



Delegation of Authority Policy

Version 1.0 June 2020

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Version Control

Title	Delegation of Authority Policy		
Description	Defines delegation authorities in relation to expenses, contracts, major activity approvals and associated limits.		
Created By	Victor Peplow		
Date Created	June 2020		
Maintained By	Chief Financial Officer		
Version Number	Modified By	Modifications Made	Date Modified
1.0	Victor Peplow	Document Creation	01/06/2020

1. Purpose

The purpose of this policy is to:

- a. Define Board of Directors delegated authority and provide guidelines on its application.
- b. Facilitate compliance with relevant directions from the CEO and/or Board of Directors
- c. Establish the levels of authority delegated to duly appointed Officers.
- d. Detail authority to incur expenditure and administer funds.
- e. Clarify accountability and responsibility for the day-to-day operations of the Credit Clear Group for the Board of Directors.

No amendments shall be made to the specified delegations without the approval of the Board

2. Scope

This policy applies to all Board of Directors, employees and contractors of Credit Clear and its incorporated entities (CCL).

3. Principles of Delegation

- 3.1 All financial delegations are subject to the approved annual budget allocation. Any items outside the approved budget must be referred to the CEO.
- 3.2 Consideration must be given to risks and internal controls when exercising a delegation.
- 3.3 Monetary amounts (excluding GST) as stated in this policy are the maximum delegated amounts per transaction or contract.
- 3.4 All expenditure is to be approved considering availability of funding within budget and expense area.
- 3.5 Approval must not be made for any self-related matters. These include expenditure or reimbursement to self, certifying own invoices, any type of leave or where a conflict of interest exists.
- 3.6 All amendments, changes and deletions to the Delegations Policy must be considered by the board.

4. Agreements and Contracts

The authority to sign contracts within the delegated authority limits and parameters of the approved budget is outlined in Section 5(B).

Agreements and contracts that may infer legal rights and liabilities may relate to:

- 1) Agreements for the provision of goods and services.
- 2) Agreements for the receipt of goods and services.
- 3) Engagement of consultants or agreements relating to consultants.
- 4) Approval of leases.
- 5) Licences to use CCL assets.
- 6) Memoranda of Understanding.

5. Schedule of Delegations

The delegated authority levels approved by the board are set out in the table below. They apply to all Credit Clear businesses and controlled entities. Notwithstanding the authority levels below, authority must still be exercised taking into consideration existing budgets, performance objectives, risks and available funds.

Expenditure / Activity Description	Divisional Managers, COO, & CTO	Directors (as individuals)	CFO	CEO	Board (Majority with one Independent)
(A) EXPENDITURE					
Operating Expenditure	<\$10k	<\$20k	<\$30k	< \$100k	>\$100k
Capital Expenditure	No delegated authority	<\$20k	<\$30k	< \$100k	>\$100k
Expense Reimbursements	< \$3k	< \$5k	< \$5k	>\$5k	
Credit Cards Expenditure	< \$3k	< \$5k	< \$5k	>\$5k	
Travel & Entertainment – Domestic	< \$3k	< \$5k	< \$5k	> \$5k	
Travel & Entertainment – International	No delegated authority	No delegated authority	No delegated authority	< \$100k	>\$100k

Expenditure / Activity Description	Divisional Managers COO, & CTO	Directors (as individuals)	CFO	CEO	Board (Majority with one Independent)
(B) ACTIVITIES					
Appointment of Employees & Contractors	No delegated authority	No delegated authority	No delegated authority	All staff below Senior Executives	Senior Executives
Approval of leave without pay or special paid leave	No delegated authority	No delegated authority	No delegated authority	All staff below Senior Executives	Senior Executives
Approve Service Contracts	<\$5k	<\$20k	<\$30k	<\$100k	>\$100k
Client Contracts	<\$50k	<\$50k	<\$50k	>\$50k	
Operating Budget (annual)	No delegated authority	No delegated authority	No delegated authority	No delegated authority	Yes
Open Bank Accounts (dual CFO & CEO)	No delegated authority	No delegated authority	Yes	Yes	
Bad Debt write off	No delegated authority	No delegated authority	<\$5k	>\$5k	
Cessation of Contracts	No delegated authority	No delegated authority	No delegated authority	<\$100k	>\$100k
Sale of Assets	No delegated authority	No delegated authority	<\$30k	>\$30k	
Approve decision to tender for major business opportunity	No delegated authority	No delegated authority	No delegated authority	<\$1Mill	>\$1Mill
Expansion into International Markets	No delegated authority	No delegated authority	No delegated authority	New Zealand	Yes
Acquisitions of Business	No delegated authority	No delegated authority	No delegated authority	No delegated authority	Yes
Loans & Borrowings	No delegated authority	No delegated authority	<\$30k	<\$100k	>\$100k
Commitments	No delegated authority	No delegated authority	<\$30k	<\$100k	>\$100k
Amend Delegations Policy	No delegated authority	No delegated authority	No delegated authority	No delegated authority	Yes

Notes:

1. All amounts specified are in AUD and exclude GST.
2. All expenditure decisions must comply with the company's Expense Management Policy.
3. Contract renewals and extensions require the same approvals as if they were a new contract.
4. All Technology (hardware & software) related expenses must be pre-approved by the CTO to ensure consistency with existing technical standards and certification requirements.
5. CEO expenses are to be approved by the CFO or Chairperson.

6. A supplementary expenditure proposal is required where there is a cost overrun of greater than 10% above the previously approved expenditure amount.