



Delta SBD Limited

ABN 18 127 894 893

Corporate Governance Charter

14 December 2010

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DEFINITIONS

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
Audit & Compliance Committee	Committee responsible for internal controls and oversight of financial management and financial matters generally, and for risk management, across the Group as detailed in its Charter
Board	board of Directors
Board Charter	charter of corporate governance in relation to the Board contained in section 1 of this document
Chairman	chairman of the Board
Charter	Board Charter or (according to context) the charter of any Committee contained (in each case) in this document
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
Code of Ethics	the code of ethics and values applicable to the Company contained in section 2 of this document
Committee	committee of the Board
Constitution	constitution of the Company
CFO	chief financial officer or equivalent officer (whether or not a Director and by whatever title known) of the Company
Company	Delta SBD Limited ABN 18 127 894 893
COO	chief operations officer
Director	director of the Company
Group	Company and its controlled entities
Group Operating Policies & Procedures	policy and procedures applicable to the Group from time to time adopted by the Board
Independence	independence within the meaning of section 1.6 of this document
Independent	independent within the meaning of section 1.6 of this document
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

Remuneration Committee	Committee responsible for remuneration and related matters as detailed in its Charter
Risk Committee	the committee responsible under Appendix 3 for the establishment and oversight of the implementation of policies and procedures for control
Secretary	secretary of the Company
Security	equity, debt or other security of any kind of the Company
Shareholder	holder of shares in the Company
Shareholder Agreement	agreement executed on 2 February 2008 by all shareholders of the Company to manage and control the Group's affairs
Substantial Shareholder	means a person with a 'substantial holding' within the meaning of Section 9 of the Act

1. BOARD CHARTER

1.1 Introduction

- (a) This Charter outlines the main corporate governance practices that are in place for the Company and to which the both the Board collectively and the Directors individually are committed.
- (b) The conduct of the Board is also governed by the Constitution, and, to the extent that the terms of the Constitution are inconsistent with this document, the Constitution is to prevail.

1.2 Guiding principles

- (a) The Board is required by law to comply with duties imposed on it (and individual directors) under the *Corporations Act 2001*, other statutes and at common law.
- (b) The Board will seek to ensure that the Company complies with the ASX Listing Rules and Corporate Governance Principles and Recommendations in place or, as allowed, report on exceptions to compliance.
- (c) The Board will, in carrying out its function and exercising its powers, at all times fulfil its overriding responsibility to act honestly, conscientiously and fairly, in accordance with the law, in the interests of the Company.

1.3 Function

The Board's broad function is to:

- (a) determine the Company risk profile;
 - (b) chart strategy and set financial targets for the Group;
 - (c) approve the Company levels of delegation of authority;
 - (d) monitor the implementation and execution of strategy and performance against financial targets; and
 - (e) appoint and oversee the performance of executive management,
- and generally to take and fulfill an effective leadership role in relation to the Group.

1.4 Powers

The Board has responsibility for the matters specified in section 1.3 and, in addition to those matters reserved to it by law, reserves to itself the following matters and all power and authority in relation to those matters:

- (a) composition of the Board itself including appointment and retirement or removal of Directors (though recognising that removal of Directors is a decision vested in shareholders);
- (b) oversight of the Group including its control and accountability systems;
- (c) appointing and removing the CEO;
- (d) ratifying the appointment and, where appropriate, the removal of the CFO and the secretary;
- (e) reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and regulatory compliance;

- (f) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (g) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (h) approving and monitoring financial and other reporting;
- (i) monitoring the performance of investment and treasury functions;
- (j) monitoring industry developments relevant to the Group and its business;
- (k) approving and monitoring suitable key indicators of financial performance for the Group and its business;
- (l) input into and final approval of management's development of corporate strategy and performance objectives;
- (m) the overall corporate governance of the Group including the strategic direction, establishing goals for management and monitoring the achievement of these goals; and
- (n) oversight of Committees.

To assist in the execution of its responsibilities, the Board has the authority to establish Committees (and delegate powers accordingly) to consider such matters as it may consider appropriate including by way of example only, audit matters, finance and business and occupational health and safety risks and remuneration policy, and to establish a framework for the effective and efficient management of the Company and the Group.

1.5 Composition

The composition of the Board is determined according to the following principles:

- (a) the Board should comprise members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business;
- (b) there must be at least three Directors;
- (c) the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
- (d) the Chairman must be a non-executive Director who should also be an Independent;
- (e) The Chairman is responsible for the leadership of the Board and for the efficient organisation and conduct of the Board. The Chairman should facilitate the effective contribution by all directors and promote constructive and respectful relations between directors.
- (f) the ultimate long term objective of the Board is that at least half of the Board must be non-executive Directors at least two of whom should also be Independent. This will occur where possible, however subject to the size and nature of the Company from time to time.

