



# **Statement of Delegated Authority**

**Healthzone Limited**  
ACN 118 715 772

**Date: 28 September 2009**

---

## TABLE OF CONTENTS

1.	Introduction .....	1
2.	Definitions .....	1
3.	Decision making process .....	1
4.	Delegation of Authority.....	1
5.	Actions for advice or noting .....	3
6.	Execution of Documents .....	3
7.	Delegated Authority for Cheque Signing and Funds Transfer.....	3
8.	Board Relationship with Management.....	4

---

## Delegation of Authority

### 1. Introduction

- 1.1 This policy outlines the main practises of the Company that are in place for the delegation of authority to management to conduct the day-to-day management of the Company.
- 1.2 Directors have no individual authority to make representations or enter agreements on behalf of the Company unless such authority is expressly delegated by the Board.

### 2. Definitions

2.1 In this policy:

- (1) “**Board**” means the board of directors of the Company;
- (2) “**Chairman**” means the Chairman of the Board; and
- (3) “**Company**” means Healthzone Limited ACN 118 715 772

### 3. Decision making process

- 3.1 The decision making process of the Board is set out in the Company’s Constitution.
- 3.2 Questions arising at the Board meeting are decided by a majority of votes. In the event of an equality of votes, the Chairman has a casting vote.
- 3.3 The Board retains all powers and authorities required to carry out the Company’s business, except where specific authority is delegated to the Chairman and Board Committee.

### 4. Delegation of Authority

- 4.1 To facilitate the day-to-day operations of the Company, the Board has delegated its authority to the Chairman and his or her senior executives.
- 4.2 Any changes or amendments to these delegations must be approved by the Board. Senior executives, who wish to delegate their authority to management, can do so with the prior approval of the Chairman. Such delegation can only be to a level within the delegated authority of each senior executive manager.
- 4.3 The following table presents the delegated purchasing/contract authority for the Chairman as approved by the Board of the Company.

### Chairman – Delegated Authority

Description	Delegated Authority (budgeted)	Delegated Authority (non-budgeted)
Payments in relation to routine purchases, which are in accordance with properly approved contracts	In accordance with the terms of the approved contract	In accordance with the terms of the approved contract
Operating expenditure items (per item)	As per Board approved budgets or as otherwise approved by the Board	For any expenditure above \$100,000 Board approval is required.
Capital expenditure items (per item)	For any expenditure above \$10,000 Board approval is required.	For any expenditure above \$10,000 Board approval is required.
Investment projects (per item)	These are dealt with by the Board	These are dealt with by the Board
Execution of contracts within the financial authority levels above	Term of three years or less	
Sale of fixed assets or a group of related fixed assets (excluding property)	For any assets with a written down book value of less than \$10,000.	For any assets with a written down book value of less than \$10,000.
Sponsorship agreements (being agreements to promote the Company's brand and image)	For any expenditure above \$10,000 Board approval is required.	For any expenditure above \$10,000 Board approval is required.

4.4 The following decisions must be referred to the Board for prior approval:

- (1) budgets (including detailed background papers);
- (2) details of any proposed appointment of any manager reporting to the Chairman, whether budgeted or not. This includes approval to make the appointment and approval of the proposed person to be appointed;
- (3) any capital items greater than \$10,000 not included in the budget;
- (4) any major changes of policy including marketing, human resources and financial (including credit control operations); and
- (5) any proposed change in strategic directions.

---

## **5. Actions for advice or noting**

- 5.1 The following should be reported to the Board or appropriate Board Committee for advising or noting:
- (1) bad debts in excess of 90 days;
  - (2) any potential legal action against the Company;
  - (3) all insurance matters;
  - (4) any non-routine financial claim against the Company;
  - (5) the purchase of any assets or capital expenditure exceeding \$10,000 (for an individual transaction) or leasing of any equipment exceeding \$10,000 in value (for an individual item); and
  - (6) all important business activities and matters, and all recognisable risks.

## **6. Execution of Documents**

- 6.1 The procedure for the execution of Company documents is as follows:
- (1) all contracts, documents and written obligations executed by the Company, which exceed management's delegated authority, must be signed by either two directors or a director and the company secretary and on behalf of the Company and formally recorded and reported to the Board;
  - (2) any document executed under the signatures of two directors is not required to be witnessed by an independent person;
  - (3) any other contract, document or written obligation within delegated authority levels of the executive managers must be executed for and on behalf of the Company by the relevant executive and must be formally recorded and reported to the Board. In such instances an independent person must witness signatures of the delegated authority;
  - (4) a detailed report on all of the above document executions must be presented to the Board each month.

## **7. Delegated Authority for Cheque Signing and Funds Transfer**

- 7.1 The Company will nominate authorised signatories for cheque signing and authorising the transfer of Company funds.
- 7.2 The authorised signatories carry out their obligations on the understanding that they share in the responsibility for the payment or transfer made.

- 
- 7.3 An authorised signatory should have a clear understanding of the payment or transfer being made and is obliged to question any invoice or payment/transfer that appears to be abnormal or without sufficient authorisation.
- 7.4 The following officers are authorised under this delegation to sign cheques or transfer funds as required (ie. authorised signatories for the operation of all company bank accounts):
- (1) The Executive Directors;
  - (2) the Chief Financial Officer
  - (3) the Company Secretary;
  - (4) the General Manager – Finance
  - (5) the Financial Accountants; and
  - (6) the Company Accountant;
- 7.5 Any two as listed above, are signatories are authorised on behalf of the Company to sign cheques [or to transfer the funds of the Company] and such signatories must always sign jointly.

## **8. Board Relationship with Management**

- 8.1 Directors are entitled to request additional information at any time where they consider it appropriate.
- 8.2 The Board may meet from time to time without the presence of those having delegated authority.
- 8.3 This policy is reviewed by the Board at least annually.

Dated: 28 September 2009