



NIGERIAN BOTTLING COMPANY LIMITED

STANDARD OPERATING PROCEDURE



CAPEX PROJECT EXECUTION POLICY



Nigerian Bottling Company Ltd RC 902
(A member of Coca-Cola Hellenic Group)

TABLE OF CONTENTS

1. 0	DOCUMENT CONTROL.....	3
2. 0	OBJECTIVE.....	3
3. 0	POLICY STATEMENT.....	3
4. 0	SCOPE & APPLICATION.....	3
5. 0	TERMINOLOGIES.....	3
6. 0	ROLES AND RESPONSIBILITIES.....	4
7.0	PROCEDURE FOR CAPEX - ASSET	5
8.0	PROCESS FLOW FOR CAPEX - Asset	7
9.0	PROCEDURE FOR PROJECT MANAGEMENT SUPPORT TO OTHER FUNCTIONS.....	8
10.0	PROCESS FLOW FOR PROJECT SUPPORT	9
11. 0	POLICY ADMINISTRATION.	10
12. 0	EXCEPTION.....	10
13. 0	EFFECTIVE DATE.....	10
14. 0	ACKNOWLEDGEMENT AND APPROVALS.....	11

1.0 DOCUMENT CONTROL

Revision No.	Review Date	Author	Note
1.0	September 2016	Aderemi Ayoola & Rasaq Salami	Creation
2.0	March 2023	Omotayo Onoviran & Adesola Adegbite	Review

2.0 OBJECTIVE

The purpose of this document is to ensure that:

- Projects and capital expenditures are consistent with the business objectives of Nigerian Bottling Company Ltd.
- All projects and capital expenditures are capitalized according to the CCH accounting policy.
- There is proper handover of delivered projects to plant/end user.

3.0 POLICY STATEMENT.

For the sustainability and profitability of our business, it is imperative that we embark on projects and capital expenditures. This must be done in strict adherence to the processes and procedures stated herein.

4.0 SCOPE & APPLICATION.

The provision of this policy covers all projects and capital expenditures. The policy applies to all project managers, project administrative staffs and all staff that embarks on a capital-intensive projects that will be capitalized.

5.0 TERMINOLOGIES.

ABBREVIATIONS	MEANING
CAPEX	Capital Expenditure
COIN	CAPEX Online Integrated Management System
SCD	Supply chain director
PJM	Project Managers
HOP	Head of Projects
FH	Function Head
BSO	Business Systems Optimization
RFA	Request for Approval
WBS	Work Breakdown Structure
PO	Purchase Order
GRIR	Goods Receipt/Invoice Receipt
SES	Service Entry Sheet
AUC	Asset Under Construction
PR	Purchase Requisition
PO	Purchase Order

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.

ABBREVIATIONS	MEANING
FAR	Fixed Asset Register
SSF	Shared Service Framework
BP	Business Plan
ERP	Enterprise Resource Plan
FIAT	Financial Investment Appraisal Template

6.0 ROLES AND RESPONSIBILITIES.

Supply Chain Director

The SCD through the head of projects has the ultimate responsibility to ensure project delivery and capitalization according to the projects and CAPEX policy.

Head of Projects

The Head of Projects shall be responsible for:

- Ensuring that all Capex Projects are executed in line with the procedures in the policy and relevant group policies.
- Ensuring that Projects are capitalized in line with group policies. Requesting for approval in changes in scope of project and budget shift from one project to another.

Project Managers

Project managers in this context refers to any staff who is involved in the delivery of a capital-intensive project of any sort for the business objective to be accomplished. The responsibilities of the project managers include:

- To ensure that project is delivered on time, to the required quality standard and within budget. If there are any changes to the scope of project which will impact project deliverables, appropriate approvals must be sought through the Head of Projects.
- To ensure that all delivered projects are signed off with the plant manager, plant engineers and supply chain finance analyst. A copy of the sign off form should be forwarded to the project administrators for archiving.
- To ensure that the capitalization of the project is done by filling the asset creation template for all projects that have been completed and put to use.

Project Administrators

The responsibility of the project administrator is to ensure that projects are capitalized by providing support to the project managers and raising SSF to submit the asset creation template to the BSO team.

Post capitalization of asset already capitalized is to be done by the project administrators.