1.6 Independence

- (a) The Board has adopted the following definition of an Independent Director:

'An independent Director is a Director who is not a member of management (a non-executive Director) and who:

- (a) *is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;*

- (b) *has not, within the last three years, been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;*
 - (c) *is not and has not been, for the last three years, a principal of a professional advisor to the Company or another Group member or another Group member, or an employee materially associated with the service provided, except in circumstances where the adviser might be considered to be independent notwithstanding their position as a professional advisor due to the fact that fees payable by the Company to the advisor's firm represent an insignificant component of its overall revenue;*
 - (d) *is not a material supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;*
 - (e) *has no material contractual relationship with the Company or another Group member other than as a Director;*
 - (f) *is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and*
 - (g) *has not served on the Board for a period which could, or could reasonably be assessed by the Board to, materially interfere with the Director's ability to act in the best interests of the Company.'*
- (b) The Board will regularly assess the Independence of each Director in the light of the interests disclosed by them, and each Director will provide the Board with all relevant information for this purpose. The Independence of Directors will be disclosed in the annual report. Where the Independence of a Director is lost, this will be immediately disclosed to the market.

1.7 Appointment and retirement

- (a) When a vacancy exists, through whatever cause, or where the Board considers that it would benefit from the services of a new member with particular skills, the Board considers candidate(s), having regard to:
 - (i) what may be appropriate for the Company and the Group;
 - (ii) the skills, expertise and experience of the candidates;
 - (iii) the mix of those skills, expertise and experience with those of the existing Directors; and
 - (iv) the perceived compatibility of the candidates with the Group and with the existing Directors.
- (b) Potential candidates to be appointed as Directors are considered by the Board with advice where required from an external consultant as considered by the Board to be appropriate. The Board then appoints the most suitable candidate(s) who (assuming that they consent to act as Directors) continue in office only until the next AGM and are then eligible for election but are not taken into account in determining the number of Directors to retire by rotation at the AGM.
- (c) The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment which will also set out remuneration entitlements. The letter of appointment should be accompanied by a copy of the Constitution and this document.
- (d) Under the Constitution at least one third of all Directors, being the longest serving Directors, must retire at each AGM. Directors, excluding the CEO (if a Director), must

also retire if a third AGM falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.

1.8 Performance review and evaluation

- (a) The performance of all other Directors is reviewed and assessed each year by the Chairman.
- (b) The performance of the Chairman is reviewed and assessed each year by the other Directors.
- (c) The evaluation criteria and process to be followed is the same in each case.
- (d) The Chairman determines the evaluation criteria and process.
- (e) Members of the Board whose performance is unsatisfactory are asked to retire.
- (f) An external assessment of the Board's policies and procedures, relevant Committees and their effectiveness generally, is conducted by independent professional consultants at intervals of no more than two years.

1.9 Training and advice

- (a) Directors are provided with sufficient information in relation to the Company and the Group before accepting appointment, and also with an induction course on accepting appointment, in each case appropriate for them to discharge their responsibilities in office.
- (b) Directors are provided with access to continuing education in relation to the Group extending to its business, the industry in which it operates, and generally information required by them to discharge the responsibilities of their office.
- (c) Each Director has the right to seek independent legal or other professional advice at the Company's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

1.10 Meetings

- (a) Board meetings shall be held up to ten times per year.
- (b) Papers for Board and Committee meetings are circulated, wherever practical, at least five days before the relevant meeting.
- (c) Draft minutes of Board and Committee meetings (for consideration and approval at the next relevant meeting) are circulated within ten days following each meeting.
- (d) The non-executive Directors should meet at least twice each financial year for private discussion of management issues.

1.11 Secretary

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for monitoring that the Charter is duly followed and for coordinating the completion and despatch of Board and Committee agenda and briefing materials as well as draft minutes of meetings of the Board and all Committees for approval at the next meeting.

1.12 Management

The CEO shall report to the Board as required. The Company's strategies and plans shall be approved by the Board and implemented by management, under the direction of the CEO. The Board shall be responsible for determining all matters mentioned in section 1.4 as well as approving material strategic decisions relating to the Company's business. For the purposes of ensuring management is empowered to carry out the strategies, plans and decisions that

have been approved by the Board, guidelines and delegations shall be put in place to officers in positions of responsibility, such as the CEO, CFO and COO.

1.13 Committees

- (a) The Board may establish Committees to assist it in carrying out its function and for its effective and efficient performance and will adopt a charter for each Committee established dealing with the scope of its responsibility and relevant administrative and procedural arrangements.
- (b) The Committees established and subsisting at the date of this document are the following:
 - (i) Audit & Compliance Committee;
 - (ii) Risk Committee; and
 - (iii) Remuneration Committee.

1.14 Ethical standards and values

- (a) All Directors and all Officers of the Company and each other company in the Group must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company and the Group and, where possible, to act in accordance with the interests of Shareholders, staff, clients and all other stakeholders in the Company.
- (b) The Directors must comply with the Code of Ethics in the exercise of their duties.

1.15 Dealings in Securities

The Constitution permits Directors to acquire Securities. Company policy prohibits any dealing in, or procuring the dealing in, Securities except in accordance with the Code for Securities Transactions.

