



Dated 2007

Statement of Delegated Authority

NRW Holdings Limited
ACN 118 300 217

Contact

Derek La Ferla
Partner
BankWest Tower, 108 St Georges Terrace, Perth WA 6000
Telephone: +61 (0)8 9426 3212
Email: derek.laferla@deacons.com.au
Website: www.deacons.com.au
Our ref: 2613990

NRW Holdings Limited
ACN 118 300 217
(Company)

Statement of Delegated Authority

1. Introduction

- 1.1 This policy outlines the main practises of the Company that are in place for the delegation of authority to management to conduct the day-to-day management of the Company.
- 1.2 Directors have no individual authority to make representations or enter agreements on behalf of the Company unless such authority is expressly delegated by the Board.

2. Definitions

- 2.1 In this policy:
 - (1) **Board** means the board of directors of the Company;
 - (2) **Chairperson** means the chairperson of the Board;
 - (3) **Company** means NRW Holdings Limited ACN 118 300 217; and
 - (4) **Managing Director** means the Managing Director of the Company appointed by the Board from time to time.

3. Decision making process

- 3.1 The decision making process of the Board is set out in the Company's Constitution.
- 3.2 Questions arising at the Board meeting are decided by a majority of votes (the Chairperson does not have a casting vote).
- 3.3 The Board retains all powers and authorities required to carry out the Company's business, except where specific authority is delegated to the Managing Director and Board Committees.

4. Delegation of Authority

- 4.1 To facilitate the day-to-day operations of the Company, the Board has delegated its authority to the Managing Director and the Managing Director may authorise any material variation to the scheduled budget. Such variation must be reported at the next Board meeting or, if necessary, a special meeting to approve that variation must be called.
- 4.2 Any changes or amendments to these delegations must be approved by the Board. Senior executives who wish to delegate their authority to management, can do so only with the prior approval of the Managing Director. Such delegation can only be to a level within the delegated authority of each senior executive manager.
- 4.3 The following decisions must be referred to the Board for prior approval:
- (1) budgets (including detailed background papers);
 - (2) details of any proposed appointment of any senior Executive reporting to the Managing Director, whether budgeted or not. This includes approval to make the appointment and approval of the proposed person to be appointed;
 - (3) any capital items not included in the budget;
 - (4) any major changes of policy including marketing, human resources and financial (including credit control operations);
 - (5) any proposed change in strategic directions; and
 - (6) permitting any financial encumbrance on the Company.

5. Actions for advice or noting

- 5.1 The following should be reported to the Board or appropriate Board Committee for advising or noting:
- (1) bad debts in excess of \$50,000;
 - (2) any potential legal action against the Company;
 - (3) all insurance matters outside the normal course of business;
 - (4) any non-routine financial claim against the Company;
 - (5) the purchase of any assets or capital expenditure or leasing of any equipment not previously approved by the Board; and

- (6) all important business activities and matters, and all recognisable risks.

6. Execution of Documents

6.1 The procedure for the execution of Company documents is as follows:

- (1) all contracts, documents and written obligations executed by the Company, which exceed management's delegated authority, must be signed by either two directors or a director and the company secretary or any one director and the Managing Director for and on behalf of the Company and formally recorded and reported to the Board;
- (2) any document executed under the signatures of two directors which is within their delegated authority is not required to be witnessed by an independent person;
- (3) any other contract, document or written obligation within delegated authority levels of the Managing Director or executive managers must be executed for and on behalf of the Company by the relevant executive and must be formally recorded and reported to the Board. In such instances an independent person must witness signatures of the delegated authority; and
- (4) a detailed report on all of the above document executions must be presented to the Board each month.

7. Delegated Authority for Cheque Signing and Funds Transfer

7.1 The Company will nominate authorised signatories for cheque signing and authorising the transfer of Company funds.

7.2 The authorised signatories carry out their obligations on the understanding that they share in the responsibility for the payment or transfer made.

7.3 An authorised signatory should have a clear understanding of the payment or transfer being made and is obliged to question any invoice or payment/transfer that appears to be abnormal or without sufficient authorisation.

7.4 The following officers are authorised under this delegation to sign cheques or transfer funds as required (ie. authorised signatories for the operation of all company bank accounts):

- (1) the Managing Director;

- (2) the Chief Financial Officer;
- (3) the Company Secretary; and
- (4) any other person as may be approved from time to time by the Board.

8. Board Relationship with Management

- 8.1 Directors are entitled to request additional information at any time where they consider it appropriate.
- 8.2 The Board may meet from time to time without the presence of those having delegated authority.
- 8.3 This policy is reviewed by the Board at least annually.