



POLICY ON BUDGETS & EXPENDITURE

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TO: All Directors & Staff

SUBJECT: POLICY ON BUDGETS & EXPENDITURE

Date: 29/11/2019 and updated May 2022.

Purpose: As A Guide for all Company's Expenditure & Others.

Duration: Five (5) Years Term.

Dear Esteemed Executive Team,

Sequel to earlier mail, please find below details for the breakdown of proposed company's (Ohmes Global Concepts Ltd) Budget/Expenditure Structures:

(A) Deductions on overall funds:

(1) Business Capital: - This comprises of the underlisted items:

- * Shareholders Funds per share capital
- * Banks Credits (Bank Guarantee - 'B.G', Confirmed Letter of Credits - 'LC', Irrevocable Standing Payment Order -ISPO, Banks Overdraft 'OD', Advance Payment Guarantee 'APG', Credit Line, Term Loans and Cash Loans).
- * Investors Funds (Nominal Directors / Investors - Not shareholders)
- * Other People's Money 'OPM' (i. e. through credit supplies by OEMs/ Partners)

(2) Provision for Liabilities: - This is at 25% on Gross Profits.

Note:

- * Liabilities include: Repayments on property, Loans, Credits, debts, Pool cars/working tools purchases, etc.
- * Where the company does not have any liability, such budgeted funds to be added or transferred to 'Business Capital' in order to increase profits generation and, for business expansion.

(3) CAPEX (Capital Expenses) Budget: - This is at 25% on gross profits. Capital Expenses include:

- CAPEX Savings
- Office Furniture
- Office working tools (i.e. Pool Cars, official cars, Delivery vans, Trucks, Computer tablets, computer laptops, smartphones, software, printers, stationary, copiers, etc.).
- Promotional activities (i. e. Prudent Box, PIPO/OHMES events, adverts, radio/TV jingoes, road shows, shop branding, showrooms, etc).

- Advance salary for both staff & directors
- Soft loans to staff and directors (in needs)
- Property/Asset finance loans to staff and directors
- Some special purchases for the company/branch offices.

(4) OPEX (Operating Expenses) Budget: - This is at 20% on gross profits. Operating Expenses include:

- Salaries for both staff and directors
- Allowances to Non-Executive Directors
- Rents for Liaison Office, Branches and Showrooms
- Fuel for pool cars and official cars
- Diesel for logistics vans, trucks & generators
- Company's running costs and running of showrooms/branches
- Recharge cards/ CUG rentals
- Field calls/ transport allowances
- Local travels & Int'l travels (official)
- Internet Data Subscription (official)
- Corporate Social Responsibility 'CSR'
- Group Life Insurance Policy
- Health Insurance Policy (HMO)
- Legal Charges/Payments to Ojaomo & Ojaomo (Retainership)
- Miscellaneous expenses (Biz Consultants, Courier Charges, etc.)

(5) Sales Commissions Budget: - This is at 20% on gross profits. Sales Commissions Budget includes:

- Sales Commissions to sales staff or any staff/directors/ persons that either referred/ participated in bringing- in profitable sales transactions to the company, and payments are received within the agreed/stipulated time frame.
- Commission to 'Contracted Truck Operators/Drivers & Others'
- Service Providers (Sales Dept. /others)
- Business Referrals

Note: Commission shall only be paid if all agreed terms are adhered to.

(B) Deductions/Payments after 'A' components of the budget and expenditure have been removed. This 'B' components refer to payments based on the 'NET Profits' (10%). These include:

- Corporate Tithes @ 10% on the 'NET Profits'
- Company's Income TAX @ 30% on the 'NET Profits'
- Profits Share for Shareholders/ Investors @ 30% on the ' NET Profits'

- Savings for any form of litigations and legal matters @ 2%
- Legal Commission Payments to all servicing legal chambers such as: Ziongates Chambers, Ojaomo and Ojaomo & Co, etc. @ 3%
- Special Savings for the future @ 25% on the 'NET Profits'

All, kindly make any inputs where necessary.

Thanks for your cooperation, even as we look forward to receiving all inputs and comments ASAP.

Regards,

For: Ohmes Group

Signed, Management



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