1.16 Business risks

- (a) The Board provides guidance and direction to management in the development of the Company's business and operating strategy and the Board approves and monitors the implementation of the strategy and the budget. The Board is to ensure a risk management policy, appropriate procedures and a risk management framework are in place with a monitoring system. This responsibility is fulfilled by the Audit & Compliance Committee and the Risk Committee which review the material risks identified by management affecting each business segment and ensure strategies and plans are developed to mitigate these risks and that their implementation is monitored and reported to the Board.
- (b) The risks of the Company's and the Group's business are reviewed by the Board following each report by the Audit & Compliance Committee and the Risk Committee. This report is a specific agenda item at each regular meeting of the Board. Once a risk is identified by management, an action plan is instigated, and either the Audit & Compliance Committee or the Risk Committee and, through them, the Board are informed of the action plan proposed by management. The Audit & Compliance Committee and the Risk Committee must approve the action plan.
- (c) The Group Operating Policies & Procedures, which are provided to all staff and with which they are required to comply, contain risk management procedures that aim to address risk management issues including the risk that professional indemnity claims may be made against the firm.
- (d) The CEO and CFO must each provide a statement (ie management sign-off) to the Board with any financial report to the effect that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

1.17 Communication with Shareholders and Continuous Disclosure

The Board recognises the need to ensure that Shareholders are informed of all material developments affecting the Group's state of affairs. Information is communicated to Shareholders as follows:

- (a) The Company's continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board. Each Director and Officer is required at every such meeting to confirm details of any matter within his knowledge that might require disclosure to the market. The Company recognises it needs to fully comply with the ASX continuous disclosure obligations. The review of continuous disclosure notices shall be undertaken by all Directors prior to being released. If for any reason it is impractical to involve all Directors in that exercise, the Chairman and Managing Director shall have joint authority to review and release any continuous disclosure notices. All Directors shall also be sent a copy all continuous disclosure notices at the time of their release.
- (b) The annual report is to be distributed to all Shareholders or made available to them as recognised under the Act. The Board is to ensure that the annual report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group, and details of future developments in addition to the other disclosures required by the Act. To assist Shareholders in communicating issues to the Board, reply paid question cards are to be issued with the annual report. The annual report will contain a summary of the continuous disclosure policy or a statement made sourcing the presence of the Company's continuous disclosure policy to this Charter. The annual report will also contain a description of the Board's policy for the nomination and appointment of Directors and remuneration policy and a statement that the details are contained in this Charter. The communications policy of the Board shall also be summarised in each annual report or a statement made referring to sourcing the presence of the Company's communications policy to this Charter.
- (c) Proposed material changes in the Group which may impact on share ownership rights and the removal and appointment of Directors are submitted to a vote of Shareholders at an AGM. If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called with at least 28 days' notice in accordance with the Constitution. The Board encourages the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Group's strategy and goals.
- (d) The half-yearly report contains summarised financial information and a review of the operations of the Group during the period, in accordance with relevant ASX Listing Rules and other regulations and professional standards. The report is lodged with and available from the ASX and the ASIC. It is also sent to any Shareholder who requests it from the Company.
- (e) Company announcements are made in a manner which is factual, timely, clear, and objective, and so as not to omit any information material to decisions of Shareholders and potential investors in the Company.
- (f) Information concerning the Company and the Group, including copies of announcements made through the ASX and the annual report and half-yearly report, is made available to Shareholders and prospective investors in the Company on the Company's website. The Company has a continuing commitment to electronic communication with Shareholders and stakeholders generally including via its website.

1.18 Recognition of interests of stakeholders

- (a) Directors recognise that they have a key responsibility to the Company as a whole. However, the Company recognises the importance of operating with a sense of responsibility to a range of stakeholders, particularly Shareholders. It is the

Company's belief that this broad sense of responsibility to stakeholders in general is an important part of its role within the broad community and represents not only sound ethics but also good business sense and commercial practice.

- (b) As part of this broad responsibility, the Company welcomes constructive feedback on its contribution to and role within the community at AGMs and via its website.

1.19 Accessibility of Charter

This Corporate Governance Charter will be made available on request from any shareholder or employee. A copy will be placed on the Company's website.

2. CODE OF ETHICS AND VALUES

2.1 Objective

The objective of this code is to give the Directors guidance to be followed in performing their duties with a view to enabling them to achieve the highest possible standards in the discharge of their obligations and give them a clear understanding of best practice in corporate governance. Directors (as well as Officers, management and employees) are expected to act honestly and ethically at all times remembering that their conduct and actions should never bring disrepute to the reputation of the Company or its people.

2.2 Obligation

A Director should at all times seek to comply with the spirit and the principles of this code as well comply at all times with their obligations under the law.

Taking a position on the Board involves taking on important legal and ethical responsibilities as well as making a commitment to uphold the values of good corporate citizenship in both individual conduct and corporate actions. These responsibilities, and this commitment, are enveloped by this code for Directors. The adherence by each Director to the requirements of this code is important to the effective operation of the Board. No person should therefore accept a Board position if they have doubt about their ability to fulfil the expectation to comply with this code.

2.3 General duties

Directors must:

- (a) act in good faith in the best interests of the Company and for a proper purpose;
- (b) avoid any potential conflict of interest;
- (c) exercise a reasonable degree of care and diligence;
- (d) not make improper use of information; and
- (e) not make improper use of their position.

Breaches of these duties at common law and under the Act may expose Directors to potential liability in damages, fines and disqualification.

A Director, in the exercise of his or her powers, and in the discharge of their duties, must exercise the degree of care and diligence that a reasonable person would exercise if they were a Director in the circumstance prevailing and occupied the office held by, and had the same responsibilities within the Company, as the Director.

