

3.10 BUDGET PROCESS

3.11 FINANCIAL REPORTING YEAR

The financial reporting year shall be January 1st - December 31st.

Adopted by the Board November 19, 2008

3.12 BUDGET MANAGEMENT YEAR

The budget management year shall be August 1st - July 31st.

Adopted by the Board November 19, 2008

3.13 BUDGET PREPARATION

The Director is responsible for presenting the budget.

3.14 ANNUAL BUDGET

The Treasurer shall submit a draft budget to the Board in time for approval at the December Board meeting of the preceding year. The budget will be definitely approved by the Board at the first board meeting of the new budget year.

Amended by the Board November 20, 2007

3.15.1 EMERGENCY/CONTINGENCY RESERVE FUND

In each annual budget, at least 4% of total budgeted (current expenditure + acquisition of non-financial assets + scheduled debt redemption) shall be an unallocated contingency reserve. This reserve may be used for payments that were not able to be anticipated at the time the budget was approved. The use of the reserve is at the discretion of the Board. In addition, TIS shall at all times maintain sufficient cash or cash equivalents to at least make the payments equivalent to three months salary for expatriate staff and cover their repatriation costs as specified by contract.

Amended by the Board October 17, 2007

3.15.2 OPERATING RESERVED FUND

The school should maintain at least the equivalent of 3 month of operation as emergency reserve to allow the school to cover unexpected expenses due to Act of God, Force majeure, etc.

Effective school year 2010-11, the school will allocate 25% of its operating surplus to this fund every year until the reserve equals 25% of the operating budget.

When this level has been reached the school will allocate additional sums each year, as necessary, to ensure that the target of 25% is maintained, as operating costs increase. All interest accrued by the emergency reserve should be entirely incorporated to the reserve.

Adopted by the Board, March 16, 2011

3.16 BUDGET PLANNING PROCESS

Responsibility

The overall responsibility for the preparation of the full budget package shall remain with the Director, although a close involvement of the Board's Committees is envisaged as described below. The Finance

Committee is responsible for a detailed examination of the Budget package and its subsequent presentation to the Board with its findings. The Board is the final approving authority for the complete School Budget. Finally, the Board gives the Director the responsibility for making the summary budget available upon request and to answer questions from any parent of an enrolled student and any major contributor of funds.

Budget Preparation Flow

The Director shall present to the December Board meeting an indicative budget for the following year together with proposed fee levels for the following year and a headcount limit for each category of staff inter alia within which the Director may proceed to negotiate contracts for new staff and renewals of existing contracts with staff. The Director shall manage this discretionary authority by striking a balance between the risk of over-committing the following year's budget and the risk of TIS being under-staffed during the following year. The Board at its December meeting shall also approve the indicative budget and approve fee levels for the following year. The Board shall approve staff contracts proposed by the Director only if they are inter alia within the approved headcount limits.

Amended by the Board October 17, 2007

3.17 BUDGET RE-ALLOCATIONS

The Director has the authority without Board approval to re-allocate budget expense authority within the following categories of the following classifications for budgetary control, subject to (i) the total allocation for each category not being exceeded; (ii) the re-allocations not causing any of the original budget allocations approved by the Board to be exceeded by more than 10%:

Expense: Personnel; Goods and Services.

Program Expense: Pre-school; Elementary School; Middle School; Secondary School.

Amended by the board November 20, 2007