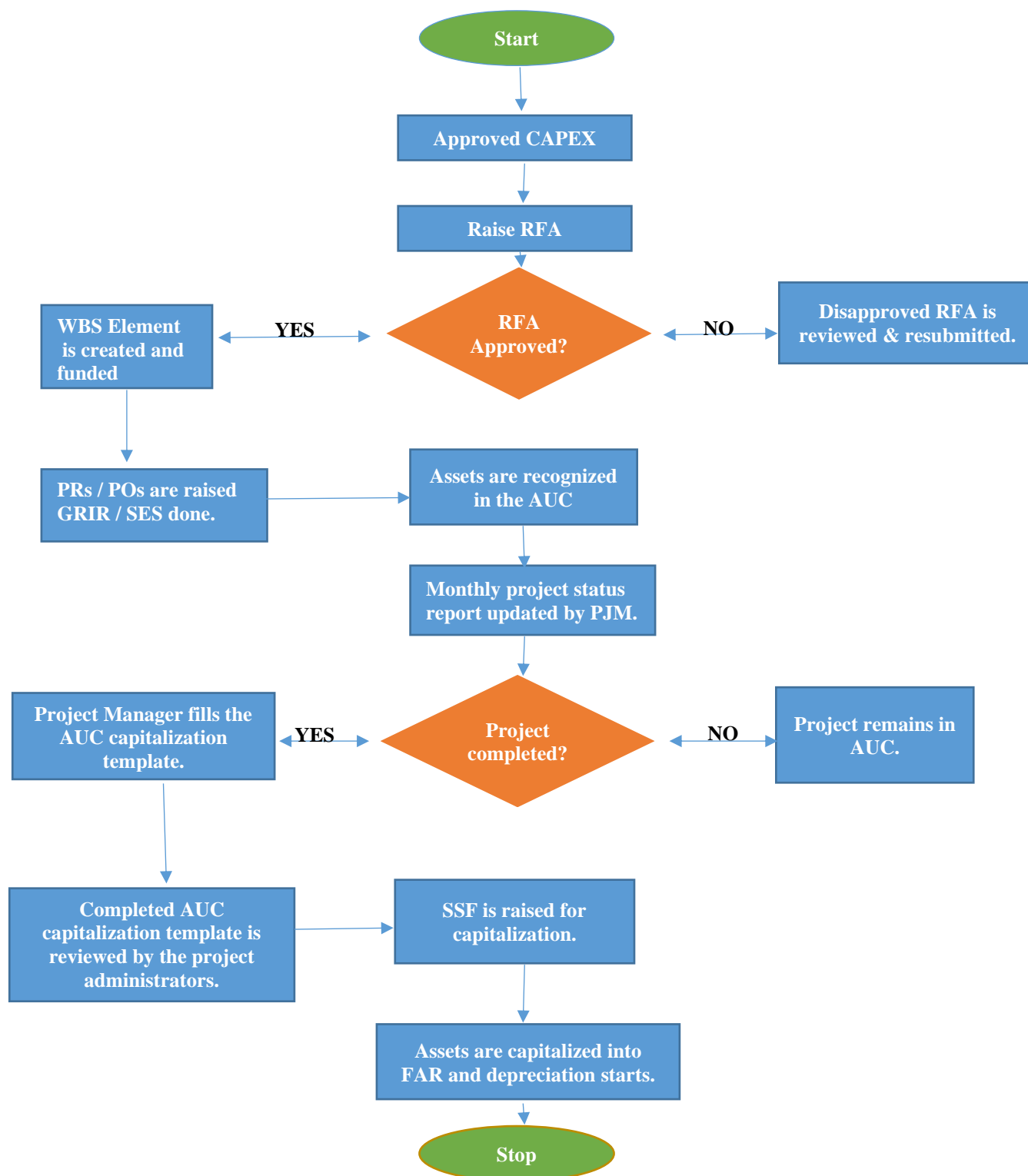
7.0 PROCEDURE FOR CAPEX ASSET

Step	PROCESS	ACTIVITIES / DESCRIPTION	TIMING	RESPONSIBLE DEPT	KEY PERSON
1	Approved CAPEX BP	The country presents a proposed CAPEX BP to the group for the new fiscal year. Upon the approval of the CAPEX, it is uploaded into the COIN system and synchronized with the ERP system.	Annually	Financial Planning	Snr. Financial Planning Analyst.
2	Raising RFAs	Requesting Department raise RFAs in line with the approved CAPEX BP for the year on the COIN platform by uploading the project charter and one-page summary. FIAT will be included if the project is not compliance/regulatory related.	As needed	Requesting Department	Requesting Project Manager
3	Create WBS element and Project Cost Accumulation	Upon approved RFA, <ul style="list-style-type: none"> WBS elements are created. These are cost accumulators for each project. The WBS elements are funded with the approved RFAs amounts in group currency. WBS elements are created based on asset class. 	Immediately after RFA approval	BSO Team	BSO Team
4	PR/PO/GRIR/SES	<ul style="list-style-type: none"> Purchase requests and Purchase orders are raised quoting the specific WBS elements. Upon execution of the job or delivery of the items on the PO, GRIR or SES are done recognizing the items in AUC account. 	As needed. Upon successful execution	Requesting Department Requesting Department	Requesting Project Manager Requesting Project Manager
5	Monthly Project Status Report and Reviews	This is a monthly report that originates from the BSO team to the project managers through the project administrators asking them to confirm the status of all the projects as at a particular month. <ul style="list-style-type: none"> The project Managers completes the templates showing. <ul style="list-style-type: none"> the percentage of completion, Status of the project, whether ongoing or completed, whether the assets have been put to use and Whether the assets are in the state 	Monthly	Finance / Supply chain	Project Managers/ Project Administrator

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.