A Director, as a fiduciary person, must act with fidelity and trust in relation to the Company. The Board has been appointed to manage the affairs of the Company on behalf of the shareholders.

The Act requires directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and duties and the discharge of their duties.

All Board members should therefore look to attend at least one educational seminar a year to assist them in being kept informed of matters relevant to their position as a Director.

The Company maintains a directors' and officers' liability insurance. Directors should ensure that they are aware of the terms of this insurance.

2.4 Business judgment rule

- (a) Each Director should be familiar with the business judgment rule set out in this section.

- (b) A director's duty to act with care and diligence will be taken to be satisfied where the director:
 - (i) **Makes a judgment in good faith and for a proper purpose**
 - (A) This requires an honest exercise of powers in the best interests of the company on the basis of an objective view.
 - (B) Decisions which would allow some directors or shareholders to gain an advantage over others may be indicative of those made for improper purposes – even where the decision does not result in damage to the company.
 - (ii) **Has no material personal interest in the subject-matter of the judgment made**
This requires the avoidance of any conflict of interest.
 - (iii) **Is informed about the subject-matter of the judgment to the extent the director reasonably believes to be appropriate**
This requirement is satisfied where the director has made a reasonable effort to be informed.
 - (iv) **Rationally believes the judgment to be in the best interest of the Company**
This requirement is presumed to be satisfied unless no reasonable person in the Director's position would have made that judgment.
- (c) The business judgment rule:
 - (i) relates only to decisions about matters of Company business; and
 - (ii) does not relieve a Director from other fiduciary duties.
- (d) A business judgment is any decision to take or not to take action in respect of a matter relevant to the business operations of the Company. The business judgment rule does not apply to any failure to take a decision.

2.5 Decision-making

A Director must be independent in judgement and actions and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

In order to satisfy this requirement a Director must:

- (a) make a reasonable effort to become and remain familiar with the affairs of the Group;
- (b) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (c) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Group without placing undue reliance on other Directors to fulfil those duties.

Directors should rely on advice relating to Company or the Group or their affairs only where that advice is given or prepared by:

- (d) an employee whom the Director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (e) a professional adviser or expert in relation to matters that the Director believes on reasonable grounds to be within the person's professional or expert competence;
- (f) another Director or officer in relation to matters within that Director's or officer's authority; or
- (g) a Committee (on which the Director did not serve) in relation to matters within the Committee's authority;

Directors should only rely on such information or advice if the two 'reliance' tests below are satisfied:

- (h) The Director's reliance was made in good faith, and after making an independent assessment of the information and advice, having regard to the Director's knowledge of the Company and Group and the complexity of their structure and operations; and
- (i) The reasonableness of the reliance arose in proceedings brought to determine whether the Director performed his or her duties under the Act or the common law.

2.6 Confidentiality

Directors must observe confidentiality regarding all Board matters and all confidential information received by a Director in the course of the exercise of their duties.

- (a) All information received by a Director in the course of fulfilling Board duties must be regarded as confidential and remains the property of the Company. Confidential information is not limited to information that may be regarded as Price-Sensitive and extends to (by way of example only) information that is not Price-Sensitive as such but might reasonably be considered of use or of interest to retail investors.
- (b) A Director may not disclose information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by the Company or is required by law to be disclosed.

All discussions and resolutions of the Board must likewise be treated as confidential and not disclosed, or allowed to be disclosed, as regards either content or substance, to persons who are not Directors except in cases where disclosure:

- (i) has been authorised by the Company; or
 - (ii) is required by law.
- (c) Authorisation by the Company will be presumed where and to the extent that Board or Committee minutes convey, either expressly or implicitly, that it is intended that disclosure should be made to third parties.
 - (d) Any Director in any doubt as to their obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure. A Director may also seek independent advice in accordance with section 1.9(c) of this document.

2.7 Improper use of information

A Director must not make improper use of information acquired as a Director.

Directors are prohibited from making improper use of information acquired by virtue of their position as a Director so as to gain, directly or indirectly, any personal advantage or any advantage for any other person or that may cause detriment to the Company or the Group. This includes the use of Price Sensitive information if engaging in Trading Securities in accordance with section 3. A Director may also seek independent advice in accordance with section 1.9(c).

2.8 Co-operation

Directors are expected to observe solidarity with the resolutions of the Board and co-operate in their implementation.

Board members are accountable for decisions both as an individual and also as a board collective. As such they are expected to work co-operatively in the best interests of the Company with the Chairman and other Directors and with management once decisions are made. Directors are expected to therefore to observe solidarity regarding the resolutions of the Board or any Committee. Directors are expected to not speak against a resolution of the Board or any Committee to any person other than fellow Directors. Directors are also

expected to support Board resolutions by providing assistance and co-operation in their implementation.

2.9 Personal Interests and Conflicts

A Director must not take improper advantage of their position as a Director.

No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice their conduct or any Board or Committee decision.

A Director has a duty to avoid any conflict between the best interests of the Company and the Group and their own personal interests or those of any third party. Every Director is expected to be aware of both actual and potential conflicts of interest. The law requires that a Director with a conflict of interest should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions. A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter. A personal interest may be either direct or indirect and either pecuniary or otherwise. Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will not be provided to any Director concerned.

