

## Delegations Policy

### 1. Introduction

- 1.1. The Company's Constitution and Board Charter gives responsibility to the Board for the control and management of the Company's affairs. In the proper exercise of this responsibility the Board, through this Policy, delegates limited authority to persons (and Committees of the Company) with the objective of providing them the clarity and certainty with respect to their scope and operation duties.
- 1.2. Delegations of authority are the mechanisms by which the Company enables people and/or Committees of the Company to authorise expenditure and make commitments on behalf of the Company and are a key element in effective governance and management of the Company.
- 1.3. All amounts in this policy are stated in AUD dollars.
- 1.4. If an employee is unsure whether they have the authority to approve a transaction or otherwise commit the company to expenditure, or if they have any queries in relation to this policy, they should be directed to the Managing Director (MD) or the Chief Financial Officer (CFO).

### 2. Principles of Delegation

- 2.1. This Delegations Policy applies to the Company as a whole and Committees must align their Delegations with the central policy.
- 2.2. Delegations are to be exercised within the framework of the Company Constitution, Regulations, Rules and policies and any external requirements.
- 2.3. Delegations are attached to the position occupied, not to the occupant of the position.
- 2.4. Levels of authority are hierarchical through relevant lines of responsibility up to and including the Board. This means that authorities and responsibilities held by any delegate are included by the person that delegated the authority. For example, if a person delegates an authority to another person and/or Committee, the delegating party remains responsible and accountable for the actions of the person and/or Committee that is delegated the authority.
- 2.5. Any person and/or Committee that is delegated an authority in accordance with this policy is answerable to the person that delegated the authority, for the proper exercise of the authority that was delegated to them.
- 2.6. This policy aligns delegated authority in a manner that facilitates efficiency and effectiveness and increases the accountability of officers and/or Committees of the Company for their performance.
- 2.7. No officer shall exercise any power unless that power has been delegated to that officer's position by the Board; remembering that delegations are attached to the position occupied, not to the occupant of the position.
- 2.8. A delegate's signature or electronic equivalent is required for all expenditure incurred.
- 2.9. The exercise of a delegation shall always be subject to funds being available within the appropriate budget.

### 3. Delegations by the Board

#### 3.1. Matters Reserved

3.1.1. The Board Charter sets out the role of the Board.

3.1.2. Apart from those specific responsibilities set out in the Board Charter, the following matters/decisions are reserved to the Board:

- a) appointment and removal of the CFO;
- b) appointment of the Company Secretary;
- c) establishment of Board Committees, their membership and delegated authorities;
- d) calling of meetings of Shareholders;
- e) approve the issue or transfer of share capital;
- f) approval of dividends and its distribution;
- g) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- h) acquisition and disposal of assets over AU\$20,000;
- i) authorise the purchase and giving of gifts over AU\$500 in value;
- j) approve investment decisions on amounts over AU\$20,000; and
- k) any other specific matters nominated by the Board from time to time.

3.2. The Board approves an authority for the MD to refuse expenditure by the Committees/Sub-Committees if the proposed expenditure is inconsistent with the 'Terms of Reference' of the Committee/Sub-Committee and/or the objectives of the Company, or if there are insufficient funds in the respective liability account.

#### 3.3. There are five specific areas of delegation

- a) Authority to incur / commit to expenditure;
- b) Authority to approve and process payments;
- c) Authority to hire staff and alter salaries;
- d) Authority to commit to capital expenditure; and
- e) Authority to enter into customer contracts

#### 4. Authority to Incur / Commit to Operational Expenditure

- 4.1. The commitment to expenditure occurs where a person acting on behalf of the Company takes an action which compels Rision to incur expenditure. This might be through the signing of an agreement, an undertaking or purchase order that has no right of revocation. Such an agreement in some cases might also be verbally made.
- 4.2. When a commitment to expenditure is made, it is not possible for the Company to ultimately decide that it does not want the goods or services, and the Company ultimately needs to make payment for these goods and services. Hence before a commitment to expenditure takes place it is critical that appropriate approval is obtained.
- 4.3. Only the MD, CFO and any authorised delegates of both the MD and CFO (as approved by the Board) can authorise commitments to expenditure in whatever form. It is the responsibility of the person authorising the commitment to ensure that the relevant commitment has been properly authorised in accordance with this policy. The CFO or MD is authorised to commit to operational expenditure which has been budgeted up to and including AU\$10,000;
- 4.4. The CFO and MD (or delegate) is authorised to approve all budgeted commitments from AU\$10,000 and up to and including AU\$100,000.
- 4.5. The MD can authorise unbudgeted expenditure up to 10% of the amount budgeted on any particular matter or series of related matters. Any expenditure in excess of 10% of a budgeted matter or series of related matters not provided for within the Budget must be approved by the Board (as a variation of the Budget) before it is incurred.
- 4.6. All commitments over AU\$100,000 to be approved by the Board.

