

# ACCORDANT GROUP LIMITED

## DELEGATION OF AUTHORITY (DoA)

### Purpose

The Board of directors is required by section 128 of the Companies Act 1993 to manage, direct, and supervise the business and affairs of the Company, and has all the necessary powers to do so. The Board is permitted by section 130 of the Companies Act to delegate to certain directors, committees of directors and/or employees any one or more of its powers, other than those set out in Schedule 2 to the Companies Act and subject also to the terms of the constitution.

This policy explains the requirements and process for delegation of authority.

Delegation of authority is the assignment to individuals of responsibility and accountability for specific roles and tasks. All employees are responsible for ensuring they understand and comply with the authority delegated to them.

### Overview

#### Background

In line with good corporate governance, the Board has established general principles under which it and management operate to ensure the business is carried out in the best interests of the Company and all stakeholders with proper sharing of responsibilities between directors and management.

To ensure the maintenance of appropriate controls in the management of Accordant Group Limited, the Board has established delegated authorities for the Chief Executive Officer and the executive team to enable them to conduct the business in their area of operation. This delegation of authority continues down via line management to the employees who perform particular aspects of Accordant Group Limited's business.

The type of authority granted depends on the levels of management involved and the particular area of operations. The authorities range from broad strategic business decisions to monetary limits on particular transactions. The further down the structure, the more precise and limited the authorities become. The delegated authority process should allow people to have sufficient authority to complete their business tasks.

#### Amendment and approval

This policy may only be amended with approval from the Board.

#### Definitions

In this policy:

“Board” means the board of directors of Accordant Group Limited.

“Directors” means the directors of Accordant Group Limited.

“Accordant” or “Accordant Group” means Accordant Group Limited and its subsidiaries.

“People” means a delegate i.e., those employees of Accordant Group who are authorised under the DoA (unless otherwise stated) and includes directors and officers.

### Policy

All employees of Accordant Group must exercise their authority in line with the provisions of the Delegated Authorities Matrix.

Authority limits are expressed as the maximum amounts people may commit on behalf of Accordant Group Limited. Authority limits may not be delegated lower than set out in the Delegated Authority Matrix except as specifically stated or otherwise permitted in accordance with this policy.

### **Transfer of authorities in the event of planned absences (e.g., holidays)**

It is the responsibility of the individual to transfer their authority to an appropriate member of his/her team (who is acting in the line manager's position or has equal or higher authority) prior to a planned absence. It should be notified in writing to the person concerned and relevant members of the team and organisation should be informed of the transfer. Where possible, individuals should plan to make urgent payments prior to an absence, with the remainder of transactions being dealt with through transfer of authority.

### **Transfer of authorities in the event of unplanned absences (e.g., sick leave)**

The **delegate's line manager** is responsible to ensure authorities are transferred to an appropriate employee (who is acting in the line manager's position or has equal or higher authority), if required, during the period of unplanned absence. The organization (and the person to whom authority is being temporarily transferred) shall be informed, in writing, of the transfer.

### **Delegation of additional authority over general operating expenditure**

The Delegated Authorities Matrix permits certain people at a lower management levels to be delegated additional authority over general operating expenditure when it is considered necessary to enable those people to effectively fulfil the responsibilities required by their positions. This additional authority may be temporary or permanent.

The request for additional authority over general operating expenditure must be documented in writing and be approved by the Manager that oversees the area of operation to which the person relates. The written request must specify the name of the person to which additional authority over general operating expenditure is being delegated and the effective length of time that the authority is valid.

### **Organisational / departmental changes and delegated authority**

The Delegated Authority Matrix will be updated, with approval of the Board, to include any new positions requiring delegated authority that have been created following a change in organisational or departmental structure. The authority delegated to a new position must be documented in writing and approved by the Manager that oversees the area of operation to which the change relates. The written notice must provide an overview of the new position, including key responsibilities, the delegated authority level of the line manager to which the new position reports and the delegated authority level to be assigned to the new position.

### **Delegated authority general principles**

In exercising a delegated authority to either approve a transaction or execute a document, a delegate must observe the following principles:

- (a) The delegate must exercise their authority subject to and in accordance with the law, Accordant Group's Code of Conduct and Accordant Group policies and procedures;
- (b) In exercising their delegated authority, a delegate must ensure that:
  - i. there is provision in the budget for proposed expenditure or the expenditure is otherwise approved by the Board.
  - ii. delegate expenditure is for a proper purpose in the conduct of the business for Accordant Group.
  - iii. they act in good faith and in the best interests of the Company.
  - iv. they exercise the delegation and duties with due care and skill.
  - v. it does not create a substantial risk of loss to the Company's creditors.
  - vi. it does not incur an obligation that cannot be performed
  - vii. it does not relate to the delegate's own personal expenses or personal interests or the interests of their related parties.