2.10 Conduct

A Director must not engage in conduct likely to bring discredit upon the Company or the Group.

Each Director should be and remain aware of, and observe, any standing orders adopted by the Board from time to time for the conduct of Board and committee meetings.

Directors must at all times comply with the spirit as well as the letter of the law and should strive to comply with the principles of this code.

Directors should conduct themselves at all times in a professional and constructive manner appropriate to carrying out their duties, at both Board and Committee meetings, at Company functions and meetings, and where otherwise dealing with matters concerning or involving the Company.

2.11 Performance

Directors must recognise that their primary responsibility is to the Company as a whole but should, where appropriate, have regard for the interests of all stakeholders, particularly Shareholders.

An independent expert appointed by the Board shall conduct a biennial review of the effectiveness of the Board's performance.

The Board reports to Shareholders. However, given public access to the reports made by the Company and lodged with ASIC and ASX, the Board's performance is therefore subject to wider scrutiny beyond Shareholders. The Board must satisfy itself that it is performing effectively and that all Directors are fulfilling their obligations and that their exposure to any legal liability is minimised. Board members are expected to cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by the Chairman or any other Director or by any independent third party externally appointed for the purpose.

2.12 Complaints

Directors must abide by the complaints procedure determined by the Board.

The Board is concerned with the development and formulation and proper implementation of strategy and policy. Management carries strategy and policy into effect. Directors may from time to time be approached by shareholders, staff or other persons who have a complaint about a matter relating to the Company or the Group. Any such complaint must be dealt with a manner consistent with the law and in accordance with the relevant procedure contained in the Group Operating Policies & Procedures.

2.13 Disclosure of policy

Each annual report shall contain a statement indicating that a code of conduct has been adopted and is within the Charter.

3. STANDING RULES OF COMMITTEES

3.1 Application

These rules apply to, and are deemed incorporated into the Charter of each Committee, except insofar as they may conflict with any of its terms.

3.2 Composition

- (a) Each Committee should consist of at least one non-executive Director, who should also be an Independent.
- (b) Each committee should be chaired by a non executive director who should also be an Independent.
- (c) In the longer term, it is intended that a majority of Committee members be Independent Directors. However, in the short to medium term, this requirement will only apply as a position for the Company to aspire to.
- (d) Each Committee must consist of no fewer than three members.
- (e) Committees are appointed by the Board and serve as determined by the Board. The Board is to appoint one member of each Committee to act as its chairman.
- (f) Executive Directors may be invited to attend on a regular basis as may other persons (e.g. CFO, COO, Secretary, Committee Secretary etc) either regularly or from time to time.

3.3 Role

Each Committee has the role of improving the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level. While the Board may delegate certain tasks and responsibilities to Committees, the Board retains the ultimate responsibility and the power of approval of any recommendations made by the Committees.

3.4 Proceedings

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Act or the Constitution, be used for Board meetings.
- (b) The quorum for any meeting is two members whether or not including the Chairman.
- (c) Any Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as determined by the Committee, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- (d) Any Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (e) The procedural provisions of this section 3.4 apply in relation to any sub-committee of a Committee.

3.5 Reporting

Each Committee reports to the Board following each Committee meeting.

3.6 Secretary

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for monitoring that the Charter is duly followed and for coordinating the completion and despatch of the Committee agenda and briefing materials as well as draft minutes of meetings of the Committee for approval at the next meeting. The Committee minutes are to be circulated and adopted by the Committee within one month of the meeting.

3.7 Performance review and evaluation

- (a) The same procedures for performance review and evaluation apply as for the Board (section 1.8 of this document) subject only to the role of the Chairman being taken by the chairman of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Committee Charter as well any criteria determined by the Chairman.
- (c) The Committee reports to the Board on the conduct and results of its review and evaluation and makes any recommendations it may consider appropriate.



Remuneration Committee Charter

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1. INTRODUCTION

This Charter establishes the authority and responsibility conferred by the Delta SBD Ltd Board on the Remuneration Committee ("Committee").

The Committee is answerable to the Board, and has a key role in assisting the Board and the executive of the Company to fulfil their corporate governance and oversight responsibilities.

This Charter sets out the Committee responsibilities and accountabilities in particular in the areas of remuneration and issues relevant to remuneration policies and practices including those for senior management and non-executive Directors.

2. SCOPE OF RESPONSIBILITY

The Committee has responsibility for ensuring the following:

- review and evaluation of market practices and trends in relation to remuneration of senior officers in management relevant to the Group;
- review and making recommendations to the Board in relation to the Group's remuneration that may include: methodology for share schemes, performance incentives and or similar practices/programs;
- review and make recommendation to the Board in relation to remuneration of Directors;
- review and making recommendations to the Board in relation to the remuneration of the CEO, CFO, COO and other members of senior management; and
- preparing for the Board any report that may be required under applicable legal or regulatory requirements in relation to remuneration matters.

