

DGO Gold Limited

Delegation of Authority Policy
September 2020

Purpose

The purpose of the Delegation of Authority Policy (“the Policy”) is to record the authority which the Board reserves for itself and which it delegates to the management of DGO Gold Limited (“DGO Gold” or “the Company”).

Scope

This Policy applies to all Directors and employees of the Company.

Definitions

Board	The Board of Directors of the Company
Directors	Persons appointed to the Board
Employees	Persons employed by the Company
Executive Chairman/ Managing Director	Chairman and Managing Director appointed by the Board
Senior Executives	Chief Financial Officer and other senior employees who report to the Executive Chairman

Delegations

- Matters reserved for the Board

The Board reserves the following authorities for itself:

- (a) Approving the annual operating and capital expenditure budget;
- (b) Any significant deviation from the annual budget including:
 - any material variation in the scope of the business or entry into any new business or line of business;
 - any capital expenditure in excess of that approved in the capital expenditure budget that is greater than \$100,000;
 - incurring any commitment or liability other than as set out in the annual budget that is greater than \$500,000; or
 - any deviation of more than 5% from approved remuneration budget;
- (c) Appointment of Senior Executives;
- (d) Appointment or removal of Auditor;
- (e) Any change in form to the Company, legal status, place of incorporation or jurisdiction of the Company;
- (f) Adoption or amendment of any employee option, bonus or similar plan or programme;

- (g) The making of any equity investments including derivatives in excess of \$500,000;
- (h) The making of any substantial asset investments;
- (i) Hedging policy;
- (j) Raising of any financial facilities (including the issue of corporate credit cards) other than in the ordinary course of business;
- (k) Any transaction with a substantial shareholder greater than [\$xxx] in value;
- (l) Any decision to litigate or settle excluding in the performance of debt collection;
- (m) Entering into any joint venture with another party;
- (n) Creation of any subsidiary whether wholly or partially owned;
- (o) Any distribution of profits;
- (p) Any amendment to the Company's authority delegation policy in relation to bank signatories;
- (q) Leasing real estate over \$50,000 per annum; and
- (r) All other matters reserved to the Board of Directors under the Constitution of the Company or Corporations Act of 2001.

➤ Authority vested with the Executive Chairman

The Executive Chairman is authorised to approve budgeted expenses and any other expenses up to \$10,000 outside the budget without approval of the Board of Directors.

The Executive Chairman shall delegate his authority to the Senior Executives of the Company as he sees fit, up to a limit of \$100,000 within the approved budget, for matters relating to operating revenue/ expense or capital expenditure.

Procedure

➤ Approval within Budget

No transactions are to be approved or proposed unless the activities to which they are related are included in the Corporate Budget or a Budget amendment approved by the Board.

➤ Compliance with Company Policies and Procedures

Delegates may only approve transactions after satisfying themselves that the Company's Policies and Procedures as they relate to the transactions have been complied with.

➤ Approval Prior to Commencement

Documentation or electronic transactions indicating the scope and approval for the provision of services or for the purchase of goods or materials, of a significant value, must be completed and approved prior to commencement of work/ project.

➤ Approval of Own Expenditure

No delegate is authorised to approve expenditure incurred for their own benefit or relative to the performance of their own responsibilities (e.g.: travel, employee expense claims). The delegate's supervisor must authorise these expenditures.

➤ Higher Levels of Approval

If employees do not have the authority level necessary to approve a transaction it should be forwarded to their Manager/Supervisor who will on forward to the next higher direct reporting level if their authority level is not sufficient.

➤ Segmenting Transactions

Splitting a transaction into smaller segments or over multiple budget periods for the purpose of requiring a lower level of authority for each segment is not acceptable. The entire transaction value must be the basis for approval.

Review of the Policy

The Board will review the Delegation of Authority Policy annually, or as and when the need arises.

A copy of the Policy is available on the Company's website www.dgogold.com.au.