GMYT GROUP LIMITED

BUDGET PLANNING, IMPLEMENTATION & CONTROL STANDARD OPERATING PROCEDURE (SOP)

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Applies To: All Departments, Business Units, Subsidiaries, Project Teams, Department Heads, Finance Department, Budget Owners and every employee responsible for planning, approving, implementing or monitoring Company expenditure.

1. Purpose

The purpose of this Standard Operating Procedure (SOP) is to establish a structured, transparent and accountable budgeting framework that governs the planning, preparation, approval, implementation, monitoring, reporting and close-out of all budgets within GMYT Group Limited.

This SOP ensures that every financial resource is allocated based on strategic priorities, operational needs, measurable outcomes and prudent financial management while promoting accountability, value for money and effective governance.

Budgeting is a strategic management function that supports planning, performance measurement, resource allocation and organisational sustainability.

2. Scope

This SOP applies to every budget prepared or administered on behalf of GMYT Group Limited, including but not limited to:

- Annual Corporate Budget
- Departmental Budgets
- Business Unit Budgets

- Programme Budgets
- Project Budgets
- Event Budgets
- Human Resource Budgets
- Marketing Budgets
- Training Budgets
- Procurement Budgets
- Operational Expenditure (OPEX)
- Capital Expenditure (CAPEX)
- Maintenance Budgets
- Emergency Budgets
- Supplementary Budgets
- Budget Revisions

No expenditure shall be incurred outside an approved budget except where specifically authorised by the Founder & Group CEO.

3. Policy Statement

Every financial commitment undertaken by GMYT Group Limited shall originate from an approved budget.

An approved budget authorises the allocation of financial resources but **does not constitute approval to spend**. Every expenditure shall subsequently comply with the Financial Authorisation SOP, Procurement SOP and Delegation Matrix before payment is processed.

All budgets shall be realistic, evidence-based, measurable and aligned with the Company's strategic objectives.

4. Guiding Principles

Budget preparation and implementation shall be guided by the following principles:

- Strategic Alignment
- Accountability
- Financial Prudence
- Transparency
- Operational Necessity
- Cost Effectiveness
- Evidence-Based Planning
- Value for Money
- Continuous Monitoring
- Audit Readiness
- Responsible Stewardship of Company Resources

5. Budget Categories

For effective financial planning, budgets shall be classified into the following categories:

5.1 Corporate Budget

Prepared annually to support the Company's strategic objectives.

5.2 Departmental Budget

Prepared by each Department Head for departmental operations.

5.3 Project Budget

Prepared for specific organisational projects.

5.4 Event Budget

Prepared for conferences, summits, exhibitions, training programmes and corporate events.

5.5 Operational Budget (OPEX)

Recurring operational expenses required for business continuity.

5.6 Capital Budget (CAPEX)

Long-term investments such as equipment, machinery, vehicles, technology and infrastructure.

5.7 Emergency Budget

Prepared only where urgent operational circumstances require immediate financial intervention.

6. Budget Planning Process

Every budget shall pass through the following planning stages:

Stage 1 – Needs Assessment

The Budget Owner shall:

- Identify operational requirements.
- Assess organisational priorities.
- Define measurable objectives.
- Estimate required resources.
- Consider organisational risks.

Stage 2 – Cost Estimation

Cost estimates shall be supported by:

- Market research.
- Previous expenditure records.
- Supplier quotations.
- Historical project costs.
- Industry benchmarks.

Unsupported estimates shall not be approved.

Stage 3 – Budget Justification

Each budget line shall contain a clear business justification demonstrating:

- Operational necessity.
- Expected outcome.
- Strategic alignment.
- Value for money.

7. Budget Preparation Using the Approved GMYT Budget Template

All departments shall prepare budgets using the **GMYT Group Approved Budget Template**, which forms an integral part of this SOP. No budget shall be reviewed or approved unless it is presented in the prescribed format.

The approved template shall capture, at a minimum:

- S/N
- Budget Item
- Unit Price
- Quantity
- Amount
- Percentage Allocation
- Amount to be Paid
- Discounted Amount
- Total Amount Spent
- VAT
- Amount Deposited

- Balance
- Savings
- Justification
- Over/Under Spending
- Responsible Person
- Expected Inflow
- Account Name
- Bank
- Account Number

The Finance Department may introduce additional governance fields, including Budget Code, Cost Centre, Purchase Order Number, Approval Reference Number, Payment Status, Vendor Name and Variance Percentage, provided such additions do not alter the integrity of the approved template.

8. Budget Review and Approval Process

Every budget shall undergo the following approval workflow:

Step 1: Preparation by the Budget Owner.

