

TOWER Australia Group Limited

ACN 003 401 698

DELEGATION OF AUTHORITY
FROM THE BOARD OF TOWER AUSTRALIA GROUP LIMITED
TO THE MANAGING DIRECTOR

Adopted by the TOWER Australia Group Limited Board on 18 December 2007

Next Review: June 2008

1 PURPOSE OF DELEGATION

- 1.1 The Managing Director is charged with the day-to-day leadership and management of the Group by way of delegations from the Board to implement the strategic policies and directions set by the Board.
- 1.2 The Managing Director is the principal representative of the Group's business operations, and manages and oversees the relationships between the Group and its customers. The Managing Director in turn sub-delegates certain roles and responsibilities to the Chief Financial Officer, the Chief Executive Officers and to other employees from time to time.
- 1.3 Subject to the limitations and exceptions in paragraph 4, the Board of TOWER Australia Group Limited ("Board") delegates to the Managing Director all of the powers required in respect of managing the Company and the businesses within the Group. The Board remains ultimately responsible for overseeing the Group.
- 1.4 This delegation replaces all previous delegations of authority by the Board to the Managing Director.
- 1.5 Terms used in this delegation have the meaning given to them in the Charter of the Board ("Charter") unless the context indicates otherwise.

2 SPECIFIC AUTHORITIES

- 2.1 This delegation recognises the following specific authorities:
 - 2.1.1 to delegate authorities (not greater than those held by the Managing Director under this delegation) to other Company executives and employees from time to time;
 - 2.1.2 to enter into obligations and sign documents (including those required by law to be by deed) on behalf of the Company or any company within the Group where he or she is the Chief Executive Officer;
 - 2.1.3 to act as an authorised officer of a company within the Group for any lawful purpose if so appointed by the Board of any company within the Group;
 - 2.1.4 to identify potential candidates and make recommendations in relation to such candidates to the Remuneration and Nominations Committee for the appointment of the Chief Financial Officer and the Chief Executive Officers of companies within the Group; and
 - 2.1.5 to carry out actions and make payments including tax, commissions and policyholder payments required by any statute or regulation or by any binding contract to which the Group or a company within the Group is a party.

3 GENERAL RESERVATIONS

- 3.1 The powers and authorities delegated above are reserved generally so as to prevent the exercise of any power:
- 3.1.1 which the Board does not have;
 - 3.1.2 which is specifically reserved to the Board under the Charter of the Board;
 - 3.1.3 otherwise than in accordance with a relevant approved Board policy, strategy and budget;
 - 3.1.4 which may from time to time be reserved by the Board following written advice to the Managing Director; and
 - 3.1.5 which is limited by law or regulation or by direction of a regulatory authority.

4 SPECIFIC LIMITATIONS AND EXCEPTIONS

- 4.1 The powers and authorities delegated to the Managing Director are subject to the matters reserved to the Board and so are subject to the following exceptions and limitations:
- 4.1.1 determining Group strategic objectives, annual operating plans, financial targets, capital expenditure plans and the like;
 - 4.1.2 ongoing assessment and monitoring of performance, including management's performance against strategic objectives, annual operating plans, financial targets, and the like;
 - 4.1.3 approving all material changes and departures from approved Group strategic objectives, annual operating plans, financial targets and the like;
 - 4.1.4 approving all changes to the corporate structure, including tax and financial, which are of strategic importance to the Group or the Businesses as applicable;
 - 4.1.5 determining Group financial and treasury strategy and policies, including approving TOWER Australia Group Limited dividend policies and distributions to shareholders, lending and borrowing, tax investment and foreign exchange policies in respect of shareholders' funds;
 - 4.1.6 approving and monitoring the Group Risk Management policies, framework and profile;
 - 4.1.7 approving and monitoring Group internal controls, legal compliance systems and Codes of Conduct in place throughout the Group;

- 4.1.8 approving capital project expenditure in excess of an amount to be determined by the Board from time to time;
- 4.1.9 approving operational expenditure (excluding commissions) in excess of an amount to be determined by the Board from time to time, except if specifically provided for in the current and approved operating plan;
- 4.1.10 approving the granting of all guarantees and indemnities that are other than in the normal course of business;
- 4.1.11 approving Group information technology strategy and policies;
- 4.1.12 approving the Company's annual and half-yearly financial statements;
- 4.1.13 approving the Company's Annual Report;
- 4.1.14 approving all transactions relating to major business and company acquisitions, mergers and divestments;
- 4.1.15 approving all asset acquisitions and divestments in excess of an amount to be determined by the Board from time to time, except if specifically provided for in a current and approved business plan or in the normal course of business;
- 4.1.16 settlement of legal proceedings other than in the ordinary course of business or for a sum in excess of an amount to be determined by the Board from time to time;
- 4.1.17 setting the Charters for the Board Committees, the matters referred to such Committees and all like and related matters;
- 4.1.18 receiving and acting on recommendations and reports from the Committees other than where instructed by the Board;
- 4.1.19 approving participation in any political lobbying;
- 4.1.20 making donations to any political party other than as specifically approved by the Board;
- 4.1.21 the appointment and removal of Executive Directors on Subsidiary Boards;
- 4.1.22 determining or limiting who may have access to the Committees of the Board;
- 4.1.23 determining or limiting who members of the Committees may have access to within the Company or the Group as a whole; and
- 4.1.24 such other powers and functions which may be reserved by the Board from time to time following consultation with the Managing Director.

5 PROTOCOLS

- 5.1 The Managing Director is to report to the Board on general business and operational matters and progress at each Board meeting, and on any other matter as required by the Board. In addition, the Managing Director is to inform the Chairman of the Board promptly of the existence of any significant matter affecting the Company, the Group as a whole or any company within the Group which is likely to involve publicity or material change in the share price in accordance with the procedures set out in the Corporate Disclosure Policy.
- 5.2 Any sub-delegation by the Managing Director of his or her authorities must be in writing and must be accepted by the sub-delegate in writing. Copies of all sub-delegations and consents are to be given to the Secretary and kept in the Delegation Register together with copies of all documentation entered into when a delegation or sub-delegation is withdrawn.
- 5.3 All Board authority conferred on management is delegated through the Managing Director so that the authority and accountability of management is considered to be the authority and accountability of the Managing Director so far as the Board is concerned.
- 5.4 This delegation to the Managing Director allows for the establishment of protocols or rules which may become necessary to clarify the manner in which specific powers or limitations are acted upon by the Managing Director. The intention is that the delegation itself need not then require variation, nor need it contain matters of detail.