

1 PURPOSE

This Board Delegation of Authority Framework and Policy (**Board DOA**) sets out a framework to establish standards of accountability and responsibility when making decisions of both a financial and non-financial nature relevant to SunWater Limited and its wholly owned subsidiaries. The Policy:

- Identifies matters of a financial and non-financial nature that are reserved to the Board and delegated to the Chairman, Directors, Board Committees, the CEO and Company Secretary (**Schedule 1**);
- Outlines those SunWater Group policies that are the responsibility of the Board (**Schedule 2**); and
- Sets out requirements for limited and appropriate Corporate Entertainment and Hospitality Expenditure (**Schedule 3**).

The Board has delegated the CEO with the ability to sub-delegate various matters of a financial and non-financial nature (unless the delegation given to the CEO is marked “not able to be sub-delegated”) to ensure the day to day management of the business. For authority delegated by the CEO to the Senior Executives and other roles within the business, please refer to the Business Delegations of Authority Policy (**Business DOA**).

2 SCOPE

This Board DOA applies to SunWater Limited (the **Company**) and its wholly owned subsidiaries (**SunWater Group**).

3 ACCOUNTABILITY AND RESPONSIBILITY

The **Board** has ultimate accountability for this Board DOA.

The **CEO** is responsible for ensuring that:

- the operations and financial transactions of the SunWater Group are executed within the scope of the delegated authorities;
- the SunWater Group’s systems of internal controls adequately manage and monitors the implementation and operation of delegated authorities;
- the delegations of authority achieve the objectives of authority delegation and proper financial control; and
- the limits of authority detailed in this Policy remain appropriate as the SunWater Group’s circumstances change.

The **Company Secretary** is responsible for:

- ensuring that there is review of the Board DOA every two years;
- providing guidance and assistance about the application of the Board DOA;
- ensuring any breaches of this Board DOA are investigated and if proved, reported to the Audit and Risk Committee.

Each **Delegate** under the Board DOA and the Business DOA is responsible for exercising their powers and authorities in the best interests of the relevant SunWater Group entity, for a proper purpose and in full

compliance with the Code of Conduct and SunWater Group policies. Delegates must take responsibility for ensuring that they understand the nature and implications of any exercise of their authority.

4 PRINCIPLES OF DELEGATIONS

These principles of delegation apply to all delegations including delegations provided by the CEO in the Business DOA:

1. Certain matters are reserved exclusively for approval by the Board. For clarification:
 - a. where an issue is apparently reserved for Board approval and there is doubt as to the intent of the wording, the presumption is that Board approval is required; and
 - b. references to expenditure thresholds are to be interpreted, where appropriate, to include not only direct outlays but also contingencies and/or other exposures.
2. In addition to the standing delegations in this Policy, or other SunWater Group policies, the Board may delegate the exercise of its power and authority on a case by case basis for a particular purpose and subject to any conditions the Board deems appropriate.
3. All matters not specifically reserved for the board and necessary for the day to day management of the Company are delegated to the CEO, subject to SunWater Group policies or Board resolutions.
4. A Delegate is bound by the delegated authority limits set out in the relevant delegations;
5. Any action taken exercising a delegated authority must be undertaken within the limits of the delegation;
6. The Delegate must not exercise their delegated power and authority if in doing so they would create an actual, perceived or potential conflict of interest;
7. Authority limits apply to the complete transaction and are exclusive of GST. The splitting of transactions to allow a lower financial limit to be used is prohibited;
8. Approval must always be sought for the final value of the total expenditure. If final expenditure exceeds or may exceed a Delegate's authority limits, approval at a higher authority level must be obtained;
9. Delegations (and limits of authority) in this Policy prevail in the event of any inconsistency with delegations (and limits of authority) in other SunWater Group policies and/or employee position descriptions;
10. Unless otherwise specified, powers and authorities are delegated to a position and not to a person;
11. Unless otherwise specified, power and authorities delegated to a position extends to any person acting in that position;
12. The Delegate must exercise their authority subject to and in accordance with the law and the SunWater Group's policies and procedures;
13. A Delegate must not exercise their authority to approve their own personal expenses;

14. The same Delegate may not place the order, receive the goods or services, and/or approve the invoice (segregation of duties);
15. If there is ambiguity as to what delegated limit of authority is applicable, a Delegate must adopt a conservative approach by exercising the lowest level of delegated authority that may apply;
16. If this policy has omitted to specify a delegate who has the authority to execute a particular document, the Delegate who has authority to approve the transaction is taken to also have authority to execute the document that evidences the transaction;
17. Where a position has been delegated authority and the title of that position has been changed or the duties have been transferred to another position, the CEO or EGM can approve that the delegated authority carries through to the replacement position;
18. Where a position has a delegated authority, the managers above that position may also exercise the same authority, except where a particular qualification or other certification must be held by the Delegate and is not held by the manager; and
19. For delegations given to the CEO, the Board acknowledge that there may be instances where the delegated authority is not clear. In these cases, the CEO may make the requisite decision based on the principle that the decision is made in good faith in the best interests of the Company. Where a decision is made on this basis, the CEO will report the decision to the next Board meeting.

