



HeartWare Limited

ACN 111 970 257

Delegation of Authority

(Consolidated as at 16 September 2005)

HeartWare Limited Delegation of Authority Policy

1. Overview

The Delegation of Authority Policy sets out the matters specifically reserved for determination by the Board of Directors of HeartWare Limited (“HeartWare” or “the Company”), and those matters delegated to management.

2. Matters Reserved for the Board

The matters specifically reserved for the Board under the Delegation of Authority Policy include:

- (a) decisions about Company strategy and policies as well as matters involving amounts over specified limits (which varies depending upon the nature of the transaction);
- (b) setting major capital expenditure, acquisitions, divestments and funding arrangements;
- (c) setting the various internal controls and reporting framework for the management of the risks inherent in the Company’s operations;
- (d) setting of discretionary financial and related operating limits for management;
- (e) establishing and determining the powers and functions of the committees of the Board.

In addition to the above, the Board also has authority for succession planning for the Chief Executive Officer and Chief Financial Officer.

The Board reserves to itself all matters with the potential to have a material impact on the reputation of the Company.

3. Delegation to Management

All matters not specifically reserved for the Board and necessary for the day to day management of the Company are delegated to management. Executive management can sub-delegate authority where appropriate. Guidelines have been developed and approved by the Board on management delegated authority limits.

4. Reporting to the Board

As part of the framework set up by the Delegation of Authority Policy, management is required to report regularly to the Board concerning the authority exercised and matters which come, or may come within, the scope of the matters reserved for the Board. The reports cover a range of matters, including sub-delegations, litigation activity, intellectual property, technical matters, financial performance and risk management.

5. Budgets

An important aspect of the delegation process includes the role played by budgets and budget approval. It is important to note that budgets do not carry status unless approved by the Board. Budgeted and unbudgeted expenditure shall be dealt with in the manner specified in the Company’s Operational Policy (as amended from time to time).

[Approved by the Board of Directors of HeartWare Limited on 16 September 2005.]