

Policy governing the delegation of authority and authority limits

Navitas Limited
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Document

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Policy governing the delegation of authority and authority limits



1. Introduction

- 1.1 This policy sets out the authority limits for entering into contracts, commitments and appropriating company assets in the course of conducting company business as well as the requirements for the delegation of those authority limits.
- 1.2 This policy was adopted by the Board of Directors of the Company on 31 July 2007. It was reviewed on 4 August 2008, 17 & 24 March 2009, 1 July 2016 and 13 September 2017.
- 1.3 The following definitions apply to this Policy:
- (1) **Board** means the board of Directors of Navitas Limited;
 - (2) **Company** or **Navitas** means Navitas Limited;
 - (3) **Director** means a Director of the Company from time to time;
 - (4) **Entity** means a Division, Business Unit or Group Function within the Navitas Group;
 - (5) **Level 1** means a position that reports to the Group Chief Executive Officer and Managing Director;
 - (6) **Level 2** means a position that reports to a Level 1 position;
 - (7) **Level 3** means a position that reports to a Level 2 position;
 - (8) **Navitas Group** means the Company and all wholly owned subsidiaries; and
 - (9) **Policy** means this policy governing the delegation of authority and authority limits.

2. Objective

- 2.1 Authorisation limits and their delegations within the Navitas Group help to ensure consistent good business practice and corporate governance across all divisions of the Navitas Group thereby aligning objectives and procedures followed as well as safeguarding company assets.
- 2.2 The principal objectives of the Policy are to establish:
- (1) authority limits appropriate to empower management to be able to act effectively and make key decisions in relation to the Navitas Group;
 - (2) authority limits for entering into contracts, commitments and appropriating company assets in the course of conducting company business; and
 - (3) the requirements for the delegation of those authority limits.
- 2.3 This document serves as a single point of reference for the Navitas Group's authority limits. This Policy does not replace other specific policies in relation to the procedures to be followed for particular types of activities and should be read in conjunction with these other policies.
- 2.4 All staff members are expected to understand their authorisation limits, as well as those of their direct reports, along with related policies, and to exercise a duty of care with respect to decisions made and commitments and contracts entered into on behalf of the Navitas Group.

3. Application of the Policy

The Policy is applicable to all the employees and contractors (where applicable) of the Navitas Group.

4. Policy Review and Compliance

- 4.1 The Policy custodian is the Company Secretary and Group General Counsel of Navitas. The custodian is responsible for allocating resources from time to time to review the efficacy of the Policy in the Navitas Group environment.
- 4.2 The Policy will at minimum be reviewed and re-issued on an annual basis.
- 4.3 Compliance with the Policy will be audited periodically as part of the Navitas Group internal audit plan.
- 4.4 All employees are required to be aware of and work within their authority limits. Managers must also ensure their direct reports are acting within the bounds of the Policy. Non-compliance with the Policy may result in disciplinary action.

5. General Principles

- 5.1 Transactions for non-Australian entities should be translated into Australian Dollars on the day of authorisation in order to ascertain the appropriate authorisation level in the Policy that is applicable.
- 5.2 An individual may not act as if they had authority where they have no authority or where a transaction exceeds the individual's level of authority.
- 5.3 Where an individual's authority limit is exceeded by a single transaction escalation to the next level is to occur. In certain circumstances, such as large and/or unusual transactions, proper execution may require the approval of more than one company officer.
- 5.4 Delegations are attached to the position occupied not to the occupant of the position. The responsibilities of a position appear in a role description appropriate to the position.
- 5.5 There are 4 levels of delegation starting with the Navitas Board. Following the Board, the Group Chief Executive Officer and Managing Director of Navitas has the greatest authority followed by Levels 1, 2 and 3.
- 5.6 The Group Chief Executive Officer and Managing Director will review the assigned delegation levels on an annual basis.
- 5.7 Sub-delegation
 - (1) Where an individual has been appointed into a position temporarily, that is in an "acting" capacity, the delegation levels applicable to the position in which the individual is acting will automatically be sub-delegated to that individual as authority resides in the position.
 - (2) Sub-delegation on a temporary basis is appropriate in circumstances where the individual normally responsible is absent for a period of less than four weeks.
 - (3) Sub-delegation requires written authority from either the individual with the power being delegated or from an individual holding a position senior to that of the person whose authority is to be sub-delegated.
 - (4) Delegation authority cannot be sub-delegated to contractors or temporary staff members.
 - (5) A delegate who sub-delegates authority remains responsible and accountable for any decisions or actions taken by the delegate.
- 5.8 Practices that undermine the intention of the Policy are expressly prohibited. Such practices include:
 - (1) Splitting large orders into smaller parts to override authorisation limits;

- (2) Entering a purchase order for either goods or services that is knowingly insufficient for completion of the work required or goods ordered; and
- (3) A delegate's power cannot be exercised where the individual with the power of delegation has a real and/or perceived conflict of interest.

5.9 Where goods or services are to be purchased for more than one member of the Navitas Group (that is a purchase across the group), it is the total cost of the purchase for the whole group that is to be authorised. This principle of aggregation should be applied whenever a single purchase forms part of a greater contract or purchase.

6. Related Party Transactions and Conflict of Interest

- 6.1 All transactions entered into on behalf of the Navitas Group must be at arm's length.
- 6.2 Where a transaction is to take place between two entities within the Navitas Group both entities are to treat each other as though they were external to the Navitas Group.
- 6.3 Care should be taken where contracting parties are, or could be seen to be related to the contracting individual. In such instances, conflict of interest issues must be brought to the attention of the individual's manager who should document the details of the relationship and the action decided to be taken to avoid actual or perceived conflict of interest.
- 6.4 Where any doubt as to conflict of interest exists, authority for approval of the transaction should be escalated to the next authority level.

7. Procedures governing the delegation of authority and authority limits

- 7.1 The detailed procedures relating to this Policy should be read in conjunction with this Policy.