

# Delegated authority policy and matters reserved for the Board

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CommsChoice Group Ltd  
(Company)

ABN 95 133 368 797

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## 1) Introduction

The purpose of this Policy is to:

- i. detail CommsChoice Group Ltd's (**Company**) policy in relation to the Company and its related bodies corporate delegations of functions to key management personnel;
- ii. set out the limits of such delegated authority; and
- iii. provide a list of matters that are reserved for Board approval.

## 2) Board responsibility

### 2.1 Definitions

- i. Board means the board of directors of the Company from time to time.
- ii. Constitution means the constitution of the Company.
- iii. Delegated Authority Limit means an authorised limit designated to a position to allow for expenditure incurred on behalf of the Company.

### 2.2 Delegation

- a) The Board has delegated day-to-day management of the business and affairs of the Company to the Executive Director, Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).
- b) The Board has also delegated certain matters to Committees of the Board within defined terms of reference.

## 3) Delegated authority

### a. Delegated Authority Limits

The Company's Constitution and Board Charter gives responsibility to the Board for the control and management of the Company's affairs. In the proper exercise of this responsibility the Board, through this Policy, delegates limited authority to persons and Committees of the Company with the objective of providing clarity and certainty with respect to their scope and operation within their Charter.

The Board has approved detailed Delegated Authority Limits for the Executive Director, Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), and where applicable certain Senior Managers, as set out in the attached Schedule, that may be exercised in accordance with the Company's Delegated Authority Policy.

### b. The Company's Delegated Authority Policy

- a) It is a policy of the Board and the Company to ensure that all purchases and disbursements made by the Company are made exclusively for the benefit of the Company, in a manner which is fair, objective and financially sound. This policy applies to purchases of capital items, both budgeted and unbudgeted, operating costs and specific invoices.

- b) In making purchases, employees are required at all times to act solely in the best interest of the Company and avoid even the appearance of favouritism or conflict of interest. In particular, no employee must benefit personally as a result of purchases or sales made for the Company.
  - c) This policy is the medium by which the Board communicates to all employees the minimum approval standards to be applied in conducting company business.
  - d) All amounts in this policy are stated in \$Aust. dollars.
- c. **Delegated Authority Controls**
- Appropriate financial and procedural controls are in place to ensure adherence to these Delegated Authority Limits and the Company's Delegated Authority Policy. These financial and procedural controls are to be reviewed and amended when considered appropriate by the Board.

#### 4. Principals of Delegation

- a) This Delegated Authority Policy applies to the Company as a whole and Committees must align their Delegations with the central policy.
- b) Delegations are to be exercised within the framework of the Company Constitution, Regulations, Rules and policies and any external requirements.
- c) Delegations are attached to the position occupied, not to the occupant of the position.
- d) Levels of authority are hierarchical through relevant lines of responsibility up to and including the Board. This means that authorities and responsibilities held by any delegate are included by the person that delegated the authority. For example, if a person delegates an authority to another person and/or Committee, the delegating party remains responsible and accountable for the actions of the person and/or Committee that is delegated the authority.
- e) Any person and/or Committee that is delegated an authority in accordance with this policy is answerable to the person that delegated the authority, for the proper exercise of the authority that was delegated to them.
- f) This policy aligns delegated authority in a manner that facilitates efficiency and effectiveness and increases the accountability of officers and/or Committees of the Company for their performance.
- g) No officer shall exercise any power unless that power has been delegated to that officer's position by the Board; remembering that delegations are attached to the position occupied, not to the occupant of the position.
- h) All expenditure incurred by the Company must be approved in accordance with the Company's Delegated Authority Limits. All expenditure approvals exercised by a delegate are exclusive of GST or sales tax.
- i) A delegate's signature or electronic equivalent is required for all expenditure incurred.
- j) All requests for Delegations must be submitted to the Board through the Executive Director or Chief Executive Officer for approval. Delegations which have not been through this approval process will not be deemed an official delegation.
- k) The exercise of a delegation shall always be subject to funds being available within the appropriate budget.

#### 5. Delegations by the Board

The matters reserved for consideration and approval by the Board under this policy include decisions about the company's financial plans, budgets, forecasts, strategic direction, acquisitions and investments, as well as matters involving amounts over specified limits (which may vary

depending on the nature of the transaction), matters with the potential to impact on the Company's reputation.

- a. The Board expressly delegates authority to the Executive Director and Chief Executive Officer jointly for all expenditure in accordance with the Company Budget.
- b. The Board must receive and approve any major variation to the Budget.
- c. The following decisions may only be made by the Board:
  - appointment of a chair;
  - appointment and removal of the Chief Executive Officer;
  - appointment and removal of the Chief Financial Officer;
  - appointment of Directors to fill a vacancy or as an additional Director;
  - establishment of Board Committees, their membership and delegated authorities;
  - approve the issue of share capital including employee share schemes share issues;
  - approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
  - calling of meetings of Shareholders;
  - setting an annual budget for both operating and capital expenditure;
  - setting strategy and key business & financial objectives;
  - approving a dividend and its distribution;
  - acquisition and disposal of assets over \$1,000,000;
  - authorise the purchase and giving of gifts over \$2000 in value;
  - approve investment decisions on amounts over \$2,000,000;
  - any other specific matters nominated by the Board from time to time; and
  - approval of the overall levels of insurance for the Company, including directors' and officers' liability insurance and indemnification arrangements for Directors-
- d. The Board approves an authority for the Executive Director or Chief Executive Officer to refuse expenditure by a Committee/Sub-Committee if the proposed expenditure is inconsistent with the 'Terms of Reference' of the Committee/Sub-Committee and/or the objectives of the Company, or if there are insufficient funds in the respective liability account.

## 6. Authority to Process Payments

Only the Executive Director, Chief Executive Officer, Chief Financial Officer and any authorised delegates of the Executive Director, Chief Executive Officer and Chief Financial Officer (as approved by the Board) can authorise payments using the Company's on-line banking or cheque payment facility. It is the responsibility of the person authorising the payment to ensure that the relevant expenditure has been properly authorised in accordance with this policy, that all appropriate supporting documentation is attached to the relevant invoice(s) and that the goods or services being paid for have been received by the Company. A minimum of two (2) persons must authorise each payment before it is entered for payment using the Company's on-line banking or cheque payment facility.

## 7. Specific Delegation Limits

Refer to Appendix A (Delegated Authority Limit) for specific authority levels for each level of staff.

## 8. Monitoring

The Chief Executive Officer shall provide an annual assurance to the Board that this policy has been adhered to.

## 9. Training and Communication

The Chief Executive Officer is responsible for ensuring that all persons and/or Committees that are delegated an authority receive training to communicate the objectives of this policy, the scope of the delegation, and the proper exercise of the delegation.

## 10. Conflict of Interest

A delegation cannot be exercised where the person holding the delegation has a conflict of interest. They may not approve any action or transaction that provides them with a direct personal benefit, with the exception of transactions that require two signatures.


## 11. Review

Delegations shall be reviewed regularly (at a minimum annually) to ensure that they remain appropriate to the organisational structure and operations of the Company.

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This policy was approved and adopted by the Board on 31 October 2017

Signed



Chairperson of the board of directors  
of CommsChoice Group Limited