



Delegations of Authority Policy

Brief description

This Policy outlines the Board's delegation of authority to the CEO and the principles that apply to all delegations of authority.

Document information

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If you require any further information, please contact the Custodian.

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The current version of this Policy is available on GPC's Intranet.

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1 Terms and definitions

In this Policy:

“**Total Value**” means the total value of a commitment, including the aggregate of the original transaction value, any variations (scope of work or time period such as options within contracts for extensions e.g. 3+1+1 term) and contingency. It excludes GST.

Terms that are capitalised and not otherwise defined in this Policy are defined in the GPC Corporate Glossary Instruction (as listed in Appendix 1 – Related documents).

2 Introduction

2.1 Purpose

The purpose of this Policy is to define the principles informing GPC’s delegation of corporate authority and identify the matters delegated by the Board to the CEO.

2.2 Scope

This Policy applies to GPC, its wholly owned subsidiaries and controlled entities.

This Policy delegates specified parts of the Board’s authority to the CEO. Further delegations determined by the CEO are identified in the Delegated Authority Specification.

Delegations and limits of authority in this Policy prevail over any inconsistent delegations or limits of authority in other GPC Policies, Standards, Procedures or employee descriptions.

The Board’s role, responsibilities and delegations of oversight matters to its members and committees are set out in the Board Charter.

2.3 Objectives

This Policy is designed to ensure that:

- (a) GPC can operate effectively and efficiently, with appropriate oversight by the Board; and
- (b) GPC complies with the requirements of the *Corporations Act 2001* (Cth), *Financial Accountability Act 2009* (Qld), *Government Owned Corporations Act 1993* (Qld) and GPC Constitution.

3 Commitments

Delegations of authority should be appropriate to enable position holders to carry out their functions while ensuring sufficient oversight by their managers and the Board.

The following principles govern all delegations of authority:

Legal context

- (a) GPC’s business must be managed by or under the direction of the Board.
- (b) The Board may, by formal resolution, delegate certain powers and authorities. (In addition to the standing delegations in this or other Policies, the Board may delegate the exercise of its power and authority on a case by case basis for a particular purpose, subject to appropriate conditions.)

- (c) The Board remains accountable for matters where it has delegated authority, and must maintain a framework of internal control over all delegates.

Delegations

- (d) Unless a delegation of authority applies, no person has any individual authority to commit GPC to obligations (including making any representations or agreements with suppliers, customers, employees or other parties).
- (e) Authorities are delegated to a position and not a person and extend to any person acting in that position (unless otherwise specified).
- (f) Delegates are bound by the authority limits set out in the relevant delegation. Any action by a delegate must be within the limits of the delegation.
- (g) Financial limits to authorities apply to the Total Value of the commitment. Delegates must not split transactions to allow a lower financial limit to be used, and the relevant approval must always be sought for the Total Value of the expenditure.
- (h) If there is ambiguity about which delegated authority applies, delegates must adopt a conservative approach, by exercising the lowest level of delegated authority that may apply.

Restrictions on exercising delegated authority

- (i) Delegates must exercise their authority subject to and in accordance with the law and GPC's Policies, Standards and Procedures.
- (j) Delegates must exercise their authority with due regard to budget constraints.
- (k) Delegates must exercise their authority within their area of organisational responsibility.
- (l) Delegates must not accept or exercise delegated authority if it creates any actual, potential or perceived conflict of interest or results in any personal benefit to them.

4 Implementation framework

4.1 Delegation to the CEO

All matters that are necessary for the day to day management of GPC are delegated to the CEO, subject to:

- (a) a financial limit on the Total Value of any capital or operating expenditure commitment between \$2 million and \$5 million (together with the CFO);
- (b) a financial limit on the "business as usual" Total Accumulated Value of any Standing Offer Arrangement (SOA)* contract for the term of the agreement between \$2 million and \$10 million (together with the CFO);
- (c) matters specifically reserved for the Board in Appendix 2 of the Board Charter;
- (d) matters specifically delegated by the Board to another person for a particular purpose; and
- (e) the requirements of GPC's Policies, Standards, Procedures and Board resolutions.
- SOA arrangements are created for business as usual and ongoing operational needs in which each project, procurement or request for the service, product or goods are subject to the approval limits authorised in the Delegated Authority Specification and Position Authority Guide Instruction to allow operations to continue with

individual approval values on each project that will accumulate a total value in excess of authorised levels for specific project value. Under Procure to Pay framework, SOA purchase order value is limited to a maximum of \$500,000 for any one project unless otherwise approved by CEO. The SOA facilities will not remove the requirement for individual contracts for specific capital or special project delivery subject to the approval limits in (a) above.

