Financial Expense Delegations

Governance Policy | Global

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Replace all references to "the Company" with your organisation's name.

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Contents

1. Purpose
2. Scope
3. Definitions
4. Regulatory Framework
5. Policy Statement and Principles
6. Delegations Matrix
7. Contract Signing Authority
8. Interaction with the Procurement Policy
9. Budgeted and Unbudgeted Expenditure
10. Emergency Approvals
11. Sub-Delegation and the Delegations Register
12. System Enforcement and Segregation of Duties
13. Roles and Responsibilities
14. Monitoring, Reporting and Attestation
15. Breaches of this Policy
16. Training and Awareness
17. Review of this Policy
Appendix A: Delegations Register — Required Fields
Appendix B: Annual Delegate Attestation — Template
Policy Administration

1. Purpose

This Policy establishes the framework of delegated financial authority under which directors, executives and employees of the Company may approve expenditure, commit the Company to financial obligations and execute contracts. It exists to ensure that every amount the Company spends is approved by a person with the authority, accountability and information to approve it, and that no commitment is made outside the limits the Board has set.

The Policy protects the Company's assets, supports the integrity of the Board-approved budget, and provides a clear, auditable trail from every financial commitment back to an authorised approver. It gives delegates certainty about what they may and may not approve, and gives the Board assurance that management exercises financial authority within defined boundaries. The framework implements the control activities expected under the COSO Internal Control — Integrated Framework and the board-to-management delegation requirements of the BCBS Corporate Governance Principles for Banks and the G20/OECD Principles of Corporate Governance.

This Policy is approved by the Board of Directors and is owned by the Chief Financial Officer. All delegated financial authority in the Company derives from this Policy; no authority to spend, commit or contract exists except as granted by this Policy, by a Board resolution, or by a valid sub-delegation made under section 11 (Sub-Delegation and the Delegations Register).

2. Scope

This Policy applies to the Company and all of its controlled entities, and to all directors, employees, contractors and secondees who initiate, approve or execute financial commitments on the Company's behalf, in all locations and through all channels.

It covers all forms of financial commitment, including: operating and capital expenditure; contracts and purchase orders; consultant and professional services engagements; travel and entertainment; sponsorships and donations; write-offs, waivers and credit notes; and any other transaction that creates a financial obligation or reduces an asset of the Company.

The following are outside the scope of this Policy and are governed by the instruments indicated:

- Credit approvals and lending decisions, which are governed by the Credit Risk Management Policy and the Retail Credit Delegation Framework.
- Treasury dealing, investment and funding transactions, which are governed by the Treasury Policy and treasury dealing mandates.
- Payroll payments made under approved employment contracts and collective arrangements, which are governed by the Remuneration Policy and Framework; the decision to create, vary or terminate a role remains subject to people delegations approved by the Board.

- Tax and regulatory payments that the Company is legally obliged to make, which require verification by Finance but not discretionary approval under the Delegations Matrix.

Where a transaction could fall under both this Policy and another delegation instrument, the more restrictive requirement applies, and the Chief Financial Officer determines the applicable instrument in cases of doubt.

2.1 Jurisdictional application

This Policy states international best practice for the delegation of financial authority. The Company must map the requirements of this Policy to the law of each jurisdiction in which it operates — including company law rules on the execution of documents, directors' duties, indirect tax treatment and any senior manager accountability regime — and where the law of an operating jurisdiction imposes a stricter or additional requirement, local law prevails over this Policy.

3. Definitions

Term	Definition
Delegate	The holder of a role to which the Board has granted delegated financial authority under this Policy. Authority attaches to the role, not to the individual occupying it.
Delegated financial authority	The authority granted under this Policy to approve expenditure, commit the Company to a financial obligation, or execute a contract, up to a specified monetary limit and subject to specified conditions.
Delegation limit	The maximum monetary value, expressed in the Company's [reporting currency] and inclusive of applicable indirect taxes (VAT, GST or equivalent) unless the Delegations Matrix states otherwise, that a delegate may approve for a single transaction, engagement or contract.
Delegations Matrix	The table in section 6 of this Policy setting out the delegation limits applying to each role for each expenditure category.
One-Up Approval	The requirement that a decision or item of expenditure be approved by a holder of delegated authority at least one reporting level senior to the person who assessed, recommended or initiated it, or who will benefit from it.
Dual authorisation	A control requiring two authorised persons, acting independently, to complete a transaction — one to approve or initiate and a second to verify and

	release — so that no single person can commit or disburse the Company's funds alone above defined thresholds.
Segregation of duties	The separation of incompatible functions — initiation, approval, execution, payment and recording of a transaction — between different persons so that no individual controls a transaction end to end.
Expenditure approval	The decision, made before any commitment is entered into, that expenditure may be incurred. Expenditure approval is distinct from contract signing authority and from payment authorisation.
Contract signing authority	The authority to execute a contract or deed on behalf of the Company once the underlying expenditure has been approved by a delegate with sufficient authority.
Total contract value (TCV)	The full financial commitment of a contract over its entire term, including all extension options, contingent amounts, and estimated volumes under rate-based arrangements, assessed inclusive of applicable indirect taxes.
Operating expenditure	Expenditure on goods and services consumed in the ordinary course of business and expensed in the period incurred, including supplies, licences, utilities and maintenance.
Capital expenditure	Expenditure that creates or acquires an asset recognised on the Company's balance sheet under the applicable financial reporting framework, assessed at the level of the whole project or asset, not individual invoices.
Unbudgeted expenditure	Expenditure not provided for in the Board-approved annual budget for the relevant cost centre, or that would cause a cost centre to exceed its approved budget by more than [X]%.
Order splitting	Dividing a single procurement need, project or engagement into multiple smaller transactions so that each falls within a lower delegation limit. Order splitting is prohibited.
Sub-delegation	The grant by a delegate of part of their delegated financial authority to a subordinate role, permitted only where this Policy expressly allows it and recorded in the Delegations Register.

Delegations Register	The central record, maintained by the Chief Financial Officer, of all delegations and sub-delegations in force, including limits, conditions, acting arrangements and dates.
Purchase-to-pay (P2P) system	The Company's electronic procurement, purchase order, invoice approval and payment platform in which delegation limits are configured and enforced.
Senior Manager Accountability Regime	Any statutory or regulatory regime applicable in a jurisdiction in which the Company operates that requires prescribed responsibilities to be allocated to and documented for named senior individuals, holds those individuals personally accountable for the areas they oversee, and requires them to take reasonable steps to prevent failures within those areas.
Acting arrangement	A temporary, documented appointment of a person to a role that carries delegated financial authority, under which the acting occupant may exercise that role's delegation for a defined period.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
COSO Internal Control — Integrated Framework (2013)	The delegation framework operationalises the control activities component: authorisation limits, segregation of duties and verification controls over the commitment and disbursement of Company funds.
COSO Enterprise Risk Management — Integrating with Strategy and Performance (2017)	Positions expenditure delegations within the Company's wider risk appetite, so that financial authority granted to management is calibrated to the risk the Board is willing to accept.
BCBS Corporate Governance Principles for Banks (2015)	Requires the board to set clear delegations to management with defined limits, retain authority over material decisions, and oversee how delegated authority is exercised.
G20/OECD Principles of Corporate Governance (2023)	Establishes the board's responsibility for the integrity of the company's systems of

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.