

Delegation Authority Policy

This policy exists to ensure that appropriate expenditure controls exist for the management of the Company, and the Board through this policy has established delegated authority limits to expenditure authority for its Board Executive Directors, CEO and management personnel.

1. Board Responsibility

The Board has ultimate responsibility for accountability to the shareholders for the management of the Company. The Board Charter describes in detail the specific responsibilities of the Board. This policy does not limit responsibility for the Board under the Board Charter.

2. CEO Responsibility

The Executive Directors, in acting in the role of Chief Executive Officer, have the delegated authority for the ongoing management of the Company in accordance with the Board Charter. This policy is intended to provide the necessary platform to enable the CEO to manage and lead the business on a day-to-day basis. This includes the authority for the CEO to delegate his authority to others within the senior management team (particularly when out of the office for prolonged periods), provided that, so far as the Board is concerned, the CEO will remain responsible for such decisions.

3. General Policy & Controls

All purchases and disbursements made by the Company must be made exclusively for the benefit of LaserBond in a manner, which is fair, objective and financially sound. This policy applies to all purchases, both budgeted and unbudgeted.

The CEO is to ensure that management maintains financial and procedural controls to ensure adherence to all delegated authority limits, and this policy as a whole. The Board may amend these controls, the authorities, their limits and this policy at any time. All budgets will be reviewed quarterly.

4. Delegated Authority

CATEGORY	AUTHORITY DELEGATED
FINANCIAL	
Fiscal Year Budget	Board Approval of Budget to Divisional level for Operating Expenditure and Projects Proposed for Capital Expenditure. Reviewed quarterly.
Operating Expenditure (Budgeted)	Senior Management Authority to spend to budget and within cashflow. Quarterly reviews apply.
Operating Expenditure (Unbudgeted)	Up to 2.5% of expected period revenue - Executive Director approval Greater than 2.5% of expected period revenue - Board approval
Discretionary / Capital Expenditure (Budgeted)	Senior Management Authority for approved projects; Executive Director advised before purchase.
Discretionary / Capital Expenditure (Unbudgeted)	Up to \$100,000 per annum - Executive Director approval Over \$100,000 to \$300,000 per annum - Board advised; Executive Director approval Over \$300,000 - Board approval Where one single project exceeds \$100,000 - Board approval.
Ad-Hoc Committee Expenditure	Board approval.
Corporate Banking & Funding Relationships	Board approval.
Bank Accounts & Signatories	Board advised; Executive Director approval
Establishing new Credit Facilities	Board approval
Extension or Reduction of Existing Credit Facilities	Board advised; Executive Director approval
Asset Finance or other borrowing arrangements	As per Capital Expenditure Delegated Authorities

Granting Security over any assets of the group	Board approval
Term Deposits or Forward Cover / Hedging	Executive Director approval
Credit Cards	Executive Director approval
Travel & Accommodation	Senior Management authority where budgeted; Executive Director approval if unbudgeted.
Sale or disposal of Assets	Executive Director approval
Debt Write-off	Board approval
Impairment of Assets	Board approval
Appointment of Corporate Financial & Funding Advisers	Board approval
Appointment & Termination of Tax Consultants	Executive Director approval
Issuing Financial Guarantees	Board approval
Issuing Corporate Guarantees	Board approval
GOVERNANCE	
Company Structure Changes	Board approval
Public Statements – ASX or otherwise	Board approval
Appointment & Termination of Auditors	Audit Committee recommendation; Shareholder approval
Approval of Non-Audit services provided by Auditors	Board advised; Executive Director approval
PROPERTY	
Property Lease	Board advised; Executive Director approval
Fixtures & Fittings	Executive Director approval
Leasehold Improvements	Executive Director approval
Make Good Expense	Board advised; Executive Director approval.
STAFF & CULTURE	
Appointing Staff – New Positions	Salary Package exceeds \$150,000 – Board approval Else Executive Director Approval within approved budget.
Appointing Staff – Existing Positions	Salary Package exceeds \$150,000 – Board approval Salary Package exceeds \$100,000 – Executive Director Approval Else Senior Manager Authority with Executive Director advised
Remuneration of Staff	Salary Package exceeds \$150,000 – Board approval Salary Package exceeds \$100,000 – Executive Director Approval Else Senior Manager Authority with Executive Director advised
New or variances of Bonus or Incentive Schemes	Salary Package exceeds \$100,000 before bonus / incentive – Board approval Else Executive Director approval
Share Based Remuneration	Board approval
Formal Disciplinary Action	Senior Management (C-Suite) Position – Board advised prior to action; Executive Director approval Else Executive Director advised prior to action; Senior Manager approves
Termination for cause or Redundancy of positions	Senior Management (C-Suite) Position – Board advised prior to action; Executive Director approval Else Executive Director advised prior to action; Senior Manager approves
Ex-Gratia Termination Payments	Board advised; Executive Director approval
SALES & MARKETING	
Brand Creation / Variation	Board approval
Promotional Events	Senior Management authority if budgeted; else Executive Director approval
Sales agreements and contracts with Clients	Up to 2.5 % of expected annual revenue National Sales Manager approval; Executive Director advised. Over 2.5% and up to 10% of expected annual revenue <u>or</u> without onerous clauses risk impacting net profit by greater than 10% - Executive Director



	approval Greater than 10% of annual period revenue – Board approval
LEGAL	
Legal advice in the normal course of business	Board advised; Executive Director approval
Litigation claims, legal disputes or other claims	Board approval
TENDERS & GRANT APPLICATIONS	
Tendering for new contracts <u>within</u> current operating parameters	Senior Management authority with Executive Director advised
Tendering for new contracts <u>outside</u> current operating parameters	Board advised; Executive Director approval
All Government Grant applications	Total project value to \$100,000 project spend - Executive Director approval; Board advised. Greater than \$100,000 project spend – Board approval.

5. Ad-Hoc Committees

The Board as necessary may establish ad-hoc committees. Once established they shall operate at the delegated authority level equivalent to Executive Directors.

6. Breaches

All breaches of delegated authority will be reported to the Board in writing at the next Board meeting. If a serious breach occurs, the CEO will immediately report this to the Board. Disciplinary action is at Board discretion.