- viii. it is associated with their normal function and area of responsibility.
- ix. judgement should be exercised by the delegate by referring any matter within their delegated authority that should, because of its special nature or materiality, be referred to higher authority.

**Unless an amount has been budgeted, or prior written approval received, it cannot be spent without the approval of one of the CEO, CFO or GM Corporate Services.**

- (c) Under no circumstances should a purchase order/invoice payment be split up into smaller amounts in order to get expenditure approved. The value of related transactions or a series of transactions must be bundled for approval. Delegation limits apply to the total value of the transaction (not to instalments).
- (d) Unless otherwise specified, powers are delegated to a position and not to a person.
- (e) Unless otherwise specified, an authority delegated to a position extends to any person acting in the position.
- (f) A delegate must not exercise their delegated authority if in doing so they would personally benefit, or it creates a conflict of interest.
- (g) In exercising a delegated authority to execute a contract, agreement or otherwise commit Accordant Group Limited, people are to ensure that entry into the contract has been approved by a party with appropriate authority and also are to ensure that satisfactory legal and commercial due diligence has been undertaken.
- (h) Delegations do not extend to contractors unless a contractor has been appointed to act in a position for a period that requires a delegation and written approval of the relevant delegation authority has been obtained from the CEO /CFO or GM Corporate Services.
- (i) Authorisation should be restricted to the area of operation of the relevant role. Exceptions to this are the CEO, /CFO and GM Corporate Services, whose authorisation extends across the whole Group.
- (j) The authority to approve a transaction is taken to include the authority to terminate or cancel a transaction including the authority to terminate a contract evidencing the transaction (subject to dispute settlement delegation limits).
- (k) Where a transaction or contract has been approved, any material change to that transaction or contract must be approved at the same level at which the original transaction or contract was approved.
- (l) In the event that there is an ambiguity as to what delegation might apply, the delegate must apply a conservative approach and apply the lowest level of delegation that might apply.
- (m) A person who approves a transaction beyond their authority will be in breach of this Policy.
- (n) The CFO will report, in the monthly report to the Board, all breaches of the DoA policy.
- (o) Exceptions: applications to deviate from the provisions of the policy must be made in writing, with clear explanations and justification, to the Accordant Group CEO or CFO or GM Corporate Services. Written approval must be received from the CEO or CFO or GM Corporate Services before proceeding (the CFO & GM Corporate Services cannot self- approve). Applications that are not clearly stated or do not have a convincing business purpose will be declined. Frequent attempts to undermine the policy by the submission of weak applications are strongly discouraged.

**Personal benefit:** When company expenditure may be considered to give an individual a personal benefit (for example a Training course for yourself) this should be requested from the next level functional manager with the appropriate authority, even if this is within your limit. This approval should be captured on the Expenditure Request Form. Any expenditure with a related third party (for example, a business owned by a family

member) is considered to provide a personal benefit and should be completed as an arm's length transaction.

**Related Parties:** Any transaction with related parties (e.g., shareholders) must be completed as an 'arm's length' transaction. For the avoidance of doubt, an arm's length transaction is the condition or fact that the parties to a transaction are independent and on an equal footing. The value and conditions attached to such a transaction must stand up to legal, financial, and commercial scrutiny even though the parties may have shared interests or are closely related (e.g., company and shareholder, director, employer and employee). Related party transactions or arrangements, whether formally contracted or otherwise, may be entered into only on a one-over-one approval basis, and where any director is involved, with the approval of those directors who do not have an interest in the matter (and potentially with the approval of shareholders if required by the NZX listing rules).

