

Beta Glass Plc

Capital Expenditure Policy

Policy Number:

Review Number (New document)

Responsible Person:

Approved by the Board on: 24th day of March, 2022

1. Introduction

This Capital Expenditure Policy establishes a framework for the approval and control of all capital expenditure incurred to undertake activities through which the Company will receive an enduring benefit.

This Policy outlines processes for the capital budget and those projects approved outside the capital budget process using surplus or other funding. Additionally, this Policy establishes a framework whereby capital expenditures will be requested, approved, monitored, and tracked.

2. Purpose

This Capital Expenditure Policy is designed to ensure that:

- appropriate planning and management is undertaken prior to making major capital acquisitions;
- the Company's funds expended on capital items are spent efficiently and effectively;
- the enduring benefits the Company to be realised from the acquisition is quantified; and
- the Company's Board and authorized Committees are fully informed of all relevant issues when making decisions regarding the authorization of capital expenditure.

3. Scope

The Capital Expenditure Policy applies to the Company's directors, and all other employees of the Company.

4. Capital Expenditure Approval

All Capital Expenditure must be approved in accordance with the authorities set forth in this Policy before a capital acquisition or commitment to a capital acquisition is made. The Company reserves the right to reject claims against capital expenditure which are not processed in the manner stated in this Policy. Processes for seeking approval for capital expenditure are outlined in this Policy.

5. Asset replacement

If the capital expenditure is for the replacement of an existing asset and the existing asset may be sold or traded in, the trade-in and/or residual value of the existing asset may not necessarily be offset against the gross cost of the new asset.

6. Quotation

At least two (2) quotations should be obtained to justify the budgeted amounts for each capital item. If obtaining at least two (2) quotations is not practical or possible, written justification must be provided. The Managing Director may, at his or her discretion, require additional information to support the capital expenditure request.

7. Capital Expenditure Planning Process

The Capital Expenditure Planning Process will result in a prioritized list of projects or purchases for the fiscal year capital budget and five year capital plan. In general, the projects incorporated into the capital plan must reflect the Company's overall strategic vision, and other initiatives.

8. Initial Development and Review of a Capital Proposal

When a capital expenditure need is identified and that falls under the above scope, Initiating officer should complete a Capital Expenditure Request (CER) Form and submit it to his/her Head of Department. The proposal should meet a specific objective and be consistent with the Company's strategic plan. The purpose of this



form is to encourage the flow of ideas and allow for advanced planning. The CER process follows a workflow automation procedure.

The CER Form should include the following:

- desired project timing,
- a brief description and justification of the project,
- a rough estimate of the project cost; and
- Capital project financial evaluation parameters such as Payback period, Net Present Value (NPV) and Internal Rate of Returns (IRR) etc (wherever applicable)

9. Budgets

- Requirements for capital expenditure should be included in the capital expenditure budget prepared annually by all departments.
- All requests for capital expenditure must be supported by a business case outlining why the proposed expenditure is required.
- The capital expenditure budget will be included as part of the total annual budget package for review and approval by the Board.

10. Unbudgeted Expenditure

In exceptional circumstances during a financial year, a need requiring unbudgeted capital expenditure may occur. In this event, as in the case of budgeted capital expenditure, a business case must be prepared and submitted justifying the need to incur the expenditure in the current financial period, ie. this cannot be deferred.

This is, thereafter, submitted and reviewed via the same process as for a budget capital expenditure submission. Requests for unbudgeted capital expenditure are required to also identify an offset against the approved capital expenditure budget, wherever this is possible.

11. Procurement

Procedures for purchasing capitalized assets, including competitive bidding and contracting requirements, are identified in the Company's Policy on Procurement.



12. Purchasing Deadlines

To accommodate year-end closing and the annual audit of the Company's financial statements, all capital expenditure purchase requests must be submitted in a timely manner and all open requests for a particular year are to be closed in the last quarter of that year.

13. Failure to Comply

It is every Employee's responsibility to understand this Policy and to comply with it and other the Company's Policies. Failure to comply may result in disciplinary action including impacts to performance ratings, impacts to an Employee's compensation, and termination of employment (with cause).

14. Commitment to this Policy

All Employees are expected to:

- ✓ Be aware of and understand this Policy, and seek guidance as required;
- ✓ Comply with this Policy and understand that compliance is required
- ✓ Identify and immediately report any suspected or known violation of this Policy.

15. Applicable Laws

The laws, regulations and guidelines that govern the Company shall complement and apply to this Policy and all parties to this Policy are expected to know and comply with these laws and regulations at all times.

16. Effective date

This Policy shall be effective immediately.

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17. Questions

For any questions about this Policy, the Chief Financial Officer (CFO) should be contacted.

18. Amendment & Review

This Policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

19. Approval of this Policy

The Board of Directors of Beta Glass PLC approved this Policy on this 24th day of March, 2022


Chairman


Secretary