5 EMERGENCY DELEGATIONS

Where a matter requires urgent action in order to ensure the safety of individuals, meet regulatory requirements, or preserve the SunWater Group's business continuity (an **emergency**), and it is not reasonably practical to resolve the emergency within existing delegations or convene a Board meeting within any necessary timeframe, then to the extent it is necessary to resolve the emergency and despite reservations or specific delegations in this Policy or any other instrument:

- a. The CEO will use all reasonable endeavours to consult with the Chairman. The Chairman and CEO may jointly approve the exercise of any lawful power or authority of the SunWater Group;
- b. If unable to consult with the Chairman, the CEO may exercise any lawful power or authority of the SunWater Group; or
- c. If the CEO is unavailable in any necessary timeframe, a Senior Executive may act as though they were the CEO for the purposes of this section (following steps a. and b. above).

Powers and authorities delegated under this section only apply to the extent and duration of the emergency.

All Directors will be notified as soon as possible of any exercise of authority under this section and the CEO will report the matter to the next Board meeting. The Board will ratify the exercise of authority under this section. The CEO (and if applicable, Chairman and/or Senior Executive) are accountable for the exercise of authority.

6 POLICY FRAMEWORK

The Board has established the following policy principles to facilitate the development, approval, implementation, monitoring and review of policies and procedures for the SunWater Group.

- a. SunWater’s policies are shaped by legislation, policies applicable to SunWater by reference to shareholding Minister expectations and prudent risk management practices;
- b. Accountability for certain policies are reserved to the Board (**Board Policies**). These are set out in Schedule 2. The Board has discretion to add to or remove a policy listed in Schedule 2;
- c. The CEO is accountable for establishing a Policy and Procedure Framework for the business which is consistent with the overarching Board Policies.

7 BREACHES AND CONSEQUENCES

Where a breach of this Board DOA is suspected, it is to be reported as follows:

- a. If the suspicion includes corrupt conduct – Whistleblower Hotline;
- b. If it involves a Director, the CEO or the Company Secretary - the Board Chairman or Chairman of the Audit & Risk Committee (as appropriate); or
- c. In any other case, to the Company Secretary who will investigate and advise the Audit & Risk Committee of the outcomes of any confirmed breach.

8 REVIEW

This Policy will be submitted to the Board for review at least every two years.

The CEO and Company Secretary may make administrative revisions to this Policy to keep it up to date provided no changes in the nature of the delegation or the authority limit are made.

9 DEFINITIONS

Accompanying Person	means a person travelling with a Director or employee of the Company (who is undertaking employee travel) for purposes other than Official Travel, for example, a partner, spouse or relative of the officer or employee.
Board	The Board of SunWater Limited
Board Approved Budget/Forecast	The more recently approved by the Board of: <ul style="list-style-type: none"> • the budget set out in the Board approved Corporate Plan/Statement of Corporate Intent • a forecast.
CEO	Chief Executive Officer of SunWater Limited
Company	SunWater Limited
Company Secretary	Company Secretary of SunWater Limited

<p>Corporate Entertainment and Hospitality</p>	<p>Entertainment and hospitality offered to corporate customers, key stakeholders and interest groups for clearly identifiable commercial and organisational benefits.</p> <p>Corporate Entertainment and Hospitality does not include the following, undertaken at reasonable times, intervals and cost:</p> <ul style="list-style-type: none"> • expenditure on meals which are incidental to business meetings, workshops / conferences / seminars /training, regardless of whether they are attended by employees or external stakeholders; • genuine team building exercises which demonstrably build towards improved culture or performance; • specific reward and recognition events for genuinely high performance; or • expenditure on meals incurred as part of Official Travel, where the total cost of any occurrence is less than \$5000 and the per head expenditure is less than \$125.
<p>Delegate</p>	<p>any person or entity delegated authority under the Board DOA, the Business DOA, other SunWater Group policies, standards and procedures or any other resolution or instrument (including via sub-delegation).</p>
<p>Delegation of Authority</p>	<p>The assignment of responsibility or authority to the Chairman, Committee, Directors, CEO and Company Secretary and where the context requires, a sub-delegate of the CEO</p>
<p>Official Travel</p>	<p>means travel approved by SunWater for work purposes.</p>
<p>Personnel</p>	<p>employees, consultants or contractors engaged by the SunWater Group or any other person explicitly delegated powers or authority by the Board or CEO.</p>
<p>Project</p>	<p>An expenditure or investment with clearly defined benefits, costs, scope and schedule which is approved and managed as a single entity for the purposes of this Policy. Further approvals for individual transactions within the project approved value are typically not required.</p>
<p>Senior Executive</p>	<p>Member of SunWater Executive Leadership Team</p>
<p>SunWater Group</p>	<p>The Company and its wholly owned subsidiaries</p>