Remuneration is in each case taken as including not only monetary payments (salary and wages) but all other monetary and non-monetary emoluments and benefits including:

- fringe benefits;
- directors' and officers' and other insurance arrangements;
- retirement benefits;
- superannuation; and
- equity participation, and other incentive programs;

In each case in the context of general market and industry practice (so far as directly relevant benchmarks can be identified for comparative purposes) and the need to attract and retain high-calibre personnel.

3. COMMITTEE MEMBERSHIP

Members must have the appropriate experience and time to fulfil their role on the Committee.

The Committee shall be established in accordance with the Corporate Governance Charter.

Invitees to include:

Standing Invitees

- Chief Executive Officer/ Managing Director
- Chief Financial Officer and Company Secretary.
- Secretary of the Committee.

Invited as required

- other Executive Directors
- Chief Operating Officer
- other Non Executive directors

Only committee members are entitled to vote on matters before the Committee. Invitees are not entitled to vote at the meeting.

The Chair is appointed by the Board.

On the appointment of a Board member or invitee to the Committee, the Chairman and Chief Executive Officer will ensure that an induction program is undertaken, prior to new appointee attending meetings of the Committee.

The induction process will include, but not be limited to new appointees receiving:

- a copy of the Committee's Charter;
- copies of Committee papers, minutes and reports for at least the prior 12 months;
- copies of all relevant policies considered from time to time by the Committee;
- a copy of the internal audit plan and past reports of the internal auditor for at least the prior 12 months;
- a copy of any external audit reports within the last 12 months.

The induction program will also include a new appointee meeting and being briefed by the Internal and external auditor.

4. AUTHORITY

The Committee derives its authority from the Board of Delta SBD Limited ABN 18 127 894 893.

The attendance of two Committee members is required for a quorum.

The Committee has the authority to speak with any person – internal or external to Delta SBD Ltd, access any documents, files or records as necessary to fulfil its objectives. This includes, but is not limited to, obtaining outside accounting, auditing, legal compliance risk management or other professional advice as required and approved by the CEO.

5. POWERS

The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters with which it is charged with responsibility, and does not have any power to commit the Board to any recommendation or decision made by it but may nevertheless consult independent external expert advisers as it may consider appropriate for the proper performance of its function and charge the costs to the Company or other appropriate company within the Group.

6. MEETINGS

There will be at least one meeting per year.

The meetings and content of meetings will be arranged to follow financial, budgetary and external audit cycles, the internal audit program, or any other important matters.

Meetings should be structured with the use of an agenda and supporting papers. The first meeting will establish dates and standard agenda items for each subsequent meeting.

7. REPORTING

As a Committee of the Board, the Committee will have a formal process for communicating with the Board.

The Chair of the Committee will report formally to the Board, to provide a summary of the Committee's work and results, including:

- Committee minutes.
- recommendations for Board resolutions and the reasons for them.
- recommendations and information about the internal and external audit process and any other matters.
- other matters of which the Committee believes the Board should be informed and contained in the Minutes.

The minutes of the Committee meetings including any recommendations arising for decision by the Board of Delta SBD Ltd are to be presented at the next board meeting.



Audit and Compliance Committee Charter

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1. INTRODUCTION

This Charter establishes the authority and responsibility conferred by the Delta SBD Ltd Board on the Audit & Compliance Committee (“Committee”).

The Committee is a committee answerable to the Board, and has a key role in assisting the Board and the executive of the company to fulfil their corporate governance and oversight responsibilities.

This Charter sets out the Committee responsibilities & accountabilities. It is possible that in carrying out its role there will be overlap with the responsibilities and accountabilities with the Risk Committee. As such for the avoidance of doubt the Audit and Compliance committee will not address the areas of Health Safety & Environment (HSE), and related statutory compliance.

2. OBJECTIVES OF THE AUDIT & COMPLIANCE COMMITTEE

The objective of the Committee is to assist the Board of Delta SBD Ltd to discharge its responsibility to exercise due care and diligence and skill in relation to:

- **external financial reporting** – ensuing review of all statutory financial statements;
- **accounting policy development and application**;
- **compliance** – in accordance with statutory requirements;
- **risk management** (non health and safety and environment)– in accordance with normal business requirements with a particular focus on non operational matters;
- **internal audit** – development of an internal audit plan and evaluation and performance review and remuneration;
- **external audit** – assessment of approach and evaluation of performance and remuneration;
- **budget review** – ensure underlying assumptions are realistic and are applied;
- **receive and review responses to all complaints** – from customers, employees and external service providers.

3. COMMITTEE MEMBERSHIP

Members must have the appropriate skill and time to fulfil their role on the Committee. This means as a minimum they must be able to demonstrate that they are financially literate (meaning they are able to read and understand financial statements) and that at least one member should have relevant qualifications (i.e. is a qualified accountant) and must also have an understanding of the industry in which Delta SBD LTD operates.

The Committee shall be established in accordance with the Corporate Governance Charter.

Invitees to include:

Standing Invitees

- Chief Executive Officer / Managing Director
- Chief Financial Officer and Company Secretary.

- Secretary of the Committee.
- appointed Internal Auditor (when appointed)
- appointed External Auditor

Invited as required

- other Executive Directors
- Chief Operating Officer
- Financial Controller
- other Non Executive directors
- other Executives

Only Committee members are entitled to vote on matters before the Committee. Invitees are not entitled to vote at the meeting.

