

Delegation of Authority

1. Overview

DuluxGroup's Board has approved Reserved Powers and Delegated Authorities that set out the matters specifically reserved for determination by the Board, and those matters delegated to management.

In summary, the Board has delegated a general authority to the Managing Director to run the company. The Managing Director is authorised to determine the authority levels that are to remain with the Managing Director, and those that are to be further delegated to management.

However, this general authority granted to the Managing Director is subject to the Board:

- (a) reserving authority for itself over specific decisions and areas of activity, and
- (b) delegating specific areas of responsibility to certain management roles.

The matters and areas of activity reserved for the Board and specific management roles are set out in the general Reserved Powers and the Delegated Authorities detailed below.

2. Reserved Powers and Delegated Authorities

2.1 Application

- The requirements set out in this document apply to all employees of DuluxGroup.
- The Reserved Powers and Delegated Authorities set out below must be read in conjunction with all DuluxGroup policies and procedures that may set out other formal authority levels.
- For 50:50 joint ventures and minority owned companies (non-controlled entities), DuluxGroup nominated directors must ensure that the Reserved Powers and Delegated Authorities are considered and applied to the maximum extent possible. For example, if (a) the Board of a non-controlled entity is considering a matter that requires approval of DuluxGroup nominated directors; and (b) that matter would require DuluxGroup CEO approval if the entity was a DuluxGroup controlled entity, then the DuluxGroup nominated directors must seek DuluxGroup CEO prior approval in respect of that matter.

2.2 Reserved Powers

Approval from the authority holder must be obtained before taking action in any area of activity listed in this section.

Please note that other material or significant items may require approval or disclosure to the Board, the Managing Director or the DuluxGroup Executive team ("DGE") (for example, matters covered by the Company's Continuous Disclosure Policy and Protocol). If in doubt, please contact the Company Secretary.

Accounting and financial control	
Chief Financial Officer	<ul style="list-style-type: none"> ▪ Accounting policies and controls ▪ Budget preparation ▪ Certification of financial compliance ▪ Financial performance monitoring ▪ Internal and external reporting requirements ▪ Internal financial reporting structure ▪ External payment controls ▪ Opening of new bank accounts
Acquisitions and divestments	
Board	<ul style="list-style-type: none"> ▪ Acquisition of any company listed on a stock exchange ▪ Acquisition, divestment or joint venture with a total value greater than the limits set out in the delegated authorities ▪ Investment by any DuluxGroup entity into a new country if > AUD \$5m DuluxGroup assets at risk, or withdrawal from an existing country
Managing Director	<ul style="list-style-type: none"> ▪ Acquisition, divestment or joint venture with a total value less than the limit set out in the delegated authorities ▪ Investment by any DuluxGroup entity into a new country if < AUD \$5m DuluxGroup assets at risk
Audit	
Board	<ul style="list-style-type: none"> ▪ Appointment of external auditor and internal auditor service providers
Chief Financial Officer	<ul style="list-style-type: none"> ▪ External and internal audit processes and relationship
Borrowings	
Board	<ul style="list-style-type: none"> ▪ Annual budgeted requirement ▪ New facilities or interim requirements over AUD\$25m
Chief Financial Officer	<ul style="list-style-type: none"> ▪ Establishment of borrowing facilities to meet approved borrowing requirement ▪ New facilities or interim requirements up to AUD\$25m, to a total of AUD\$50m in any one year
Capital controls	
Board	<ul style="list-style-type: none"> ▪ Capital controls greater than the limit delegated to the Managing Director as set out in the Delegated Authorities. ▪ Share Capital management initiatives, including dividends and buy-backs ▪ Related party transactions (at DuluxGroup Limited level)
Managing Director	<ul style="list-style-type: none"> ▪ Capital controls up to the limited delegated to the Managing Director as set out in the Delegated Authorities.