		<p>expected by the management.</p> <ul style="list-style-type: none"> All Projects with responses stating that the projects are still ongoing are kept in the AUC accounts while all projects whose responses confirm that they are completed will be subjected to the following in step 6 below. 			
6	Project Managers Second Confirmation.	<p>All cost details of all completed projects are forwarded to project managers for them to ascertain the following:</p> <ol style="list-style-type: none"> (1) That all GRIR relating to the project have been done (2) That there are no outstanding POs on the project (3) That the cost accumulated are complete for the project. (4) To complete the AUC capitalization template for the capitalization of the project. 	Monthly	Project	Project Administrator/Project Manager
7	Assets Capitalization	<p>Meeting for all project managers holds with the Project Administration Team to discuss project status.</p> <p>All AUC capitalization template for completed projects are reviewed by the project administrators and sent to BSO team via SSF for capitalization.</p> <p>Assets are capitalized and depreciation commences on the assets.</p>	Weekly	Requesting Department	BSO team/project administrator
8	Asset Tagging	Inventory tags generated for the new assets are sent to the plant managers by the project administrators for tagging on the physical asset.	Quarterly	Plant Manager	Plant Assets Custodian
9	Assets Transfer	Requesting department raises a request on SKYDOXX to transfer asset to another location. Receiving location sends a filled asset location change form to the project administrator who raises the SSF for asset location change/transfer.	As required	Requesting Department	Requestor/Project Administrators
10	Assets Disposal	Assets are disposed in accordance with the group policy.	As required	Procurement	Procurement

8.0 PROCESS FLOW FOR CAPEX



9.0 PROCEDURE FOR PROJECT MANAGEMENT SUPPORT TO OTHER FUNCTIONS

1. Scope Definition

The end user shall provide in written form, detailed scope of the project.

2. Design, Drawings, BOQ and Specification

The project team shall prepare detailed design, drawings, BOQ and specifications for different elements of the projects, e.g Sub structure works, floors, fixtures/ fittings, services & finishes. This shall be shared and signed off with end user.

3. Tendering & Contractor Selection

The project team shall submit a request lead to procurement with end-user in copy, and end-user shall follow up with Procurement on conclusion of all bidding processes and shall communicate to projects team, outcome of bidding process and project start date and agreed timeline.

Change in scope: If end user at this stage introduces any changes in scope or specification, a request for change-in scope shall be sent to project team for necessary update to BOQ, drawing and specification and signed off copies sent to procurement with end user on copy.

4. Execution

Result of bidding shall be communicated to project, with duration, kick-off date and a notice to proceed issued to appointed Vendor.

A Stage-Gate model shall be established with end user by project team against project milestones. This will include on-site inspection and assessment, and the following shall be evaluated, rated, and signed off.

Quality – Ok to proceed, stop work, require amendment.

Specification – Fully comply, out-of-spec.

Timeline – On-track, off-track

5. Closure

Final assessment and evaluation.

Quality – Satisfactory, Not satisfactory

Specification - Fully comply, out-of-spec.

End-user acceptance – Accepted, Rejected

For non-compliance items, a snag list shall be prepared signed off and communicated officially to Vendor.