### **Financial Delegations - Operating Expenditure**

Layer 1 Management (comprises members of the Accordant Group Executive Leadership Team) can approve all **planned** (i.e., budgeted, or approved forecast) operating expenditure up to **NZ\$100,000**. **Planned** operating expenditure above **NZ\$100,000** or unplanned expenditure is required to be approved by the CEO. (See Matrix below – 2.0)

### **Operational Delegations**

Subject to the limitations in the Matrix below, the CEO delegates authority to manage the operational affairs of the company to Executive management within budgets, forecasts and policies approved by the CEO, including (but not limited to):

- authority to bind Accordant Group and subsidiaries;
- legal and regulatory compliance.
- contractual commitments (excluding long-term contracts).
- trading commitments.
- retaining professional advisory services;
- payroll; and
- organisational planning.
- Executive management will provide monthly Business Unit updates on performance against budget & forecasts, key performance indicators and operational objectives.
- Despite the above assigning of authority, Executive management is required to report all material matters to the CEO.

### **Authorities in IT systems**

Where applicable, the approval limits set up on the IT system (e.g., for approving capital and operating expenditure transactions) should reflect the delegated authorities documented in the Delegated Authorities Matrix. Nevertheless, if the IT system allows a person approval for a transaction that exceeds the individual's authority, the individual must not approve the transaction.

In specific instances where additional authority over general operating expenditure has been delegated to a delegate in accordance with this policy or where a change in organisational or departmental structure has resulted in the creation of a new position requiring delegated authority, action should be taken, where applicable, to assign approval limits within the IT system in line with the written notification of delegated authority.

### **Review of delegated authorities**

The Board and management will review the appropriateness of the delegated authorities from time to time.

### **Non-compliance with this policy**

Compliance with this policy shall be reviewed regularly to ensure that it is operating effectively. Individuals will be held both accountable and responsible for the delegated authority and approval limits delegated to them. Non-compliance with delegated authorities may result in disciplinary action including dismissal. The severity of the breach will determine the action taken.

### **Contact details**

If you have any questions regarding this Policy or should you need to delegate authority for a transaction not covered by the Delegated Authority Matrix, please contact the CEO or the Company Secretary.

### **Approved by the Board of Accordant Group**

Date: 29 March 2023

## ACCORDANT GROUP LIMITED DELEGATED AUTHORITIES' MATRIX

### Description of Management Layers

**Layer 1** – Comprises members of the Accordant Group Executive Leadership Team

**Layer 2** – Direct Reports to Layer 1

**Request(s) beyond the CEO's delegated authority revert to the Board for approval.**

### 1.00: BUDGETED CAPITAL TRANSACTIONS

(A disposal or sale of a capital item is subject to the same delegations)	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
1.01 General CAPEX - budgeted	<\$0.75M	<\$0.5M	<\$0.3M	<\$100K	None
1.02 General CAPEX - unbudgeted	<\$375K	<\$250K	<\$150K	None	None

Approval for capital expenditure must be obtained prior to a commitment being entered into for all branches and business units.

Approval limit is based on total value of each capital project.

1.03 Asset Disposals - budgeted	<\$0.5M	<\$0.3M	<\$0.1M	None	None
1.04 Asset Disposals - unbudgeted	<\$250K	<\$150K	<\$50K	None	None

### 2.00: OPERATING EXPENDITURE

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
2.01 General OPEX - budgeted	NA	<\$0.3M	<\$0.1M	<\$0.1M	<\$5k
2.02 General OPEX - unbudgeted	NA	<\$300K	None	None	None

Operating expenditure limits are subject to budgetary constraints.

2.03 Business Acquisition/Disposal	NA	<\$0.5M	None	None	None
2.04 Supplier Contracts [is this over the term of the contract or per annum?]	<\$5M	<\$3M	<\$1M	<\$0.5M	None

Layer 1 personnel together with the CFO are permitted to contract to a maximum term of 12 months.

The CEO is permitted to contract to a maximum term of 24 months.

The Joint CEO/CFO are permitted to contract to a maximum term of 48 months.

### 3.00: CLIENT RELATED

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
3.01 Price Client Contract/Proposal	<\$15M	<\$10M	<\$5M	<\$3M	<\$0.5M (restricted)

Limits are based on estimated annual revenue arising from the contract.

Fixed price contracts must be subject to a formal risk assessment of the proposal.

Layer 1 personnel together with the CFO are permitted to contract fixed price contracts to a maximum term of 12 months.

The CEO is permitted to contract fixed price contracts to a maximum term of 24 months.

The Joint CEO/CFO are permitted to contract fixed price contracts to a maximum term of 36 months.

3.02 Client Payment Terms	>60 days	>30 days	>30 days	15-30 days	Up to 15 days
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Delegated payment terms are from date of invoice. Other payment terms (such as end of month) are to be converted to date of invoice for the correct authority (e.g.: 5 days EOM requires the same authority as >30 days date of invoice).

