

Delegation of Authority



++ + Policy Statement

+ This policy describes how the Stanwell Corporation Limited ('Stanwell') Board and the Chief Executive Officer ('CEO') delegates authority to employees. It is in accordance with the *Corporations Act 2001*.

+ Scope

This policy is limited to the authorities that the Stanwell Board delegates to the CEO. It does not describe the obligations of the Board or Board sub-committees.

Objectives

To protect Stanwell's business and its value to the Shareholder using a policy framework that ensures employees exercise the required judgement and make decisions appropriate to their level of authority and within their area of control.

Policy Outline

The Stanwell Board delegates financial authority as set out below to the CEO. The CEO in turn determines the level of delegated authority for Senior Executives and other employees of the company.

The Stanwell Board will allow employees to effectively fulfil their duties, responsibilities, and accountabilities, while ensuring that appropriate levels of control are maintained.

The Board must approve all changes to the CEO's delegated authority and the CEO must approve all changes to the level of delegated authority to Senior Executives and other employees of the company.

A delegation is attached to a position and not to an individual.

A delegation can be provided to a contractor working in an approved position.

An individual who temporarily fills a more senior position will normally also assume the delegated financial authority of that senior position. Approval to assume the higher financial delegation must be given in writing or by email by their supervisor.

Where the Board exercises its authority to approve a specific project for a specific value, there is no further requirement to seek Board approval for particular expenditure under that project. Management will undertake due diligence in carrying out the Board's resolution to incur the project expenditure but this does not constitute the exercise of delegated financial authority as that has already been provided by the Board. Notwithstanding that the Board may have already approved the expenditure, managerial authority in giving effect to the decision will be exercised by the delegated financial authority closest to the expenditure amount to be incurred. For example, a contract of \$3M under a Board approved project of \$11M would (after appropriate managerial due diligence) be executed into the electronic procure to pay system by the CEO.

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Accordingly, the structure for delegated financial authorities adopted by the Corporation is:

Instrument	Limitation
(a) By resolution of the Board to the CEO: <ul style="list-style-type: none"> (i) in connection with all aspects of Stanwell's business and operations, except as otherwise detailed in this policy, to the extent it is: <ul style="list-style-type: none"> ▪ within the Board Approved Budget ▪ outside of the Board Approved Budget <p>Where the aggregate of out of budget approvals exceeds 10% of total budgeted annual operating expenditure excluding Energy Inputs, a revised budget will be submitted to the Board for approval.</p> <p>In determining the level of operating expenditure that is within the Board Approved Budget, costs will be aggregated to Cost Centre level. Capital projects are required to be included in the Board Approved Budget as individual line items where the capital cost exceeds \$100,000.</p>	\$5M \$1M
(ii) in connection with the spot-purchase of fuel	\$10M
(iii) Counterparty Credit Limit	Trading Policy
(b) Where out of budget expenditure has to be incurred urgently as a result of a forced outage or a business related emergency and the expenditure exceeds \$1M, the Chairman and the CEO can approve said expenditure to a maximum of \$5M. This approval will require subsequent Board ratification.	
(c) As delegated by the CEO to Senior Executives and Other Employees	As per Delegations of Authority Procedure

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Responsibilities

The Board

The Stanwell Board delegates certain authority to the CEO.

Chief Executive Officer

CEO delegates authority to employees within the company.

Chief Finance Officer

Chief Finance Officer ('CFO') ensures that delegation of authority is performed in accordance with policy. Compliance will be determined through the performance of an audit function.

Financial Delegates

Financial Delegates are employees (or approved contractors) of Stanwell who must execute authorisations in full compliance with corporate policies and only execute them for expenditure that they have control over or for line management responsibility where they hold a more senior position in their team or department structure than the employee making the request. They must ensure that they fully understand the nature and implications of all expenditures to be authorised.

The delegation of authority to first reports may be extended to Project Managers where there is a project cost budget, to the limit of their general delegation at the discretion of General Managers.

Communication Plan

At a minimum, this policy and any subsequent updates are communicated via email to the entire corporation. Additional communication may be coordinated by the policy owner.

This policy is available electronically in Hummingbird.

Review

This policy will be reviewed annually.

Links and References

[HB#745350: Delegation of Authority Procedure](#)