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| Type: Standard Operating Procedure No: INV-02-02 Title: Project Progress Monitoring | Banpu Public Company Limited Finance | Page 1 / 5 |
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Introduction:

Finance department has responsibilities to govern to create standardized processes, clear roles, and responsibilities related to the management of financial activities within the organization.

This work procedure document is designed and targeted for officers within and outside Corporate Finance department (or its equivalent in subsidiary entities) to be guiding procedures for the specified financial and accounting processes in the Objective section.

Adherence to the activities and steps are crucial and mandatory to all targeted stakeholders to ensure consistent and transparent financial practice, clear accountabilities, regulatory compliance, and alignment with the company's financial policies used in conjunction with this work procedure.

Objective:

To establish the guideline procedures for 'Project Progress Monitoring process', ensuring that project costs and revenues are properly tracked and recorded in a timely manner for timely reflection on the financial statements.

Scope:

This work procedure shall be adopted by Banpu Public Company Limited and subsidiaries, whose Finance and Accounting operations are handled by Corporate Finance department in Thailand, and shall be effective until announced otherwise.

Definitions:

N/A

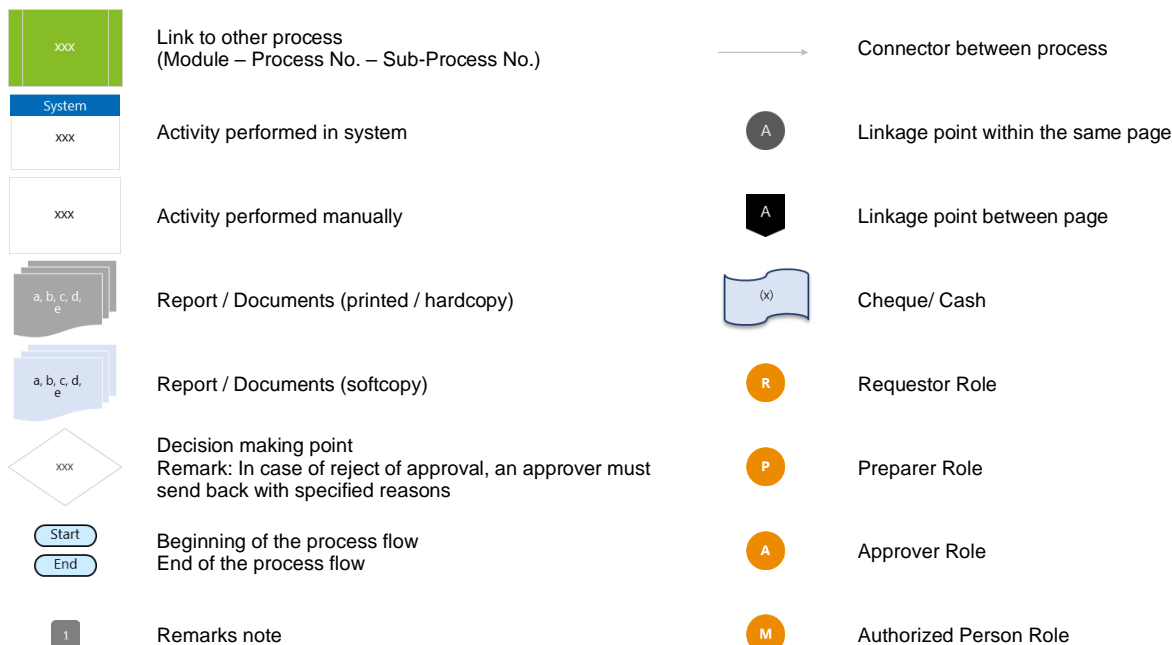
References:

N/A

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Flowchart:

Process Flowchart Legends



Abbreviations and Definitions

| Abbreviation | Definition |
|--------------|------------------------------------|
| AP | Accounts Payable |
| AR | Accounts Receivable |
| FA | Fixed Asset Accounting |
| GL | General Ledger |
| I&C | Inventory & Costing |
| TR | Treasury Operations |
| MA | Managerial Reporting and Budgeting |
| D&I | Digital and Innovation |
| MS&L | Marketing, Sales & Logistics |

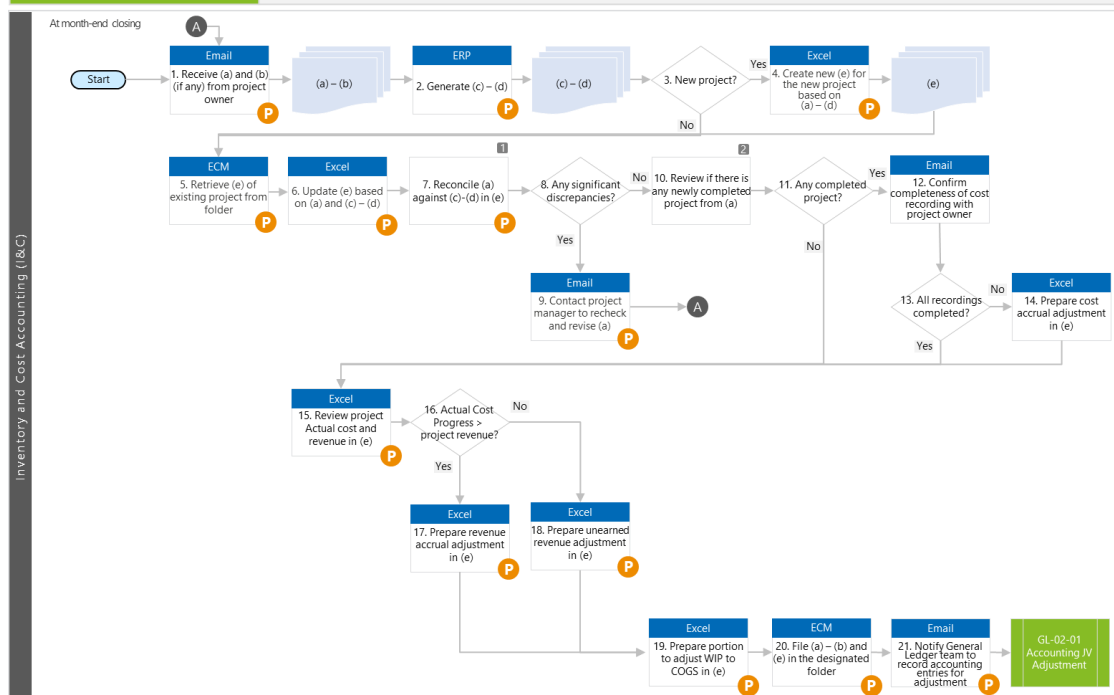
| Abbreviation | Definition |
|--------------|--------------------------------------|
| ERP | Enterprise Resource Planning system |
| ECM | Enterprise Content Management system |
| ACCP | Accounting Portal system |
| VAT | Value Added Tax |
| WHT | Withholding Tax |
| SBT | Specific Business Tax |
| CIT | Corporate Income Tax |