3.04 Client Credit Notes	NA	<\$0.1M	<\$50K	<\$50K	<\$5k
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Authority limits relate only to invoices not requiring re-billing or the difference between the credit invoice and the reissued invoice.

3.05 Sundry debtor/cash sale account invoicing	NA	NA	NA	NA	NA
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### 4.00: LEGAL

\$ amount represents the value of the claim	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
4.01 Initiation of Legal Proceedings	None	<\$500k	None	None	None
4.02 Settlement of Dispute	None	<\$500k	None	<\$5k	None

## 5.00: PROPERTY AND LEASES

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
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Delegated values based on aggregate lease payments over life of lease (including any renewals). Refer to the Property Lease Policy for more information. Any initial lease commitment greater than three years must be approved by the applicable Group 1 Manager.

5.01 Authorise Commitment to Lease Premises	<\$300K	<\$100K	None	None	None
5.02 Sub-Lease Commercial Property	Permitted	Permitted	Permitted	Permitted	None

## 6.00: FINANCE/TREASURY

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
6.01 Open and Close Bank Account	Permitted	Permitted	Permitted	None	None
6.02 Funding Drawdowns	<\$20M	<\$15M	<\$10M	None	None
6.03 Other (MRA & (Overdraft Debt) Funding Drawdowns	Permitted	Permitted	Permitted	None	None
6.06 ACC	<\$5M	<\$3M	<\$1M	<\$0.1M	\$100K

Amendment to the Group's Bank Facilities (form and limits) requires Board approval and execution. The Board is to be provided with a monthly bank facility summary detailing terms and rates for revolving credit and trade finance drawdowns.

## 7.00: CORPORATE

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
7.01 NZX Announcements (other than anything containing earnings guidance or forecast)	Permitted	Permitted	Permitted	Company Secretary only	None



## 8.00: STAFF RELATED

A one over one approval process applies where decision making authority exists	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
8.01 Approval for new headcount (\$TPV)	NA	Permitted (1)	None	None	None
8.01 (a) Proposal to terminate (including for serious misconduct and redundancy)	One over one	One over one (1)	One over one	One over one	One over one

(1) The CEO is to inform and discuss with the Accordant Group Remuneration & Nominations Committee.

8.02 Filling a staff vacancy within headcount	Permitted	Permitted	Permitted	Permitted	None
8.03 Annual salary review increases within approved budget	NA	Permitted	None	None	None
8.04 Approve redundancies/severance	NA	Permitted	None	<\$5k	None
8.05 Approve bonus payments (within agreed STI plan)	NA	Permitted	None	Permitted within Plan	None
8.06 Approve bonus plan (discretionary)	NA	Permitted	None	Permitted to <\$1k	None
8.07 Staff Domestic Travel	Self & Staff	Self & Staff	Self & Staff	Self & Staff	None

Domestic travel means travel within a region where the anticipated travel time is less than 3 hours, or travel within a country.

8.08 Staff International Travel	Self & Staff	Self & Staff	None	None	None
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## 9.00: REMUNERATION DECISION MAKING

This defines Accordant's remuneration decision-making and the delegated authority levels for remuneration decisions for all permanent employees, fixed term employees, temporary employees, and contractors. A one over one approval process applies where decision making authority exists.

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
9.01 Offers of Employment within remuneration range	NA	Permitted	Permitted	Permitted	Permitted
9.02 Offers of Employment Outside of Remuneration Range	NA	Permitted	None	None	None
9.03 Promotional Increases 10% or less	NA	One over one	One over one	One over one	None
9.04 Promotional Increases more than 10%	NA	Permitted	None	None	None
9.05 <i>Adhoc</i> Salary increases	NA	Permitted	None	None	None
9.06 Incentives or bonus outside of agreed yearly parameters	NA	Permitted	None	None	None
9.07 Benefits outside of base remuneration	NA	Permitted	None	None	None
9.08 Non-standard terms and conditions	NA	Permitted	None	None	None
9.09 Material change to employment contract terms	One over one	One over one	One over one	One over one	One over one

## 10.00: Miscellaneous

	JOINT CEO/CFO	CEO	CFO	Layer 1	Layer 2
10.01 Third party borrowings/ guarantees/ granting of security over Company assets	None	None	None	None	None
10.02 Political donations	None	None	None	None	None