

## 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 CED 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 (CCR).

The policy covers authority to commit the company financially, be this via placing an order, offering a contract, entering into a contract, and the-like, verbally, in writing and any other method.

Where there is doubt, the CFO or delegate should be consulted in the proper application of the policy.

## 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, invoice, contract, or commitment, whichever is the greater.
- 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 or might be perceived to exist.
- 3.6. All amendments, changes and deletions to the Delegations Policy must be considered by the Risk & Audit Committee for approval by the board.
- 3.7. The requirements of this policy are in addition to the payment approval process which forms part of the accounts payable function.

## 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 & Divisional MDs	CEO	Board (majority, with at least one Independent NED)
<b>(A) EXPENDITURE</b>					
Operating Expenditure	<\$10k	<\$20k	<\$50k	< \$100k	>=\$100k
Capital Expenditure	No delegated authority	<\$20k	<\$50k	< \$100k	>=\$100k
Expense Reimbursements, excl. credit cards	< \$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 & Divisional MDs	CEO	Board (majority with one Independent)
Remuneration Adjustments	No delegated authority under this policy.				Subject to procedures approved by the Board, incl. any procedures of the Remuneration Committee
<b>(B) ACTIVITIES</b>					
Appointment of Employees & Contractors	No delegated authority	No delegated authority	<\$100k base salary + super, and excluding family and related parties	All staff below Senior Executives	Senior Executives
Approval of leave without pay or special paid leave	No delegated authority	No delegated authority	Only for staff earning <\$100k	All staff below Senior Executives	Senior Executives

## DELEGATION OF AUTHORITY POLICY

Approve Service Contracts	<\$5k	<\$20k	<\$50k	<\$100k	>=\$100k
Client Contracts	<\$50k	<\$50k	<\$200k	>=\$200k	
Operating Budget (annual, or as determined by the Board)	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 (for CFO only)	Yes	
Bad Debt write off	No delegated authority	No delegated authority	<\$5k	<\$20k	>= \$20k
Cessation of Contracts (annual contract value)	No delegated authority	No delegated authority	No delegated authority	<\$100k	>=\$100k
Sale of Assets	No delegated authority	No delegated authority	<\$30k	<\$50k	>=\$50k
Approve decision to tender for major business opportunity (total expected contract value)	No delegated authority	No delegated authority	<\$1Mill	<\$2Mill	>=\$2Mill
<b>Expenditure / Activity Description</b>	<b>Divisional Managers COO, &amp; CTO</b>	<b>Directors (as individuals)</b>	<b>CFO &amp; Divisional MDs</b>	<b>CEO</b>	<b>Board (majority with one Independent)</b>
Expansion into International Markets (i.e. serving customers predominantly outside Australia, or establishing a presence outside Australia)	No delegated authority	No delegated authority	No delegated authority	No delegated authority	
Acquisitions of Business	No delegated authority	No delegated authority	No delegated authority	No delegated authority	
Loans & Borrowings	No delegated authority	No delegated authority	<\$30k	<\$100k	>=\$100k
Other Financial Commitments	No delegated authority	No delegated authority	<\$50k	<\$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.

## Version history

Version	Date	Action	Description
1.0	01/06/20	Created	Document created by CFO
1.0	19/08/20	Approved	Approved by Board
2.0	23/09/21	Update	Various updates including new category of Divisional MDs made by CFO
3.0	24/09/21	Update	Changes made as per Risk & Audit Committee by CFO
3.1	24/09/21	Update	Edited for clarity and consistency by Board Chairman
3.1	08/11/21	Approved	Approved by Board