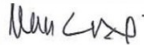


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Issue by:



Chong Moi Me
Quality Manager



Reviewed And Approved by:



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**1.0 MY/FD/005 :
BUDGET PLANNING POLICY**

2.0 INTRODUCTION

The Board of MyCO2 is responsible for overseeing the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework. In line with this responsibility, the Board of MyCO2 conducts a budget planning process each year as part of its annual business planning.

3.0 PURPOSE

This policy is designed to set out the process for compiling, monitoring, and reviewing MyCO2's annual budget.

4.0 POLICY

The Board of MyCO2 conducts a budget planning process each year as part of its annual business planning. 2022 will be the 1st Annual Budget. The organisation operates under a budget that must be flexible in responding to unforeseen events, including possible reductions in revenue streams, and therefore the Budget will be regularly monitored and reviewed.

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5.0 RESPONSIBILITIES

The Board of MyCO2 has ultimate responsibility for overseeing the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework.

It is the responsibility of the Chief Finance Officer to prepare all budgets and review budgets in consultation with the Finance Committee

The Finance Committee consists of CEO, CFO, CTO, CPO & Hub Directors

6.0 PROCEDURES

6.1 Preparation of the Budget

6.1.1 In October each year, the Finance Department lead by CFO will start preparing the budget estimates as part of the Business Plan for the financial year. The process includes:

- a) considering operational costs;
- b) setting payroll costs based on budgeted headcount requirement;
- c) CAPEX requirement and estimating income based on the Annual Budgeting Plan.

6.1.2 The initial budget estimates are based on the current expenditure projections to end of year, plus Consumer Price Increments for salaries or relevant wage increases, revisions to awards/contracts, and a certain % increase on operating expenses such as power, telephones, etc in tandem with latest development.

6.1.3 The Finance Committee shall be provided with information about how cost increases will be absorbed or will lead to increases in revenue streams.

6.1.4 Strategic overseas Joint Ventures will also be budgeted and incorporated into the annual budget.

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- 6.1.5 Joint Ventures will be monitored carefully to ensure they don't exceed what's necessary to successfully run the foreign JV given its organizational structure, target markets, input sources, and coordination efforts.
- 6.1.6 The CFO will present the draft budget for discussion at a Finance Committee meeting.
- 6.1.7 The Finance Committee may accept the estimates as presented or may request variations, within the context of the Business Plan.
- 6.1.8 A detailed report denoting reasons for decisions should be attached to the draft budget for discussion.
- 6.1.9 The CFO will then revise the draft and present the amended draft budget at the next available Board meeting, usually in November but no later than end of November.
- 6.1.10 Once adopted by the Board, this becomes the official operating budget for MyCO2 for the following financial year, and all Board members and employees must work within the financial limits stated or implied by this document.

6.2 Monitoring and Reviewing the Budget

- 6.2.1 The CFO is responsible for monitoring the organisation's expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure.
- 6.2.2 Financial reports will be prepared each month showing the year-to-date expenditure and its variation from the budget estimates, and indicating any increases or decreases in funding.
- 6.2.3 A detailed commentary should be attached to Board reports detailing reasons for variations and recommendations for corrective action should that be required.

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- 6.2.4 The CFO will indicate what effect any variations will have on the budget projections and provide this information to the CEO and the Board.
- 6.2.5 The CFO will also report on any other financial matters that may be related to the Business Plan.
- 6.2.6 Once adopted by the Board, the Amended Budget will become the new operating budget for the remainder of that financial year.