



# WORLD TITANIUM RESOURCES

## DELEGATION OF AUTHORITY POLICY

### **PURPOSE:**

This Delegation of Authority Policy is established to define the limits of authority designated to specified positions of responsibility within World Titanium Resources (the "Company") and to establish the types and maximum amount of Company obligations that may be approved by executives.

All employees should be aware that conduct that contravenes these policies is subject to appropriate disciplinary action by the Company, including possible termination of employment.

### **SCOPE:**

This policy is applicable to the Company each of its subsidiaries, and any ventures that are controlled by the Company.

### **POLICY:**

Executives who have employees reporting to them need to take all necessary steps to ensure their employees know and follow the policy. Consequently all executives should periodically consult with their staff members to determine appropriate procedures for implementation of the policy have been developed and are being followed.

### **PROCEDURES:**

#### **SECTION 1 GENERAL**

##### **1.1 Combining Transactions**

Dividing a commitment or transaction into two or more parts or payments to evade a limit of authority is prohibited and is a contravention of the policy. This policy shall be interpreted broadly so that any two or more series of reasonably related transactions which, in the sole opinion of the Company, are related, shall be considered as a single transaction for purposes of determining approval and authority levels required by this policy.

##### **1.2 Compliance Documentation**

Executive and employees executing contracts and approving transactions are required to ensure that all appropriate approvals and reviews required by this policy, and other Company policies and procedures have been adhered to, and to ensure that appropriate documentation of these approvals is maintained.

#### **SECTION 2 BANKING AND INVESTMENT MATTERS**

##### **2.1 Borrowing Funds**

Only bank signatories are authorized to draw down funds under the Company's credit facilities.

##### **2.2 New Credit Facilities / Borrowings**

Approval by the Board is required prior to establishing any credit facility or borrowing arrangement.

### **2.3 Opening / Closing Bank Accounts**

Only the Executive Chairman, the CEO, the CFO and the Company Secretary, in combinations of two or more, may open or close bank accounts. Such action shall be done only after approval by the Board.

### **2.4 Investor Relations / External Communications**

Only the Executive Chairman, the CEO or their respective designees are authorised to contact, disclose, or share information regarding the Company with the public, i.e. analysts, portfolio managers, or reporters.

## **SECTION 3 EXPENDITURE AUTHORITY**

### **3.1 Disbursement Authorization**

Commitments and transactions will not be processed that are not approved in accordance with this policy. Only when the underlying transaction, contract or agreement has been properly approved and satisfactory evidence is available that the obligation is due, shall disbursement of Company funds be permitted.

### **3.2 Capital Operating and Administrative Expenditures**

All expenditures must be approved and made in compliance with this policy. Expenditure authorization is as follows. All amounts are in US dollars:

<b>Title</b>	<b>Authority Level</b>
CEO	Up to Board Approved Budget
Country Manager	Up to \$20,000 for any item within budget and for any one out of budget item per month
Project Director	Up to \$20,000 for any item within budget and for any one out of budget item per month
General Manager Operations	Up to \$20,000 for any item within budget and for any one out of budget item per month

### **3.5 Business Expense Reports**

Reimbursement of every expense report is subject to the CEO's or the CEO's designee's review and approval. Reimbursement of the CEO's expense report is subject to the Executive Chairman's or should he designate, the CFO's review and approval. Reimbursement of approved items shall not be withheld while unapproved items are pending.

## **SECTION 4 SALE OF ASSETS AUTHORITY**

### **4.1 Sale of Plant, Property and Equipment**

The sale of Plant and Equipment authorization is as follows:

<b>Title</b>	<b>Authority Level</b>
CEO	Up to \$200,000 on an individual item and \$500,000 in aggregate in any financial year

### **4.2 Share Trading**

Approval of the Board is required prior to the execution of any share purchases, issuance or disposals, and must be within the guidelines of the relevant company policy.

## **SECTION 5 PROPERTY MATTERS**

### **5.1 Sales and Purchases**

The sale and purchase of real estate authorization is as follows:

<b>Title</b>	<b>Authority Level</b>
CEO	Up to \$200,000 on an individual item and \$500,000 in aggregate in any financial year

## **5.2 Leases**

Real estate and equipment leases authorization is as follows:

<b>Title</b>	<b>Authority Level</b>
CEO	Up to \$200,000pa and less than 3 year commitment period

## **SECTION 6 EMPLOYMENT RELATED MATTERS**

### **6.1 Hiring and Terminating of Employees**

All hiring and firing of employees must be approved by the CEO.

### **6.2 Employee Agreements and Certain Offers of Employment**

Approval of the CEO is required prior to entering into an employment agreement. Unless otherwise authorised in writing, only the CEO may execute an employment agreement.

All bonuses, including, but not limited to defined incentive plans, statutory, special, discretionary or one-time, must be approved by the CEO. All Senior Management bonuses in excess of an annual aggregate of \$250k must be approved by the Board. Any grant of shares or options to employees must be approved by the Board.

### **6.3 Severance Agreements**

All severance agreements shall be approved by the CEO. Unless otherwise authorized in writing, only the Board may execute a severance agreement binding the Company.

### **6.4 Consulting Agreements / Contract Employees**

The engagement of a consultant or contract employee for a period of more than three months (consecutively or within a 12-month period) shall be approved by the CEO.

### **6.5 Recruiting Services**

The engagement of a recruiting/search firm to assist in finding and interviewing potential candidates for employment must be approved by the CEO.

## **SECTION 7 LEGAL MATTERS**

### **7.1 Settling Claims:**

Litigation Claims and Commercial Disputes – Approval of the Board is required prior to the Company commencing or settling any litigation claims (including any administrative proceeding in front of a governmental/regulatory agency) or commercial disputes.

Commercial Claims (non-litigation) – In situations in which the settlement of claims does not involve litigation (for instance, settlement of warranty claims); approval levels for the settlement of such claims are as follows:

<b>Title</b>	<b>Authority Level</b>
CEO	Up to \$20,000

### **7.2 Formation / Dissolution of New Legal Entities and Branch Offices**

Only the Board may authorize the formation/dissolution of a new entity.

### **7.3 Powers of Attorney**

Approval of the Board is required prior to the execution of any power of attorney. A power of attorney can only be approved on the basis that it is expressly designated to a specific officer in writing and specific to documents for the relevant subsidiary. A power of attorney cannot be approved that remains in effect for a period greater than 30 days.

### **SECTION 8 DONATIONS**

Approval by the CEO is required for donations up to and including \$10,000. Donations in excess of this require approval by the Board. No political donations are to be made.

### **SECTION 9 ACQUISITION / RELINQUISHMENT OF TENEMENTS**

Approval of the Board is required prior to the Company purchasing, selling or relinquishing any tenements.

### **SECTION 10 SEAL REGISTER**

The Company Secretary shall maintain a Seal Register which records all contracts, agreements, commitments or the like entered into by or on behalf of the Company. The Register shall show what the contract, agreement, commitments or the like entered into is and who entered into or authorised the arrangement. The Register shall be presented to the Board in the Board papers.

### **SECTION 12 REVIEW OF POLICY**

The Policy will be reviewed as required and at least annually. Any amendments to the Policy will require approval from the Board.