



## DELEGATED AUTHORITY POLICY

As a UK company listed on the Main Market of the London Stock Exchange, Costain is subject to the governance rules set out in the UK Corporate Governance Code.

This policy is a declaration of the Main Board's intent to comply with these governance rules.

To achieve compliance, Costain operates a governance framework which maps out the internal approvals processes including those matters which are reserved to the Main Board and those matters which have been delegated.

The matters that have been delegated principally relate to the operational management of Costain's businesses, and include pre-determined authority limits delegated to the Chief Executive Officer for further delegation by him to members of the Executive Board and/or the Executive Investment Panel.

The purpose of such delegation is to ensure the effective day-to-day running and management of the business.

The responsibility for compliance rests with the managers at the different management levels to check they have authority to approve the activity in question.

The policy covers all Costain Group activities.

This policy will be reviewed annually to ensure that it reflects current legislation and regulations.

Signed: .....

A handwritten signature in black ink, appearing to read "A. Wyllie", written over a dotted line.

**A. Wyllie** (Chief Executive Officer)

Date: .....

6<sup>th</sup> Feb 2015