On the appointment of a Board member or standing invitee to the Committee, the Chairman and Chief Executive Officer will ensure that an induction program is undertaken, prior to new appointee regularly attending meetings of the Committee.

The induction process will include, but not be limited to new appointees receiving:

- a copy of the Committee's Charter;
- copies of Committee papers, minutes and reports for at least the prior 12 months;
- copies of all relevant policies considered from time to time by the Committee;
- a copy of any internal audit plan and past reports of the internal auditor for at least the prior 12 months;
- a copy of any external audit reports within the last 12 months.

The induction program will also include a new appointee meeting and being briefed by the Internal and external auditor.

4. AUTHORITY

The Committee derives its authority from the Board of Delta SBD Limited ABN 18 127 894 893.

The attendance of two Committee members is required for a quorum.

The Committee has the authority to speak with any person – internal or external to Delta SBD, access any documents, files or records as necessary to fulfil its objectives. This includes but is not limited to obtaining outside accounting, auditing, legal, compliance risk management or other professional advice as required and approved by the CEO.

5. POWERS

The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters with which it is charged with responsibility, and does not have any power to commit the Board to any recommendation or decision made by it but may nevertheless consult independent external expert advisers as it may consider appropriate for the proper performance of its function and charge the costs to the Company or other appropriate company within the Group.

6. MEETINGS

There will be at least two meetings per year.

The meetings and content of meetings will be arranged to follow financial, budgetary and external audit cycles, the internal audit program, or any other important matters.

Meetings should be structured with the use of an agenda and supporting papers. The first meeting will establish dates and standard agenda items for each subsequent meeting.

7. REPORTING

As a Committee of the Board, the Committee will have a formal process for communicating with the Board.

The Chair of the Committee will report formally to the Board, to provide a summary of the Committee's work and results, including:

- Committee minutes.
- recommendations for Board resolutions and the reasons for them.
- recommendations and information about the internal and external audit process and any other matters.
- other matters of which the Committee believes the Board should be informed and contained in the minutes.

The minutes of the committee meetings including any recommendations arising for decision by the Board of Delta SBD Ltd are to be presented at the next board meeting.

8. RESPONSIBILITIES

8.1 External Financial Reporting

The responsibilities of the Committee are to:

- consider the appropriateness of accounting policies and any changes, as well as methods of applying the policies ensuring that they are in accordance with the stated financial reporting framework.
- consider the appropriateness of the half yearly financial statements such that they have been prepared in accordance with the stated financial framework and in accordance with accounting standards and the Corporations Act, for adoption by the Board.
- if the Company at any time is considered a 'mining entity' by the ASX, then to review the reportable information required by ASX before being provided to ASX.
- consider the needs of Shareholders for relevant and meaningful financial information.

In undertaking this responsibility, the Committee will obtain independent, objective advice from the internal and approved external auditors regarding the audited financial statements;

- consider information from the internal and approved external auditors and any other appropriate sources, which affects the quality of financial reporting, to

assess the appropriateness of the accounting principles used and the clarity of the financial disclosure practices used or proposed to be used by Delta SBD Ltd.

- assess and consider the management processes supporting external reporting.

8.2 Internal Accounts

The responsibilities of the Committee are to:

- review the half-yearly and year end management accounts and budgets and where appropriate, draw the Board's attention to material anomalies or discrepancies.
- ensure that the matters to be reported upon by the CEO and CFO in the declaration under section 295A of the Corporations Act can be captured by the Company's reporting systems as a means of ensuring integrity and reliance upon the Company's reporting systems.
- ensure that annual financial statements are accompanied by a section 295A declaration.
- ensure that a satisfactory report or statements from management are compiled and delivered before annual financial statements are completed about the effectiveness of procedures and systems in place to manage the Company's material business risks.

8.3 Compliance

The responsibilities of the Committee are to:

- ensure that an appropriate compliance program incorporating risk management and internal controls has been adopted and documented.
- monitor the compliance program as documented such that the Committee receives regular reports from management in accordance with the program.
- review all responses to complaints by Customers, employees and other service providers.

8.4 Risk Management

The responsibilities of the Committee are to:

- provide oversight and guidance in the development of risk management practices, focusing on material business risks.
- oversee the process for the identification and assessment of the general business risks and reviewing the outcomes of risk assessments.
- ensure the adequacy of the internal processes for determining and managing key risk areas.
- ensure that appropriate measures are taken by management to mitigate any potential impact from identified risks, including the procurement of statements from management that risks are being managed effectively.
- ensure all necessary insurance policies are maintained and cover the appropriate business risk as may be required by law and prudent risk management practices.

8.5 Internal Audit

The responsibilities of the Committee are to:

- recommend where appropriate, the appointment and remuneration of the internal auditor.
- monitor the performance of the internal auditor.
- review the internal audit plan and work program to ensure that all areas of the business are being adequately addressed and recommend that plan to the Board for adoption.
- monitor the progress of the internal audit work program and consider the implications of the internal audit findings, recommendations and management's comments.
- monitor management's responsiveness to internal audit findings and recommendations.

