grantee may ultimately acquire, by one or more transactions, in the aggregate, all or any of the Option Shares.

3 General terms

The terms of Issue of the Option are:

No.	Condition
1	Each Option carries the right to subscribe for one Share, subject to conditions 5 and 6.
2	Any Shares issued as a result of exercising an Option will: <ul style="list-style-type: none"> (a) be issued on the same terms; and (b) rank in all respects on equal terms, with the other existing Shares.
3	The Grantor must use its best endeavours to allot and issue the Shares in respect of which an Option has been validly exercised in accordance with clause 6.1 no later than 20 Business Days after receipt of the Notice of Exercise of the Option.
4	An Option does not entitle the Grantee to participate in any new Rights Issue. However, an entitlement to participate may apply following the exercise of an Option in respect of Shares held by the Grantee at the relevant record date for that Rights Issue.

No.	Condition
5	<p>In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the Issued capital of the Grantor:</p> <p>(a) the number of Options or the Exercise Price or both will be adjusted (as appropriate) to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and</p> <p>(b) In all other respects the terms for the exercise of the Options remain unchanged.</p>
6	<p>In the event of any pro rata issues of Shares, the Exercise Price will be adjusted in the manner specified in Listing Rule 6.22.2. In the event of any bonus or cash issues of Shares, the number of Option Shares will be adjusted in the manner specified in Listing Rule 6.22.3.</p>
7	<p>If any adjustment required under conditions 5 or 6 would result in the Grantee becoming entitled to a fraction of an Option Share, the fraction is to be disregarded.</p>
8	<p>An Option does not give any right to participate in any Dividends declared by the Grantor.</p>
9	<p>(a) If a change of control (including, without limitation, as a result of a takeover bid, scheme of arrangement, merger, acquisition or placement of Shares, trade sale or disposition of a substantial asset) of the Grantor occurs, or is, in the opinion of the board of the Grantor, likely to occur, the Grantor may allow or procure the grant or issue of options or securities in the succeeding corporation on no less favourable terms as the Options, without the need to obtain the consent of the Grantee.</p> <p>(b) If:</p> <p>(i) the change of control occurs by way of a takeover bid, scheme of arrangement or merger, and the consideration to be provided for Shares under that change of control transaction is cash or a combination of scrip and cash; and</p> <p>(ii) the Grantor, despite having made reasonable endeavours to do so, has not achieved the implementation of (or agreement to implement) the matters set out in alternative (a) under this condition within 20 Business Days after it first seeks to do so by providing a written notice to the proposed succeeding corporation; and</p> <p>(iii) a person, either alone or with a related body corporate within the meaning of section 9 of the Corporations Act, have relevant interests in at least 90% by number of the ordinary shares in the Grantor,</p> <p>the Grantor may, without the need to obtain the consent of the Grantee, cancel and terminate any outstanding Options on the payment to the Grantee of an amount of cash (per outstanding Option) not less than the greater of:</p> <p>(iv) the 5 day VWAP of the Shares (determined as at the Business Day immediately prior to the date of payment) less the Exercise Price; and</p> <p>(v) the price offered for Shares by the succeeding corporation under that change of control transaction (provided that where that price consists of or includes scrip, a value shall be ascribed to that scrip which is equal to either (A) if that scrip is traded on ASX, the 5 day VWAP of that scrip (determined as at the Business Day immediately prior to the date of payment) or (B) if that scrip is not traded on the ASX, an amount equal to the value ascribed by the succeeding corporation to that scrip as set out in the relevant public disclosure document published in connection with that change of control transaction) less the Exercise Price.</p> <p>For the avoidance of doubt, if that amount is a negative number, no amount will be</p>

No.	Condition
	payable to the Grantee upon cancellation of the outstanding Options. If all outstanding options are terminated, the parties will be released and discharged from the performance of any further obligations under this document.
10	Each Option is issued subject to: (a) the Corporations Act; (b) the Listing Rules; and (c) the Company's Constitution.

4 No assignment

4.1 No assignment or transfer other than to a Permitted Nominee

Each Option is personal to the Grantee and may not be assigned or transferred to or exercised by any other person, unless:

- (a) such a person is a Permitted Nominee; and
- (b) the Grantee has given written notice to the Grantor identifying the Permitted Nominee and stating that it intends to assign or transfer an Option to that Permitted Nominee.

