

Capital Expenditure Policy

The ARA Group Pty Ltd (ARA) has implemented the policy to ensure that expenditure related to the purchase of assets above certain values are justified, monitored and controlled.

Where the purchase price of a specific piece of equipment or plant that costs \$2,000.00 up to a cost of \$10,000.00, approval must be sought from the company General Manager/ Managing Director.

A formal requisition must be presented to the General Manager/ Managing Director, detailing the total cost and respective details of the plant or equipment supported by justification for the purchase and the payback period. Please use the appropriate form.

Where the purchase price of a specific piece of equipment or plant is in excess of \$10,000.00, approval must be sought by the ARA Group Pty Ltd Managing Director. A formal requisition must also be presented to the ARA Group Pty Ltd Managing Director detailing the total cost and respective details of the plant or equipment, supported by justification for the purchase and the payback period.

Please use the appropriate form.

No payments are to be made for a capital expenditure purchase without the required approvals signed by the appropriate individuals.

Capital expenditure of assets in excess of \$2,000.00 in value are to be recorded in the individual company assets register and be depreciated in accordance with the appropriate tax requirements.

Once authorisation has been confirmed in writing, the plant or equipment may be purchased, and cost coded against the respective asset cost code number. All capital expenditures are to be purchased from operating cash flow or borrowings from ARA Group only. No external debt financing is to be used.



Mile Belevski
General Manager
16th February 2024