8.6 External Audit

The responsibilities of the Committee are to:

- recommend where appropriate, the appointment and remuneration of the approved external auditor and monitor their effectiveness and independence. This will involve also assessing the performance and independence.
- review the approved external auditor's fees in terms of value for money, and be satisfied that an effective, comprehensive and complete audit can be/has been conducted.
- enquire of the approved external auditor if there have been any material disagreements with management irrespective of whether or not they have been resolved.
- monitor management's responsiveness to the approved external auditor's findings and recommendations.
- review and approve the approved external auditor's engagement every year, including evaluating the approved auditor's independence in accordance with Statement of Auditing Practice AUP 32 "Audit Independence".

8.7 Budget Reviews

The responsibilities of the Committee are to:

- review all assumptions contained in yearly budgets and long term business plans and where necessary, compare budget estimates with reported actual figures.
- ensure that all assumptions have been appropriately applied.



Risk Committee Charter

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1. INTRODUCTION

This Charter establishes the authority and responsibility conferred by the Delta SBD Ltd Board on the Risk Committee ("Committee").

The Committee is answerable to the Board, and has a key role in assisting the Board and the executive of the Company to fulfil their corporate governance and oversight responsibilities.

This Charter sets out the Committee responsibilities & accountabilities in particular in the areas of Health Safety & Environment (HSE), and related statutory compliance. The Board Audit & Compliance Committee will have oversight responsibility and accountability in all other risk areas including general business risk.

2. ROLE OF THE RISK COMMITTEE

The role of the Committee is to support and advise the Board of Delta SBD Ltd to meet its responsibilities and objectives in relation to HSE-related matters arising out of the activities and operations of the Company.

The Committee is to provide advice and make recommendations to the Board to enable it to discharge its responsibilities by:

- reviewing and recommending to the Board an HSE policy, clearly setting out the commitments of the Company to manage HSE-related matters effectively.
- requiring management to design and implement a risk management and internal controls system to manage the Company's material business risks associated with HSE issues.
- monitoring the performance of the Company with respect to the implementation of an HSE management system designed to ensure the commitments made in the policy are being met and that HSE-related risks are being assessed, eliminated, avoided or controlled.
- reviewing and recommending targets for HSE performance and assessing progress by the Company towards those targets.
- reviewing investigations of significant HSE incidents within the Company and considering appropriate actions and measures to minimize the risk of recurrence.
- ensuring, at least annually, and at other times required by the Board, that a management statement is provided to the Board that management has reported to the Committee on the effectiveness of the Company's risk management of material business risks.

The Committee meets these objectives by providing a forum for communication between the Board, management and employees.

3. COMMITTEE MEMBERSHIP

Members must have the appropriate skill and time to fulfil their role on the Committee.

The Committee shall be established in accordance with the Corporate Governance Charter.

Invitees to include:

Standing Invitees

- Chief Executive Officer / Managing Director
- Company Secretary, who shall be the Secretary of the Committee
- General Manager HSE

Invited as required

- Executive Directors
- Chief Operating Officer
- other Non Executive directors
- other Executives

The Committee members are entitled to vote on matters before the Committee. Invitees are not entitled to vote at the meeting but may attend any meeting of the Committee as they wish.

The Chairman of the Committee is appointed by the Board.

On the appointment of a Board member or regular invitee to the Committee, the Chairman and Chief Executive Officer will ensure that an induction program is undertaken, prior to new appointee attending meetings of the Committee.

The induction process will include, but not be limited to new appointees receiving:

- a copy of the Committee's Charter.
- copies of Committee papers, minutes and reports for at least the prior 12 months.
- copies of all relevant policies considered from time to time by the Committee
- a copy of the Company's Risk Management Policy.
- a copy of the Internal Audit report.

The induction program will also include a new appointee meeting and being briefed by the General Manager HSE.

4. AUTHORITY

The Committee derives its authority from the Board of Delta SBD Limited ABN 18 127 894 893.

The attendance of two Directors is required for a Quorum.

The Committee has the authority to speak with any person, internal or external, to the Company and to access any documents, files or records necessary to fulfil its role. This includes but is not limited to obtaining outside legal, audit, compliance, risk management or other professional advice as required subject to prior notification to the Chairman of the Board.

5. POWERS

The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters with which it is charged with responsibility, and does not have any power to commit the Board to any recommendation or decision made by it but may nevertheless consult independent external expert advisers as it may consider appropriate for the proper performance of its function and charge the costs to the Company or other appropriate company within the Group.

6. MEETINGS

There will be at least two meetings per year and additional meetings may be held where considered necessary.

Meetings should normally be structured with the use of an agenda and supporting papers. The Chairman with the assistance of the Committee Secretary will establish dates and standard agenda items for each subsequent meeting.

7. REPORTING

As a Committee of the Board, the Committee will have a formal process for communicating with the Board.

The Chair of the Committee will report formally to the Board by providing:

- Committee minutes of the meeting prior to the Board together with a brief verbal overview.
- recommendations for Board approval and the reasons for them.
- other matters of which the Committee believes the Board should be informed.
- The annual report will contain a summary of the terms of risk management policies or contain a statement indicating the presence of those policies in this Charter and categories of risk reported will be stated in the annual report. Additionally, this summary will include disclosure that management has reported to the Board on the effectiveness of the Company's management of its material business risks.