Snag list tracking

6. Certificate of completion

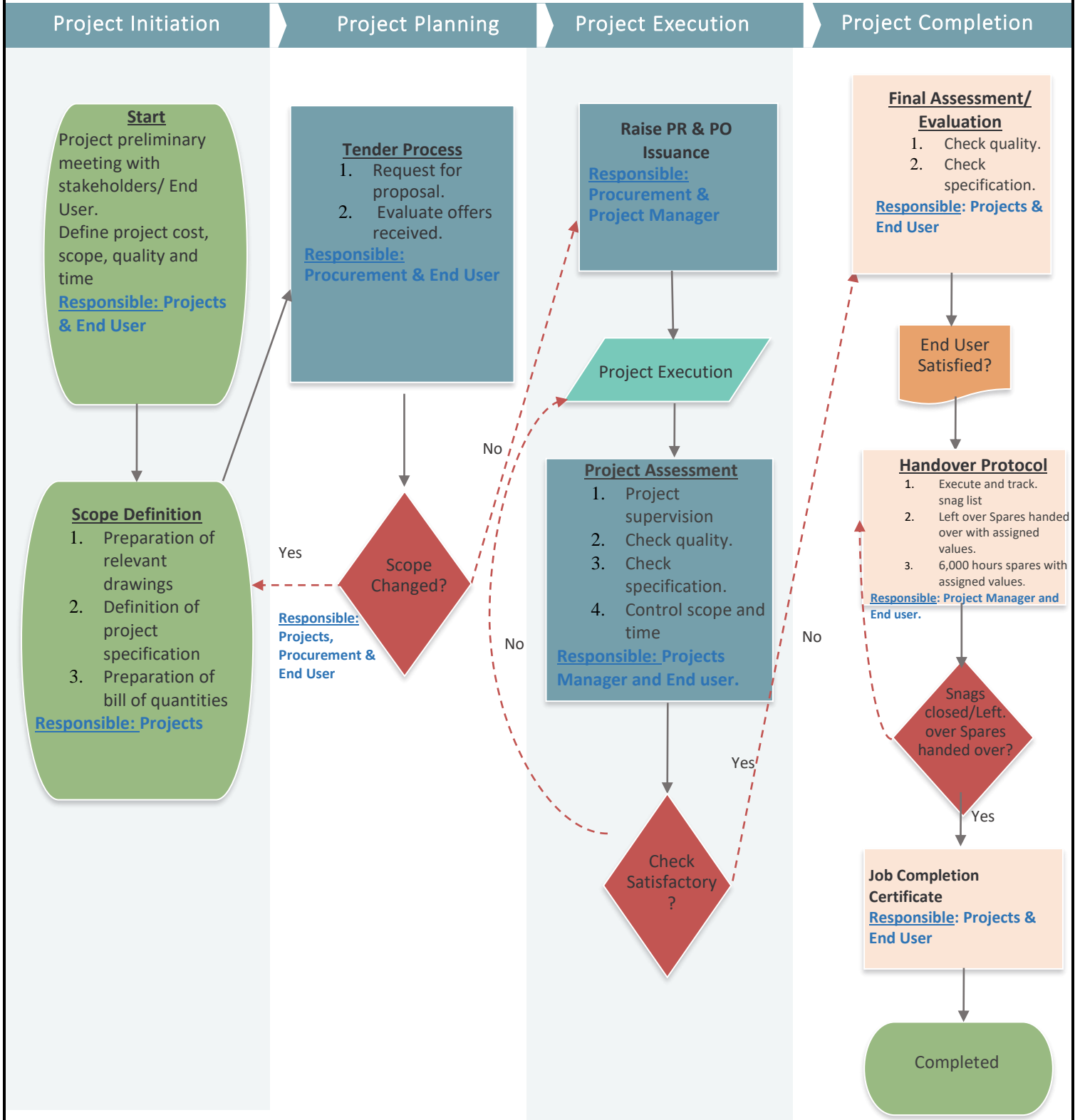
A certificate of completion shall be issued to the Vendor after.

a. Snag list closure

b. Handover/End user acceptance & sign off.

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.

10.0 PROCESS FLOW FOR PROJECT SUPPORT



11.0 POLICY ADMINISTRATION.

The Supply Chain Director and Head of Projects are responsible for the administration of this policy while the project managers are responsible for compliance to its dictates.

The project administrators are responsible for the revision and interpretation of the policy. The Policy will be reviewed periodically and revised as required.

12.0 EXCEPTION.

There are currently no exceptions to this policy. Any exception that may affect this policy must be authorized by the Supply Chain Director and Head of Projects.


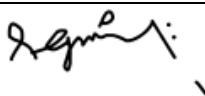
13.0 EFFECTIVE DATE.

This Policy is effective upon approval by the Country General Manager.




14.0 ACKNOWLEDGEMENT AND APPROVALS.

By signing off, I confirm that I am aware of the process and the main requirements of this Procedure and that the statements of the Procedure are acceptable. Furthermore, I agree to use the given authority according to the requirements determined by this Procedure.



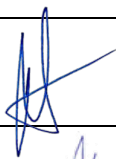

POLICY & PROCEDURE CODIFIED BY:

Name	Position	Signature	Date
Omotayo Onoviran	Project Admin Analyst		20/03/2023
Adesola Adegbite	Project Admin Analyst		20.03.2023

POLICY & PROCEDURE REVIEWED BY:

Name	Position	Signature	Date
Oluwatoyin Owoeye	Project Manager (Administrator)		20/03/2023
Nikolaos Kakouris	Engineering Manager		23/03/2023
Niyi Giwa	BSO Alliance Manager		21.03.2023

APPROVED BY:

Name	Position	Signature	Date
Neil Spickett	Supply Chain Director		23.3.23
Omobonike Oketunji	Country Procurement Director		11.4.2023
Adrian Lupu	Chief Financial Officer		12.04.2023
Matthieu Seguin	Country General Manager		13.04.2023

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.