Cash, currency, and commodity risk	
Board	<ul style="list-style-type: none"> ▪ Treasury Risk Management Policy (including foreign exchange hedging)
Chief Financial Officer	<ul style="list-style-type: none"> ▪ Implementation of Treasury Risk Management Policy
Company structure and organisation	
Board	<ul style="list-style-type: none"> ▪ Major changes in the organisation and shape of the Group, including changes to legal structure, entry into new fields of operation and departure from existing fields ▪ Appointment of directors (and equivalents) to non-wholly owned subsidiary companies
Managing Director & Chief Financial Officer	<ul style="list-style-type: none"> ▪ Appointment of directors (and equivalents) to wholly owned subsidiary companies
	<ul style="list-style-type: none"> ▪ Changes to the financial or ownership structure of a subsidiary ▪ Formation or dissolution of incorporated or unincorporated entities
External / investor relations	
Board	<ul style="list-style-type: none"> ▪ Release of financial results ▪ Shareholder meetings ▪ Release of information that may affect the share price or is required by the Australian Stock Exchange or supplied in accordance with Australian Stock Exchange rules, subject to the company's Continuous Disclosure Policy
Chief Financial Officer	<ul style="list-style-type: none"> ▪ Investor relations activities
Executive Directors & Company Secretary	<ul style="list-style-type: none"> ▪ Release of information, other than DuluxGroup results, that may affect the share price or is required by the Australian Stock Exchange or supplied in accordance with Australian Stock Exchange rules, subject to the company's Continuous Disclosure Policy
Finance and funding	
Board	<ul style="list-style-type: none"> ▪ Dividend policy ▪ Guarantees provided by a Group company ▪ Issues of equity ▪ Loans to, and changes to capital of, third parties (not wholly-owned) over AUD \$10m ▪ Mortgages and security over Group assets or revenues ▪ Loans to DuluxGroup executives

Chief Financial Officer	<ul style="list-style-type: none"> ▪ Appointment of financial advisers ▪ Banking and investment relationships ▪ Capital subscriptions in subsidiaries and related undertakings ▪ Financing plans ▪ Investment of funds (short term surplus) ▪ Letters of comfort ▪ Loans (and loan forgiveness) to, and changes to capital of, third parties (not wholly owned) up to AUD \$10m ▪ Loan (and loan forgiveness) to, and changes to capital of, third parties (wholly-owned)
Group policies	
Board	<ul style="list-style-type: none"> ▪ Corporate governance policies ▪ Risk management policies and systems (including taxation and treasury) ▪ Remuneration policy for directors and senior executives ▪ Group Safety and Sustainability policy ▪ Dividend policy
DGE	<ul style="list-style-type: none"> ▪ Policies in areas not covered by the Board's reserved authorities that have application across the Group. ▪ DuluxGroup's Principles & Behaviours
Human resources	
Board	<ul style="list-style-type: none"> ▪ Appointment, dismissal and remuneration of DGE members ▪ Introduction, variation or termination of executive and employee share and option plans, including discretion exercised within plan rules ▪ Provision and terms of employee superannuation ▪ Grant of shares or options to employees and executives ▪ Appointment of external remuneration advisers to the Board
Managing Director & Group General Manager Human Resources	<ul style="list-style-type: none"> ▪ Senior succession plans and appointments at Job Grade 38 and above. ▪ Appointment of remuneration consultants and advisers to management where no remuneration recommendation is being given by the adviser to management
Group General Manager Human Resources & Chief Financial Officer	<ul style="list-style-type: none"> ▪ Retirement benefits: changes to benefit arrangements, introduction of new arrangements, matters relating to benefit trustees and management boards ▪ Superannuation Fund planning and management — appointment of actuaries, actuarial assumptions used for fund valuations, plans for dealing with actuarial surpluses or deficits, matters affecting compliance with laws relating to trusts and trustees, investment plans and arrangements, funding arrangements and appointment of fund managers

Group General Manager Human Resources	<ul style="list-style-type: none"> ▪ Group payroll payments and related disbursements
Information Technology	
Chief Financial Officer	<ul style="list-style-type: none"> ▪ IT security ▪ Information system infrastructure ▪ Office systems ▪ IT transaction processing systems ▪ IT projects in accordance with the limits set out in the Delegated Authorities
Insurance and risk management	
Board	<ul style="list-style-type: none"> ▪ Risk management policy and systems ▪ Directors and Officers Insurance Policy
Chief Financial Officer	<ul style="list-style-type: none"> ▪ Implementing and monitoring risk management policies and systems ▪ Insurance policies (other than Directors and Officers Insurance Policy)
Intellectual property	
Managing Director	<ul style="list-style-type: none"> ▪ Transactions relating to Strategic Intellectual Property, ie IP which has DuluxGroup implications or which has or is expected to have earnings which are material at DuluxGroup level, eg Dulux, Cabot's, Selleys, Yates, Parchem, B&D, Lincoln Sentry and DuluxGroup house marks. ▪ Policies and standards for the use of the company name and house marks
Group General Counsel	<ul style="list-style-type: none"> ▪ Management of intellectual property matters ▪ Appointment of external intellectual property advisers
Land	
Board	<ul style="list-style-type: none"> ▪ Property transactions (including leases, sales and acquisitions) over the limits set out in the Delegated Authorities
Managing Director & Chief Financial Officer	<ul style="list-style-type: none"> ▪ Property transactions (including leases, sales and acquisitions) in accordance with the limits set out in the Delegated Authorities ▪ Sign off on material environmental issues.
Legal matters	
Managing Director & Chief Financial Officer	<ul style="list-style-type: none"> ▪ Powers of attorney: issue of general powers of attorney by DuluxGroup wholly-owned subsidiaries
Group General Counsel	<ul style="list-style-type: none"> ▪ Limited purpose powers of attorney for wholly owned and majority owned DuluxGroup companies ▪ Responses to communications from or proceedings commenced by a competition or monopoly authority or other key regulators ▪ Legal aspects of transactions referred to the Managing Director or Board ▪ Appointment of external legal advisers