4.2 Change in control of Permitted Nominee

If the Grantee assigns or transfers an Option to a Permitted Nominee (**Transferee**) and, subsequent to that assignment or transfer, the Transferee ceases to fall within the definition of Permitted Nominee (**Nominee Default**) the Option lapses unless, within three Business Days of the Nominee Default, the Transferee assigns or transfers the Option to either the Grantee or another entity which qualifies as Permitted Nominee at that time.

5 Option Lapse

5.1 Lapse on Expiry Date

Unless the Board otherwise decides, the Options lapse at 5.00pm (Sydney time) on the Expiry Date.

6 Method of exercise

6.1 Procedure for exercise

An Option may be exercised by delivering to the Grantor:

- (a) a Notice of Exercise stating that the Grantee or his legal personal representative or Permitted Nominee exercises the Option for a specified number of Option Shares, which is signed by the Grantee or his legal personal representative or Permitted Nominee as the case may be; and
- (b) contemporaneous payment to the Grantor of the Exercise Price applicable to the number of Option Shares specified in the Notice of Exercise.

6.2 Grantors' obligations on options exercised

Upon receipt of the Items described in clause 6.1, the Grantor must apply monies received on account of the Exercise Price in paying up and allotting the number of Option Shares in respect of which the Option was exercised.

6.3 Failure to exercise option properly

If the Option is not exercised in the manner set out in this clause 6, then the purported exercise of the Option in relation to that parcel of Option Shares is of no effect.

7 Issue of Shares

Upon the valid exercise of an Option, the Grantor must:

- (a) cause to be allotted and issued to the Grantee or his legal personal representative or Permitted Nominee as the case may be the parcel of Shares in respect of which the Option has been exercised;
- (b) cause the issue of a holding statement for the Shares; and
- (c) make application for the quotation of the Shares on the ASX within 20 Business Days, provided that the Grantor is, at the time of the exercise, listed on the ASX.

8 Issue conditions

The issue of the Shares upon the valid exercise of an Option is conditional upon the Grantor complying with the Listing Rules.

9 General provisions

9.1 Costs

All professional costs associated with preparation of this document together with stamp duty on this document are to be borne by the Grantor.

9.2 Application of Listing Rules

To the extent of any inconsistency between this document and the Listing Rules, the Listing Rules prevail.

9.3 Amendments

This document may only be amended by written agreement between all parties.

9.4 Counterparts

This document may be executed in any number of counterparts. All counterparts together make one instrument.

9.5 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

9.6 Entire agreement

- (a) This document supersedes all previous agreements about the grant of options to the Grantee by the Grantor (including the Engagement Letter) and embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, has no effect except to the extent expressly set out or incorporated by reference in this document.

9.7 Further assurances

Each party must do all things necessary to give effect to this document and the transactions contemplated by it.

9.8 No waiver

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

9.9 Governing law and jurisdiction

- (a) The law of New South Wales governs this document.
- (b) Each party irrevocably submits to the exclusive jurisdiction of the New South Wales courts and courts competent to hear appeals from those courts.

9.10 Severability

A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

9.11 Notice

- (a) A notice, consent or communication under this document is only effective if it is:
 - (i) in writing, signed by or on behalf of the person giving it;
 - (ii) addressed to the person to whom it is to be given; and
 - (iii) given as follows:
 - (A) delivered by hand to that person's address;

- (B) sent by prepaid mail (and by prepaid airmail if the person is overseas) to that person's address; or
 - (C) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient.
- (b) A notice, consent or communication delivered under clause 9.11(a) is given and received:
- (i) If it is hand delivered:
 - (A) by 5.00pm (local time in the place of receipt) on a Business Day – on that day; or
 - (B) after 5.00pm (local time in the place of receipt) on a Business Day, or at any time on a day that is not a Business Day – on the next Business Day; and
 - (ii) if it is sent by post:
 - (A) within Australia – three Business Days after posting; or
 - (B) to or from a place outside Australia – seven Business Days after posting.
- (c) A person's address are those set out in this document, or as the person notifies the sender.

Schedule

Options

Number of Option Shares	Exercise Price	Vesting Date	Expiry Date
2,500,000	\$1.00	The Quotation Date	The date that is five years after the Quotation Date