#### 5. Approve and Process Payments

- 5.1. Only the MD, CFO and any authorised delegates of both the MD and CFO (as approved by the Board) can authorise payments using the Company's on-line banking or cheque payment facility. It is the responsibility of the person authorising the payment to ensure that the relevant expenditure has been properly authorised in accordance with this policy, that all appropriate supporting documentation is attached to the relevant invoice(s) and that the goods or services being paid for have been received by the Company.
- 5.2. **Authority & Payment Limits**
  - a) The CFO or MD is authorised to approve invoices up to and including AU\$10,000;
  - b) The CFO and MD (or delegate) is authorised to approve all invoices from AU\$10,000 and up to and including AU\$100,000.
  - c) All invoices over AU\$100,000 to be approved by the Board.

- d) The MD can authorise unbudgeted payments up to 10% of the amount budgeted on any particular matter or series of related matters. Any payments in excess of 10% of a budgeted matter or series of related matters not provided for within the Budget must be approved by the Board (as a variation of the Budget) before it is incurred.

### 5.3. Banking Process

- a) Two authorised signatory are required for all payments to be paid using the Company's on-line banking or cheque payment facility.

## 6. Authority to Hire Staff

- 6.1. The MD (or delegate approved by the Board) has the delegated authority to appoint and dismiss staff, excluding the CFO and Company Secretary, on a total remuneration package up to AU\$100,000 per employee, or vary the remuneration or benefits of an employee up to AU\$10,000 per employee in any financial year.
- 6.2. Any appointment or dismissal of staff, excluding the CFO and Company Secretary, on a total remuneration package over AU\$100,000 must be approved by the Board.
- 6.3. All new employment offers must be authorised by the MD before making an Offer of Employment.

## 7. Authority to Commit to Capital Expenditure

- 7.1. The MD (or delegate approved by the Board) has the delegated authority to execute contracts and commit the Company to CAPEX, investment decisions or acquisitions up to \$20,000 on any particular matter or series of related matters provided they fall within the business plan and budget approved by the Board;
- 7.2. The Board must approve any CAPEX, investment decisions, acquisitions greater than \$20,000.

## 8. Authority to Enter into Customer Contracts to Sell Rision Services

- 8.1. Where the Company enters into a commercial arrangement to provide services to a customer, any contract should be approved by the MD;
- 8.2. The Company intends to develop standard terms and conditions for different jurisdictions. Once these standard terms and conditions are confirmed and agreed, the MD may further delegate this authority to lead sales managers.
- 8.3. Where the Company enters a contract or agrees to provide guarantees or an indemnity, the MD should approve any such agreement where the **potential** exposure exceeds \$5,000.

## 9. Delegation Register

- 9.1. All requests for Delegations must be submitted to the Board through the MD for approval. Delegations which have not been through this approval process will not be deemed an official delegation.
- 9.2. The MD will maintain a register of all delegated authority which is available to staff and Directors on the company intranet or other similarly available forum.
- 9.3. Once the MD or other officer delegates an authority, the Board may revoke the delegation by resolution at a duly constituted meeting of the Board. It is the MD's responsibility to subsequently revoke the delegation from the employee in accordance with the resolution.
- 9.4. The MD shall provide an annual assurance to the Board that this policy has been adhered to.

## 10. Communication

- 10.1. The MD is responsible for communicating the objectives of this policy ensuring that all persons and/or Committees that are delegated an authority acknowledge such authority.

## 11. Conflict of Interest

- 11.1. A delegation cannot be exercised where the person holding the delegation has a conflict of interest. They may not approve any action or transaction that provides them with a direct personal benefit, with the exception of transactions that require two signatures.

## 12. Review

- 12.1. Delegations shall be reviewed regularly (at a minimum annually) to ensure that they remain appropriate to the organisational structure and operations of the Company.