Any commitment greater than \$5 million in Total Value or otherwise not included in this delegation must be authorised by the Board.

(The matters delegated to the CEO include GPC's powers as an "assessment manager" under the *Planning Act 2016* (Qld), which may be further delegated to an appropriate person within GPC.)

4.2 Further delegation by the CEO

The Board authorises the CEO to delegate their powers and authority in accordance with the principles of this Policy. (These delegations are in the Delegated Authority Specification.)

4.3 Matters reserved for approval by shareholding Ministers

All commitments with a monetary value over:

- (a) \$10 million must be notified to GPC's shareholding Ministers; and
- (b) \$30 million must be approved by GPC's shareholding Ministers.

Any transaction that will result in:

- (a) a company becoming a subsidiary or ceasing to be a subsidiary of GPC (GOC Act s 140); or
- (b) GPC or a subsidiary accepting or retiring from appointment as a trustee of a trust (GOC Act ss 141-142),

requires prior written approval of the shareholding Ministers.

4.4 Ministerial approval for dealing in real property

GPC and its subsidiaries must not:

- (a) dispose of freehold land; or
- (b) enter into a lease, licence or other form of tenure of its strategic port land or port facilities for longer than twenty five years (including any renewal option),

without the written approval of the Minister for Transport and Main Roads (*Transport Infrastructure Act 1994* (Qld) s 288).

5 Monitoring and review

The GPC Board has ultimate accountability for the Delegations of Authority Policy.

The Chief Executive Officer must ensure that:

- (a) the financial commitments of GPC are executed within the scope of delegated authorities;
- (b) GPC's systems of internal control adequately manage and monitor the implementation and operation of delegated authorities;

- (c) the delegations of authority achieve the objectives of authority delegation and proper financial control; and
- (d) the limits of authority detailed in this Policy and the Delegated Authority Specification remain appropriate as GPC's circumstances change.

Any breach of a delegate's authority limit must be reported to the CEO, CFO and Company Secretary.

Any breach that exceeds the CEO's delegated authority must be reported to the Board.

6 Appendices

6.1 Appendix 1 – Related documents

(a) Gladstone Ports Corporation documents

The following documents relate to this Policy:

| Type | Document number and title |
|--|---|
| Tier 1: Policy | #174070 Conflicts of Interest Policy |
| Tier 2: Standard/Strategy | N/A |
| Tier 3: Specification/ Procedure/Plan | #1641103 Delegated Authority Specification #1447372 Conflicts of Interest Procedure #1765746 Counterparty Risk Assessment Procedure |
| Tier 4: Instruction/Form/ Template/Checklist | #1646940 Position Authority Guide Instruction #1641104 Authority Sub-delegation Form #1695690 Payment System Authority Level Instruction #1621179 GPC Corporate Glossary Instruction |
| Other | #159390 Board Charter |

6.2 Appendix 2 – Revision history

| Revision date | Revision description | Author | Endorsed by | Approved by |
|---------------|---|---|---|--------------------|
| 30/06/20 | Review in accordance with Governance Documentation Framework Standard and legal review by Herbert Smith Freehills | Mariette Lansdell, Deputy Company Secretary | Rufus Gandhi, General Counsel and Company Secretary | Craig Walker, ACEO |

| Revision date | Revision description | Author | Endorsed by | Approved by |
|---------------|--|--|---|-------------|
| 15/06/22 | v6– Replaced General Counsel role with Company Secretary, and amended 'Total Value' definition | Jay Griffith, Risk Management and Compliance Advisor | Mariette Lansdell, Deputy Company Secretary, Jenelle Druce, A/Chief Financial Officer | Board |