

AUTHORITY DELEGATIONS POLICY

1. PURPOSE

The purpose of this document is to specify the policy and processes that apply in relation to the issue and use of Authority Delegations across the Service Stream Group.

2. SCOPE

This policy operates under a regime whereby the Board has approved Reserved Powers that set out the matters specifically reserved for determination by the Board. All matters not specifically reserved for the Board and which are necessary for the day to day management of the Group are therefore delegated by the Board to the Managing Director. This Authority Delegations Policy provides for the Managing Director to sub-delegate his/her authorities to Executives and other responsible staff, and for them to be systematically adopted across the Group.

3. APPLIES TO

This policy applies to the activities of each Business Unit and Corporate Function.

4. DEFINITIONS

Board	The Board of Directors of Service Stream Limited
Audit & Risk Committee	A committee of the Board
Group	Service Stream Limited and its controlled entities
Managing Director	Managing Director of the Group
Executives	Direct reports of the MD
CFO	Chief Financial Officer
Business Unit	One of the Group's operating units eg. Fixed Communications, Mobile Communications, Energy and Water
Corporate Function	One of the Group's support service units eg. Finance, HR, IT
Delegate	A Group employee who is assigned an authority delegation under this policy
Delegations	One or both of: Authority Delegations – Operational Authority Delegations - Financial, Legal & External Affairs
Authorities Delegations Matrix	A prescribed and particular format that is used to define the capacities and amounts that comprise authority delegations

5. RESPONSIBILITIES

5.1. Board

The Board is responsible for determining its Reserved Powers, and reviewing and endorsing this policy and any subsequent changes of the policy.

5.2. Managing Director

The Managing Director is responsible for approving this policy and any subsequent changes.

5.3. Chief Financial Officer

The Chief Financial Officer is responsible for the development and ongoing evaluation of the policy.

5.4. Company Secretary

The Company Secretary is responsible for implementing and ensuring the practical application of authority delegations across the Group. This includes:

- ▶ Periodically reviewing the currency of delegations and prompting Executives and managers in the Group to review and/or re-issue their delegations if they have become out-of-date or have otherwise lost their relevance.
- ▶ Ensuring that the details of both permanent and temporary authority delegations are made available in a timely and effective manner to those in the Group responsible for originating or processing transactions.
- ▶ Ensuring that, where work-flow processes within IT systems facilitate the on-line approval of certain transactions, that the Group's framework of delegated authorities are properly and accurately represented in those IT systems.
- ▶ Promulgating and generally promoting the requirements of this policy.

5.5. Transaction Originators

The originator of any transaction covered by the scope of this policy is responsible for obtaining the necessary approvals prior to any commitment being made to the transaction.

5.6. Transaction Processing

Employees responsible for processing transactions are responsible for ensuring that the transactions have been properly approved.

Employees responsible for processing transactions are therefore responsible for familiarising themselves with the authority delegations that apply for relevant transaction types and the authority delegations that are held by Executives and responsible staff.

5.7. Delegates

Delegates are responsible for ensuring that transactions that they approve are essential to the achievement of the Group's objectives and business plan, represent the best possible commercial outcome for the Group, and are in accordance with the relevant Group policies and procedures. Delegates are accountable for the bona fides of the transactions that they approve.

5.8. Transaction Originators

The originator of any transaction covered by the scope of this policy is responsible for obtaining the necessary approvals prior to any commitment being made to the transaction.

A transaction originator may have the necessary delegation to approve the transaction himself/herself. If not, the transaction originator should refer the transaction higher up the delegation line to a more senior manager or Executive with the necessary approval authority.

6. POLICY

The approval of a transaction in accordance with this policy should occur:

1. **prior to commitment** to the transaction; and
2. separately **prior to payment** where relevant.

6.1. Approval Prior to Commitment

Transactions that commit or potentially commit the Group to a financial or legal obligation must always be approved by a Delegate in accordance with this policy prior to initiation of the transaction.

Documentary evidence of approval should always be retained by the business. Verbal approval of a transaction is not permitted as regular practice and must be restricted to emergency situations only. Where verbal approval is required under emergency circumstances, such approval must be within permitted delegations and documented confirmation should be provided by the Delegate as soon as practically possible thereafter.

6.2. Approval Prior to Payment

Certain types of transactions (eg. the purchase of goods or services) will require a payment to be made by Service Stream subsequent to making the commitment. Before such a payment can be approved, it is necessary to ensure that the goods or services were received in accordance with the requisition, that the quality of the goods or services was in line with expectations, that the amount charged was as agreed, and generally that there is no reason to withhold the payment from the supplier.

In most cases, the Accounts Payable process will require a Delegate to approve a supplier's invoice before it can be paid. In certain cases, a supplier's invoice may not need to be approved for payment by a Delegate. An example of the latter might be where integrated Purchasing and Accounts Payable systems operate on the basis of on-line acknowledgement of the requisite goods receipt by approved stores personnel.