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|---------------|---|
| Process Group | Inventory and Cost Accounting/ Cost Controlling (INV) |
| Main Process | INV-02 Costing Calculation |
| Sub Process | INV-02-02 Project Progress Monitoring |

| Relevant Document(s) |
|--|
| a) Project Progress Report from Project Owner b) Project Sales Agreement c) General Ledger – Expense by Project Account Report d) General Ledger – Revenue Accounts by Project Report e) Project Expense Tracking Report |

| Remark(s) |
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| 1 Inventory and Cost Accounting must be checked to ensure that the Project Progress Report is in line with actual cost booking in the ERP. For example, the last milestone of major installation has been received and booked for payment, but the progress is not reflected accordingly. 2 Project value and estimated completion cost and date should be provided since project initiation and maintained as a record along with the project code. |



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Detail of Procedure: INV-02-02

1. I&C preparer receives 'Project Progress Report' and 'Project Sales Agreement' (if any) from the project owner via email.
2. I&C preparer generates 'GL – Expense by Project Account Report' and 'General Ledger – Revenue Accounts by Project Report' from ERP.
3. I&C preparer considers if there is the new project:
 - a. If there is a new project, proceed to step #4.
 - b. If there is no new project, proceed to step #5.
4. I&C preparer creates a new 'Project Expense Tracking Report' for the new project in Excel based on the following reports:
 - Project Progress Report from Project Owner
 - Project Sales Agreement
 - General Ledger – Expense by Project Account Report
 - General Ledger – Revenue Accounts by Project Report
 Then proceed to step #5.
5. I&C preparer retrieves the Project Expense Tracking Report of existing project from ECM.
6. I&C preparer updates Project Expense Tracking Report in Excel based on the following reports:
 - Project Progress Report from Project Owner
 - General Ledger – Expense by Project Account Report
 - General Ledger – Revenue Accounts by Project Report
7. I&C preparer reconciles Project Progress Report from Project Owner against General Ledger – Expense by Project Account Report and General Ledger – Revenue Accounts by Project Report in Project Expense Tracking Report in Excel.

Note: Inventory and Cot Accounting must be checked to ensure that the Project Progress Report is in line with actual cost booking in the ERP (e.g. last milestone of major installation) that has been booked in the system. For example, last milestone of major installation has been received and booked for payment, but the progress is not reflected accordingly.
8. I&C preparer checks if there are any significant discrepancies.
 - a. If there are significant discrepancies, proceed to step #9.
 - b. If there are no significant discrepancies, proceed to step #10.
9. I&C preparer contacts responsible project manager to recheck and revise the Project Progress Report from Project Owner, then proceed back to step #1.
10. I&C preparer reviews if there is any newly completed project based on project Progress Report from Project Owner

Note: Project value and estimated completion cost and date should be provided since project initiation and maintained as a record along with the project code.
11. I&C preparer considers if there is the newly completed project:
 - a. If there is any newly completed project, proceed to step #12.
 - b. If there is no newly completed project, proceed to step #15.
12. I&C preparer confirms completeness of cost recording with the project owner of the completed project.

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13. I&C preparer considers whether all recordings have been completed:
 - a. If completed, proceed to step #15
 - b. If not completed, proceed to step #14.
14. I&C preparer prepares cost accrual adjustment in Project Report in Project Expense Tracking Report in Excel, the proceed to step #15.
15. I&C preparer reviews actual cost and revenue in Project Expense Tracking Report in Excel to determine if actual cost progress is greater than project revenue.
16. I&C preparer considers:
 - a. If actual cost progress is greater than project revenue, proceed to step #17
 - b. If actual cost progress is not greater than project revenue, proceed to step #18.
17. I&C preparer prepares details for revenue accrual adjustment in Project Expense Tracking Report in Excel.
18. I&C preparer prepares details for unearned revenue adjustment in Project Expense Tracking Report in Excel.
19. I&C preparer prepares a portion to adjust WIP to COGs in Project Expense Tracking Report in Excel.
20. I&C preparer uploads and files the following report in the arranged folder in ECM:
 - Project Progress Report from Project Owner
 - Project Sales Agreement
 - Project Expense Tracking Report
21. I&C preparer shares the ECM link of the uploaded files and notifies GL team to record accounting entries for the adjustment. Then proceed to the work procedure of GL-02-01 Accounting JV Adjustment.