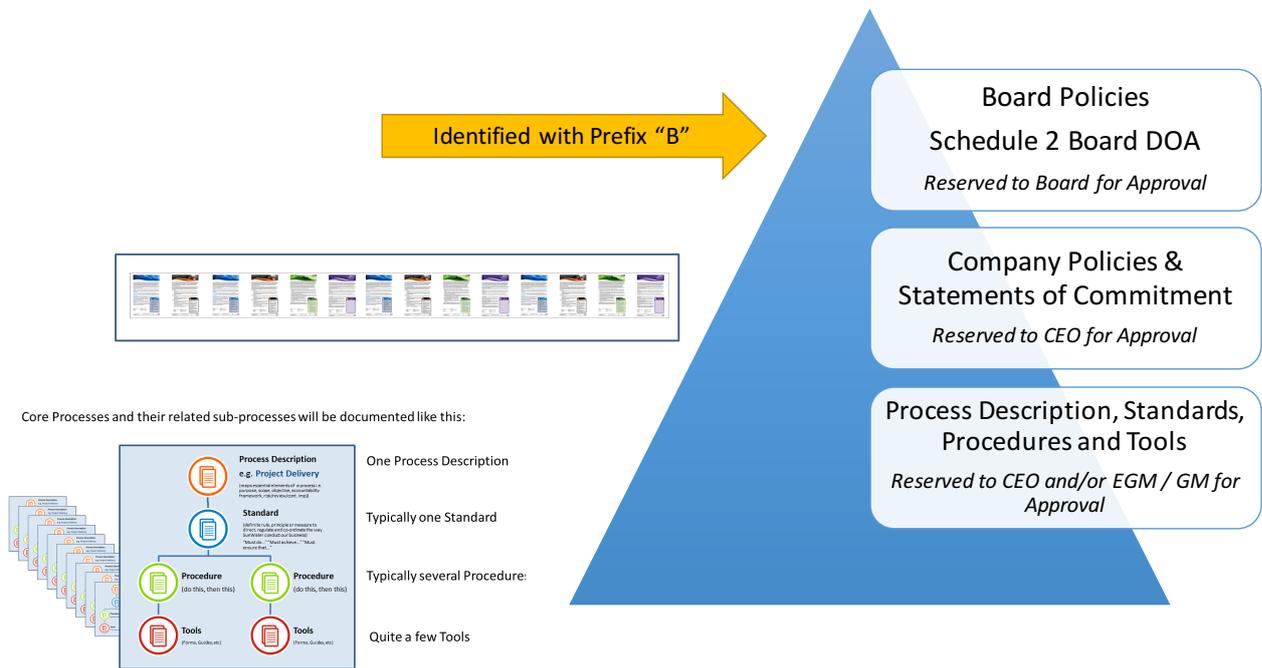
Schedule 1 | Matters reserved to the Board and delegated to Chairman, Committees, Directors, CEO and Company Secretary

COMMERCIAL IN CONFIDENCE

Schedule 2 | Board Policies

Governing Legislation / Regulations
Corporations Act
Government Owned Corporations Act
Any policies applied by the Government to Government Owned Corporations, requiring Board approval

SunWater Policy Approval Framework



Schedule 3 | Guidelines for Corporate Hospitality and Entertainment

Context

These Guidelines have been established by the Board to address the expectations of the *Government Owned Corporations Corporate Entertainment and Hospitality Guidelines*.

These guidelines set out the general expectations of the Board in relation to Corporate Entertainment and Hospitality that shall be taken into account by the CEO and Senior Executives exercising judgement in determining what is appropriate in the context of any specific, approved event.

Purpose

The CEO and Senior Executives approving Corporate Entertainment and Hospitality are to ensure that it is for official purposes and will withstand scrutiny against reasonable community expectations for the expenditure of public monies. Events will be of an appropriate level of decorum and alcohol will only be served where appropriate, in responsible quantities and with consideration of the safety of all attendees.

Recipients and expenditure

Employees will only attend Corporate Entertainment and Hospitality events where they are necessary for advancing the goals of the SunWater Group and will typically be equal or fewer in number than the external guests. External guests will be selected according to their relevance to maintaining key stakeholder relationships, advancing SunWater Group goals or the normal requirements of protocol or reciprocal hospitality.

Corporate Entertainment and Hospitality expenditure will typically not be in excess of **\$125 per person**, unless this is appropriate to the nature and purpose of the hospitality approved in the Statement of Corporate Intent.

Reporting and Records

Corporate Entertainment and Hospitality will be reported to the shareholding Ministers via the Quarterly Scorecard along with a justification of the expenditure and its benefits. Records will be maintained of all persons attending, the organisation they represent and as necessary for accounting and taxation requirements.

Other Hospitality

Entertainment and hospitality is not considered Corporate Entertainment and Hospitality in limited circumstances and where the total cost does not exceed **\$5000**, or **\$75 per person**.