Chief Financial Officer & Group General Counsel	<ul style="list-style-type: none"> ▪ Material legal action taken by or against the company (other than in respect of workers compensation or employee or industrial relations) ▪ Conduct of litigation likely to have an impact on the reputation of the company
Group General Manager Human Resources, Chief Financial Officer & Group General Counsel	<ul style="list-style-type: none"> ▪ Material legal action taken by or against the company in respect of workers compensation or employee or industrial relations
Safety, Health, and Environment	
Board	<ul style="list-style-type: none"> ▪ Approval of the Group's Safety and Sustainability strategy and policy
Managing Director & General Manager Supply Chain	<ul style="list-style-type: none"> ▪ Strategy to deliver the Group's Safety and Sustainability policy
	<ul style="list-style-type: none"> ▪ Standards, including management systems, to deliver the Group's Safety and Sustainability policy
Strategy and budgets	
Board	<ul style="list-style-type: none"> ▪ Corporate strategy ▪ Annual budget
Taxation	
Chief Financial Officer & Group Tax Manager	<ul style="list-style-type: none"> ▪ Relationship with tax authorities ▪ Expression of company view on actual or proposed tax legislation ▪ Policy on transactions between group companies ▪ Transactions between group companies that deviate from policy ▪ Appointment of tax advisers ▪ Corporate Tax Payment Process ▪ Approval of Group company tax returns

2.3 Delegated Authorities

The delegated authority levels approved by the Board are set out in the table below. They apply to all DuluxGroup businesses and controlled entities. Notwithstanding the authority levels below, authority must still be exercised taking into consideration existing budgets and performance objectives.

The Managing Director is authorised to determine the authority limits that are to remain with the Managing Director, and those that are to be further delegated to management. These authority limits may be set out and communicated to employees via an expanded version of this document, but must be consistent with the delegations and reserved powers approved by the Board.

	Division Manager / Reports to Managing Director	Managing Director	DuluxGroup Board
General Contracts ⁽¹⁾			
• General Contracts (other than Take or Pay Contracts)	≤ \$2m total value	> \$2m total value and ≤ \$50m total value	> \$50m total value
• Take or Pay Contracts	No delegated authority	≤ \$5m total value	> \$5m total value
Capital Controls			
All Capex ⁽²⁾⁽³⁾⁽⁶⁾	CEO Discretion	≤ \$5m	> \$5m
IT Project ⁽⁴⁾⁽⁶⁾	CEO Discretion	≤ \$5m	> \$5m
Acquisitions & Divestments/JVs ⁽⁵⁾	CEO Discretion	≤ \$1m	> \$1m
Property Transactions			
Sales, Acquisitions and Leases	CEO Discretion	≤ \$5m	> \$5m

Notes:

- All contracts and proposals requiring Chief Financial Officer, CEO or Board approval must be channelled through Group Legal
 - Financing decisions, including leasing, must also be approved by Corporate Finance
 - All expenditure must give the best result to DuluxGroup as a whole
 - All amounts specified are in AUD
- (1) Contract renewals and extensions require the same approvals as if they were a new contract. For contract renewals, value is to be calculated by reference to any changes that have a total aggregate impact on earnings based on the level of business over the previous 12 months, including all discounts, allowances, rebates, fees, etc.
 - (2) Capex includes total rental commitment for all leases
 - (3) Expenditure must be within approved capital budgets
 - (4) IT Project costs include all incremental external expenditure (including all committed future spend) whether budgeted or not. That is, it includes revenue expenditure; acquisition of software and hardware via purchase, finance or operating leases; external consultants and contractors fees and expenses, but it excludes DuluxGroup employees' time.
 - (5) Acquisitions & Divestments and JVs are changes in DuluxGroup's shareholding structure or acquisitions of a business. Value of a share acquisition is the equity investment plus DuluxGroup's share of net debt. All costs in relation to an acquisition or divestment (for example project costs, consulting and legal fees) must be added to the total value of the acquisition/divestment when considering delegated authority approval levels.
 - (6) A supplementary expenditure proposal is required where there is a cost overrun of greater than 10% above the previously approved expenditure amount.