

## **DELEGATION OF AUTHORITY**

### **1. CONDITIONS**

- 1.1.** This delegation applies to all employees of Qmuzik whether permanent or contracted. The delegation vests in the body or person indicated and further delegation is allowed only in exceptional cases, and then upon the clear understanding that accountability cannot be delegated.
- 1.2.** Nobody is allowed to approve his or her own expenses or purchases.
- 1.3.** The delegation overrides any other policy document.

### **2. DELEGATED AUTHORITY**

#### **2.1. Shareholders**

- Approval by special resolution in terms of clause 8.3 of the MOI, should any shares issue result in 30% or more voting power to the new shareholders;
- Authorising the Board by way of ordinary resolution to increase or decrease authorised shares, reclassify or classify authorised shares not issued, and to determine the preferences, rights, limitations or other terms of any shares in terms of clause 8.4 of the MOI;
- Capitalisation shares and related transactions in terms of clause 15 of the MOI;
- Approval of the annual financial statements in terms of clause 21.5.1 of the MOI;
- Appointment of directors in terms of clause 21.5.2 of the MOI;
- Appointment of the auditors in terms of clause 21.5.3 of the MOI;
- Special resolutions to be taken in accordance with section 65(11) of the Companies Act, and ordinary resolutions as may be required from time to time by either the MOI or the Companies Act.

#### **2.2. Board Of Directors**

- Issue of shares in terms of clause 8.2 of the MOI;
- Subject to the authorisation by ordinary resolution by shareholders, to increase or decrease authorised shares, reclassify or classify authorised shares not issued, and to determine the preferences, rights, limitations or other terms of any shares in terms of clause 8.4 of the MOI;
- The issue of secured or unsecured debt instruments and associated privileges in terms of clause 14 of the MOI;
- Providing financial assistance for the purchase of securities in terms of clause 17 of the MOI;
- The buy-back of company shares in terms of clause 18 of the MOI;
- Appointment of the Managing Director in terms of clause 35 of the MOI;
- Establishing of company rules, if any, in terms of clause 39 of the MOI;
- The approval of the annual operating and capital budgets, any material amendments thereto and any expenditure of R4m cumulative not covered or provided for in the budget, other than because of growth;

- The approval of the remuneration strategy, appointment of executive directors not representing shareholders, appointment of the management team;
- Approval of sales agreements above R20m;
- Issuing of guarantees above R2m;
- Creation and utilisation of reserves and provisions above R3m;
- Bad debt write offs above R1m;
- Major sponsorships;
- Major legal proceedings;
- Buying and selling of businesses if not approved by shareholders;
- Any other approvals as may be required from time to time either in terms of the MOI, or the Companies Act.

**2.3. EXCO**

- Approval of promotions and interim increases other than for the management team;
- Approval of departmental budgets;
- Approval of all quotations, letters of intent and contracts above R 4m up to R20m;
- Approval of policies;
- Approval of unbudgeted expenses/ increase of budgeted lines up to R4m, or above if due to growth;
- Sponsorships above R 5000;
- Project bonuses and project allowances;
- Allocation of company credit cards.

**2.4. Managing Director**

- Appointment of senior management and public official;
- Approval of all contracts, letters of intent and quotations above R2m up to R4m;
- Communication actions and press releases;
- Approval of project budgets;
- Appointment of bank signatories.

**2.5. Financial Director**

- Guarantees to R2m;
- Creation and utilisation of reserves and provisions to R3m;
- Bad debt write offs to R1m;
- Co – approval of credit notes above R300 000.

**2.6. Directors**

- Approval of contracts, letters of intent and quotations up to R2m;
- Signing of approved contracts (At least two), letters of intent, quotations and NDA's;
- Approval of credit notes within own environment– co approval by financial director above R300 000;
- Approval of purchase requests;
- Approval of expenses within budget;

**2.7. Financial Manager**

- Ensure all payments are within policy;
- Approval of minor expenses;
- Approval of adjustment credit notes not changing the liability or debtor.

**2.8. Leave**

- One level higher, but at least approved at Project Management level.