6.3. Application of a Signature

Where a Delegate is required to apply a signature to evidence approval of a transaction, the signature must be manually applied and the name and position title of the Delegate must be legibly printed or otherwise applied (eg. via a stamp) adjacent to the signature.

6.4. Scope of a Delegate's Authority

As general rule, the scope of a Delegate's authority will be limited to the area of responsibility of the Delegate whether that be a particular Business Unit, division, project, overhead function, or individual profit or cost centre.

7. DELEGATION PROCESS

The delegation process commences with the Managing Director noting the authorities that he/she holds for each relevant transaction type as a consequence of the Board's Reserved Powers Policy.

The Managing Director may delegate his/her authorities to any or all of the Group's Executives in an amount and at a time that the Managing Director sees fit. Subsequently, but subject to the extent permitted:

- ▶ Executives may sub-delegate their authorities to any or all of their direct reports as they see fit; and
- ▶ direct reports may further sub-delegate to their staff as they see fit and so on.

7.1. Authority Delegations Matrix

The Authority Delegations Matrix is a mandatory prescribed format to be used in connection with the issuance of authority delegations. There is a separate Authority Delegations Matrix for transactions relating to each of:

- ▶ Operational matters; and
- ▶ Finance, Legal & External Affairs matters

7.2. Limitations and general principles of delegation

- ▶ Authority delegations are issued to a **position**, and are held by an individual by virtue of their incumbency. Delegations do not transfer with the incumbent should he/she move to another role in the Group.
- ▶ Delegates must sign and submit an Authority Delegation Acknowledgement and Sample Signature Form in accordance with the requirements of this Policy in order for their authority delegations to take effect.
- ▶ Delegates may not sub-delegate more than 80% of any authority delegation capacity that they hold except where that capacity is designated as being "unlimited", in which case, all of the capacity may be sub-delegated if deemed appropriate.
- ▶ Delegates may not issue a sub-delegation of their authorities unless they have been designated as being authorised to do so.

- ▶ Delegates must communicate their sub-delegations by completing an Authority Delegations Matrix, and by forwarding this (along with evidence of approval) to the Company Secretary who is responsible for making it available to all relevant staff.
- ▶ Each Authority Delegations Matrix must be approved by the issuer and be endorsed by the issuer's manager.

8. TEMPORARY REASSIGNMENT OF AUTHORITY DELEGATIONS

Delegates may temporarily reassign any or all of their delegations to a nominated colleague of appropriate seniority and qualification to maintain the operational effectiveness of the business during a period where the Delegate is unable to carry out his/her normal duties due to absences such as extended travel or leave. Where a temporary reassignment has not occurred, the approval of the next higher Delegate must be obtained

Temporary reassignments of authority delegations must be in writing and set out the following details:

- ▶ the period of time for which the reassignment or modification shall apply, the reason for the temporary reassignment, and the specific delegation capacities which are being reassigned (which may be all); and
- ▶ be advised to all relevant staff including but not limited to those staff responsible for processing transactions that may be approved by the temporary Delegate including Accounts Payable and Payroll.

The '*Temporary Reassignment of Delegation of Authority*' memorandum available on the *Insurance, Group Risk & Governance* Intranet page to facilitate the above notification.

Temporary reassignment of delegations is normally limited to a maximum period of 6 weeks. Approval of a temporary reassignment of delegations is required by an Executive where the applicable period is greater than 6 weeks or where the reassignment is due to workload.

9. POLICY MATTERS

9.1. Interpretation of Policy

Any uncertainties in the application or interpretation of the authority delegations should be referred to your manager or to the Company Secretary for advice. This policy is also to be read in conjunction with the Human Resources Authorities, however, in the event of a specific conflict, this policy and the authority delegations used with it takes precedence.

9.2. Multiple Approvals

Where an approval is required by a Delegate more senior to the transaction originator, then the recommendation for approval must be endorsed by all levels up to and including the ultimate Delegate.

10. RELATED DOCUMENTS

- ▶ CCD-F-POL-2118 Reserved Powers Policy
- ▶ CCD-F-FRM-2119 Authority Delegation Matrix - Operational

- ▶ CCD-F-FRM-2120 Authority Delegation Matrix - Financial, Banking, Legal & Regulatory Affairs
- ▶ CCD-F-FRM-2121 Authority Delegation Acknowledgement and Sample Signature Form
- ▶ CCD-H-POL-0031 Human Resources Authorities

11. REVISION HISTORY

Ver.	Issued	Description of changes	Author
1	13/07/11	First Release	Bob Grant
1.1	30/6/13	Second Release- Update	Bob Grant
1.2	17/12/14	Third Release – Update	Vicki Letcher
1.3	Xx/xx/xx	Fourth Release – Update	Vicki Letcher

APPROVED BY THE BOARD 10/12/2018