

Delegated Authority Policy

1. General

The Board of Directors of Ports of Auckland Limited (POAL) has the overall legal responsibility for all decision making within POAL and its subsidiary companies (the Group). That responsibility is, in part, delegated to the Chief Executive Officer. The Board has agreed that the Chief Executive Officer may sub-delegate to other levels of management certain operational and financial decisions. The limits of the delegated and sub-delegated authorities are set out in the Manual of Delegated Authorities. Any sub-delegation does not absolve, diminish or otherwise replace the direct delegation from the Board to the Chief Executive Officer.

The Manual sets out the limits to the authorities of the sub-delegatees. Nothing in these authorities is intended to detract from the requirement that all the operations of the Group are conducted in accordance with all applicable laws and regulations and within POAL policies and procedures as specified from time to time, and in accordance with international best practice.

The Manual is an evolving document, receiving regular reviews and changing where necessary to reflect changes within the organisation. Changes to the **Manual of Authorities** can only be made by the Company Secretary following authorisation from the Chief Executive Officer. Changes to this **Policy** can only be made by the Company Secretary following authorisation from the Board.

2. Scope

2.1 General

The authorities delegated in this document apply only to areas within the control of the role specified.

In general the greater the commitment (in terms of resources or time) by the organisation, the more senior the approval level required. Similarly, the more unusual the transaction, the more senior the approval level. Managers to whom the Board delegate authority have an obligation to operate within the agreed Annual Budget.

2.2 Annual Budget

Each year POAL prepares a Business Plan and Budget for the forthcoming financial year. The financial components of that plan must be managed in accordance with these delegated authorities. Unless specified in the Manual of Authorities there is no authority to commit to or make payments unless they are included in the Budget.

2.3 Approved Capex Budget

The Annual Budget will include an annual capex budget. Inclusion of an item in the year of approval capex budget does not mean approval to spend. All capital items must follow the prescribed justification and approval process.

2.4 Coverage During Leave

The Chief Executive Officer is required to make arrangements, approved by the Chairman, for exercising the authorities delegated to him during any absence from work.

Any individual holding delegated authority should consider if a temporary sub-delegation is necessary to cover their absence from work. Any temporary sub delegation can only be to a higher or equal level, or to a direct report, must be approved by the delegator's manager, and must be put in place before the absence. Sub delegation can only be exercised to cover an absence (leave, business travel) and not as a means to transfer accountability or responsibility.

2.5 Line and Staff Accountabilities

In a number of instances while the authority rests with the Line Manager, mandatory consultation with a staff function, eg Human Resources or Finance is required.

2.6 Uncertainty in Delegation

If there is any uncertainty as to which delegations apply, it should be discussed with the Group Financial Controller, Company Secretary, or a higher level of delegation.

2.7 Personal Benefit

No persons or group of persons may exercise a delegated authority on behalf of the company if they stand to gain personally from the transaction or if they have some other conflict of interest.

2.8 Changes to Delegations

The Delegated Authority should not be seen as restrictive but as a means of providing clarity and certainty. Changes to the Chief Executive Officer's delegation require Board approval. The Chief Executive Officer may amend all other delegations. If it is felt that a delegation is too restrictive suggestions for change should be made via the Company Secretary.

2.9 Full Understanding

For a full understanding of the delegations, this document must be read in conjunction with the relevant policy (eg Treasury or Capex policy).

2.10 Contractors

Where contractors are used within the organisation structure, any delegations given to that contractor must be conveyed in writing at the outset of the contract.

2.11 Management Levels

A structure has been developed to group delegated authorities at different levels. The Delegated Authority Limits organisation chart identifies which positions are in each level. The levels are applied only to those authorities within the delegatee's functional area.

2.12 Currency

All authority levels are in New Zealand Dollars and are expressed exclusive of GST. Employees are authorised to spend in the foreign currency equivalent up to their limit converted at the exchange rate on the day the commitment is made.

2.13 Review

Policy to be reviewed and endorsed by the Board annually.

Approved by the Board 17 August 2018