Step 2: Review by the Department Head.

Step 3: Financial review by the Finance Department to verify:

- Mathematical accuracy.
- Budget availability.
- Cost assumptions.
- Cash flow implications.
- Financial sustainability.

Step 4: Executive review by the Founder & Group CEO or delegated approving authority to assess:

- Strategic relevance.
- Operational priority.
- Organisational impact.
- Return on investment.
- Risk exposure.

Only approved budgets shall proceed to implementation.

9. Budget Implementation

Following approval:

- Budget Owners shall implement approved activities within the authorised allocation.
- All purchases shall comply with the Procurement SOP.
- All payments shall comply with the Financial Authorisation SOP.
- Departments shall ensure expenditure remains within approved limits.
- Budget Owners shall maintain complete supporting documentation for every transaction.

Budget implementation shall be continuously monitored throughout the project lifecycle.

10. Budget Monitoring, Variance Analysis and Reporting

The approved GMYT Budget Template shall remain the official monitoring tool from project commencement to completion. Budget Owners shall update the template regularly to reflect actual financial performance.

The following indicators shall be monitored:

- Approved Budget.

- Actual Expenditure.
- Outstanding Commitments.
- Deposits Received.
- Budget Balance.
- Savings Achieved.
- Budget Variance.
- Percentage Utilisation.
- Over-Spending.
- Under-Spending.

At the completion of every project, programme or reporting period, the Budget Owner shall prepare a Budget Performance Report highlighting:

- Approved Budget.
- Actual Expenditure.
- Variance Analysis.
- Savings Generated.
- Lessons Learned.
- Recommendations for future budgeting.

Material budget variances shall be reported to Management immediately with appropriate justification.

11. Roles and Responsibilities

Budget Owner

- Prepare budgets.
- Provide supporting justifications.
- Monitor expenditure.

- Maintain accurate financial records.
- Submit periodic budget reports.

Department Head

- Review and endorse departmental budgets.
- Monitor departmental budget performance.
- Ensure compliance with approved allocations.

Finance Department

- Consolidate organisational budgets.
- Verify assumptions and calculations.
- Monitor budget implementation.
- Prepare variance analyses.
- Maintain budget records.

Procurement Department

- Confirm budget availability before procurement.
- Ensure procurement activities remain within approved budgets.

Founder & Group CEO (or Delegated Approving Authority)

- Approve budgets and significant revisions.
- Provide strategic oversight.
- Authorise supplementary budgets where necessary.

12. Mandatory Budget Documents and Compliance

The following documents shall constitute the official budget governance records:

- Annual Corporate Budget.
- Departmental Budget.

- Project Budget.
- Event Budget.
- Budget Revision Request.
- Budget Performance Report.
- Budget Variance Report.
- Financial Authorisation Form.
- Procurement Requisition.
- Approved Purchase Orders.
- Supporting Quotations.
- Payment Records.
- **GMYT Group Approved Budget Template (Mandatory Working Document).**

All budget records shall be retained in accordance with the Company's document retention and audit requirements.

13. Key Performance Indicators (KPIs)

Budget management shall be evaluated against the following standards:

- 100% of expenditures supported by an approved budget.
- 100% compliance with the approved budgeting process.
- 100% use of the approved GMYT Budget Template.
- Budget variance reports submitted within required timelines.
- Zero unauthorised expenditure.
- Zero unauthorised budget reallocations.
- 100% supporting documentation for every budgeted expense.
- 100% audit traceability from budget approval to final expenditure.
- Budget close-out reports submitted within the prescribed reporting period.

14. Compliance and Enforcement

Failure to comply with this SOP may result in:

- Rejection of budget proposals.
- Suspension of expenditure approvals.
- Withdrawal of budget authority.
- Financial review or audit.
- Recovery of unauthorised expenditure where applicable.
- Corrective or disciplinary action in accordance with the Employee Code of Conduct, Code of Conduct Violation Reference, Financial Authorisation SOP, Procurement SOP, Offer Letter and other applicable governance documents.

Repeated non-compliance may constitute a governance breach and may attract further administrative or disciplinary measures.

15. Guiding Principle

At GMYT Group Limited, budgeting is a governance process that transforms the Company's strategic objectives into disciplined financial action. Every budget shall be planned with purpose, justified by evidence, approved through the appropriate governance framework, implemented with accountability, monitored continuously and supported by complete documentation. The approved GMYT Budget Template is the Company's official budgeting instrument and shall be used throughout the entire budget lifecycle—from planning and approval to implementation, monitoring, reporting and final reconciliation.