

## **Procurement and Supplier Policy**

Xurpas is steadfast in its commitment to conduct all procurement activities with the utmost integrity, fairness, and transparency. It is our goal that every procurement decision reflects our core values of honesty, competitiveness, fairness, and transparency.

This Procurement and Supplier Policy embodies our dedication to upholding these principles in every facet of our procurement process. We believe that by adhering to strict ethical standards and promoting healthy competition, we not only safeguard the interests of our stakeholders but also foster trust and credibility within our industry and community.

Our aim is to establish clear guidelines and procedures that ensure the equitable treatment of suppliers, the effective management of supplier relationships, and the optimization of procurement outcomes. Through the implementation of this policy, we seek to minimize the risk of conflicts of interest, enhance supplier performance, and achieve the best value for our investments.

We recognize that maintaining a reputation for integrity and transparency is paramount to our success and sustainability. Therefore, we pledge to continuously review and improve our procurement practices, guided by the principles outlined in this policy, to uphold the trust and confidence placed in us by our stakeholders.

## **Effectivity**

Xurpas' procurement policy was established in 2022. This Procurement and Supplier Policy supersedes that and shall be effective as of 01 January 2024 and shall remain effective until amended or superseded by a subsequent version approved by the Executive Committee.

## **Applicability**

This Policy applies to Xurpas Inc. and all of its subsidiaries (the "Xurpas Group"), particularly the employees, contractors, and agents of the Xurpas Group involved in the procurement process, including but not limited to the solicitation, evaluation, and selection of suppliers, as well as the negotiation and management of supplier contracts.

This policy shall be binding upon all individuals mentioned above and shall govern all procurement activities conducted on behalf of the Xurpas Group, regardless of the department or business unit involved, the nature of the procurement, or the monetary value of the transaction.

Any deviation from this policy must be approved by the Executive Committee in accordance with established procedures.

This Policy supersedes any prior policies or practices related to procurement and supplier management and shall remain in effect until amended or superseded by a subsequent version approved by the Executive Committee.

## **Three-Supplier Quote Rule**

A three-supplier quote rule will be followed for each request to promote competition and obtain competitive pricing.

## **Supplier Evaluation Criteria**

Clear and objective criteria will be established for evaluating suppliers, including quality, price competitiveness, delivery time, and compliance with ethical and environmental standards. Procurement decisions will be based on merit and alignment with company values.

## **Participation of Operations and Administrative Teams**

Each member of the Operations team and/or Admin team must participate in submitting at least one quote for the same asset requested, encouraging active involvement and diverse sourcing perspectives.

## **Request for Quotations (RFQs)**

All requests for quotations (RFQs) must be sent via Xurpas email to ensure proper documentation.

## **Quotation Submission Requirements**

Quotations must be submitted in PDF format, addressed to the individual who requested the quote, and duly signed by a supplier representative to ensure authenticity.

## **Timeframe for Quotation Submission**

Quotations must be secured within 5 business days from receipt of the request to expedite the procurement process and meet operational needs efficiently.

## **Conflict of Interest Declaration**

All employees involved in the procurement process must annually declare any potential conflicts of interest related to suppliers. This declaration ensures transparency and integrity in decision-making. The declaration must be submitted to the Chief Compliance Officer by December 15 of every year.

## **Rotation of Procurement Personnel**

A rotation policy will be implemented for procurement personnel involved in supplier selection and negotiation to prevent undue influence or favoritism towards specific suppliers, promoting fairness and accountability.

## **Record Keeping and Audit Trail**

Comprehensive records of all procurement activities, including Request for Quotations (RFQs), quotations, correspondence with suppliers, and procurement decisions, will be maintained. This facilitates internal audits and ensures accountability and transparency in the procurement process.

### **Supplier Code of Conduct**

Suppliers will be required to adhere to a code of conduct that aligns with the company's values and ethical standards. This code will cover areas such as labor practices, environmental sustainability, and anti-corruption measures, promoting responsible business practices.

### **Supplier Performance Monitoring**

A system will be established for monitoring and evaluating supplier performance based on predefined metrics, including product quality, delivery reliability, and customer service. This enables continuous improvement and informed decisions regarding supplier relationships.

### **Whistleblower Protection**

Mechanisms in Xurpas' Whistleblower Policy will be implemented to protect employees who report unethical behavior or violations of the procurement policy. This ensures that concerns are addressed promptly and without fear of retaliation, fostering a culture of transparency and accountability.

### **Management Review and Oversight**

Regular management reviews of procurement processes and outcomes will be conducted to identify areas for improvement and ensure compliance with corporate governance principles. This oversight promotes efficiency, effectiveness, and adherence to ethical standards.

This policy aims to uphold ethical standards, promote transparency, and ensure the effective management of supplier relationships in alignment with corporate governance principles.