

# NON-HC PROCUREMENT

(AREA BOOK)

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## OBJECTIVE:

The Non-HC Procurement Area Book (hereinafter referred to as: “Regulation” or “PAB”) is designed to provide transparent and uniform rules to all employees involved in the procurement of non-hydrocarbon (hereinafter only “non-HC”) materials, assets and services.

The PAB regulates the procurement process within MOL Group and defines the principles and main requirements to be applied, also the fundamental tasks and responsibilities of stakeholders involved in the procurement process.

## SCOPE:

### MOL Group

(MOL Plc. and controlled operative subsidiaries involved into matrix operation)

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The provisions of this Regulation are obligatory and binding for affected employees, and all the annulled Regulation becomes invalid.

**CLASSIFICATION:** C2

**VERSION:** 4

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## ANNULMENTS

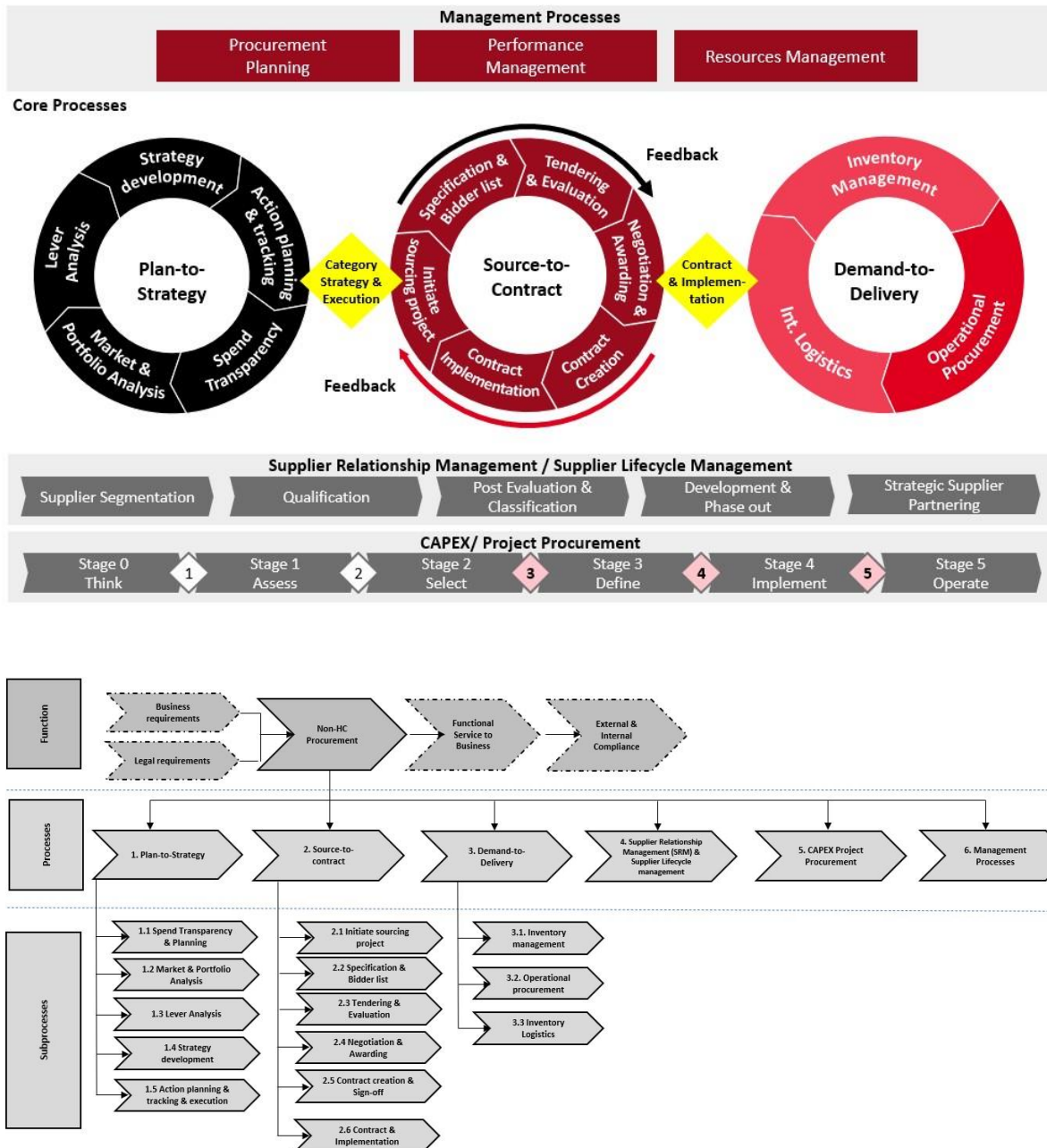
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PROC	Non-HC Procurement Area Book	v3	01 May 2022

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# 1 PROCUREMENT PROCESS BREAKDOWN



## 2 MAIN PRINCIPLES OF THE PROCUREMENT OPERATION

### 2.1. PROCUREMENT MAIN PROCESS KPIs

Procurement has defined a set of KPIs, applicable and customized to each divisional procurement in order to meet its strategic goals. The structure of KPI set designed and agreed with business is updated on yearly basis, the actual set of KPI are:

Process, subpr. no	Indicator type	Process indicator	Description	Target value, acceptance range	
				PI Target: Green	PI Target: Amber
PROC 1 & PROC 2	Cost	eAuction ratio	Develop category specific go-to market strategies and increase the e-auction ratio of non-single/sole source categories.	80%	60%
PROC 2 & PROC 3	Cost	Frame contract ratio	Frame contract ratio: The possible highest frame contract ratio is targeted in order to enable automation and business driven self-service processes. Target to increase the frame contract ratio to 85% meaning that 85 % of the spend in the reported period is managed through standard call-off processes.	85%	65%
PROC 2	Process	Supplier sustainability qualification ratio	Proactively operating Responsible Procurement via unlocking potential opportunities of our supply base.	80%	60%
PROC 1 & PROC 3	Process	Inventory specified CS ratio	Develop Category specific Inventory , warehousing/stocking strategies in line with the Category strategies.	80%	60%
PROC 1	Process	In-time planning ratio	The objective is to plan min. 90 days before the sourcing procedure starts.	95%	85%
PROC 2 & PROC 3	Delivery	AutoCO ratio	AutoCO ratio: In order to leverage on the concluded frame contracts, the target is to automate the call-offs, in order to increase procurement efficiency and decrease lead time of the associated process eliminating manual administration and possible human errors. Measured through the ratio of number of automatic COs (including both catalogue purchases and SAP MM auto-POs) per total COs. This PI is relevant for SAP using companies only.	90%	80%
PROC 2 & PROC 3	Delivery	No-touch AutoCO ratio	No-touch AutoCO ratio: In order to leverage on the concluded frame contracts, the target is to automate the call-offs, in order to increase procurement efficiency and decrease lead time of the associated process eliminating manual administration and possible human errors. Measured through the ratio of number of AutoCOs managed to be sent out without human intervention (including both catalogue purchases and SAP MM auto-POs) per total AutoCOs. This PI is relevant for SAP using companies only.	95%	90%
PROC 3	Delivery	In-time delivery ratio of Material POs (ITIF)	Improve/increase on-time-delivery-in-full (OTIF) of material POs Ensure that deliveries are received as per the date indicated on the POs. Earlier deliveries are accepted, late deliveries are not accepted. This PI is relevant for SAP using companies only.	90%	80%

## 2.2. PROCUREMENT PRINCIPLES

<i>General Procurement principles</i>	
1.	MOL Group procurement aspires to become a top quartile procurement function in Europe, propelling MOL Group's business directions and industrial transformation.
2.	Procurement vision shall be achieved by: Standardized, automated and transparent processes and systems; Pro-active procurement planning in parallel with business planning; Cross-functional collaboration and alignment; Managing suppliers in order to improve and ensure performance; Leveraging group level knowledge and spend; Engaging pro-actively with supplier market to develop innovative solutions for MOL Group businesses.
3.	Procurement strategy shall support the Vision by: Enabling MOL Group's Business Objectives; Unlocking competitive market potentials through providing professional internal service that assists the success of MOL Group, and securing the supply of Non-HC services, assets and materials with the best available market conditions by the required deadline.
4.	Rules defined in the <b>PAB do not apply to the following categories</b> ; these areas are to be covered by Area Book of the relevant Business or Functional Unit: Hydrocarbon products (HC-procurement); Merge & acquisition (M&A) transactions; Sponsorship; Retail shop goods (incl. multibonus products); Authority procedures; Upstream Emission Reduction (UER) quota.
5.	<b>Procurement by Business</b> where procurement procedures are managed by Business <sup>1</sup> shall be regulated by special rules and applicable in case of M&A related consultancy services; Legal services; Insurance & credit management services; Bank services & related advisory services; Financial audit & related advisory services; Utility and energy expenses – electricity, natural gas, industrial water, communal waste collection etc.; Land and property rentals (incl. properties for Retail, Logistics and other business units. Scope change shall be approved by CPO in accordance with Procurement relevant decisions (see point 8.). In cases when the procurement process is managed by the Business, the entire procurement procedure, including the proper administration of each process step in line with the rules in effect, and Procurement does not assume any responsibility for any documentation or process administration. <sup>2</sup>
6.	Procurement processes executed by Business and by JVs shall be audited by Group Procurement. Processes executed by ENT companies shall be audited by Internal Audit, Group Procurement can be asked anytime by the MG top management or the local CEO to execute a procurement audit in the given company.
7.	<b>Archiving and storage of procurement documentation</b> Documents and data created and collected during the procurement procedure shall be maintained and stored in a transparent and structured manner that enables audit. All documents on the subject of procurement in paper and electronic form and data related to the procurement transaction shall be recorded and stored in accordance with the internal documents for record management.
8.	<b>Deviations and exceptions</b> on local level shall be discussed and approved by Divisional Procurement Head, countersigned by CPO. Procurement scope managed by ENT companies to be agreed between the responsible ENT Manager and the responsible Divisional Procurement Head, which agreement is also to be countersigned by the CPO. Procurement processes managed for the scope of company under joint venture agreement with MOL Group, are subject to individual discussion.
9.	Procurement IT - ERP Systems, to be mandatorily used by all MGCs where ERP system with procurement and inventory management functionality is implemented (e.g. SAP). If SAP Ariba system (SAP Ariba S2C / SAP Ariba Network) has been implemented and users (requestors, buyers, approvers, contract reviewers) have been enabled to use the system, Ariba S2C shall be applied instead of the relevant Bonita and eSourcing System functionalities.

<sup>1</sup> The process owner is Procurement in these cases, meaning LDA approval also have to be obtained from Procurement as per rules defined in prevailing MOL Group LDA. Specific rules relate to certain subprocess are defined in the corresponding Process Principles.

<sup>2</sup> In case of INA Group Companies, Procurement provides support in maintaining the necessary documentation to the Business, until relevant IT system change implementation which enables to separate these responsibilities.

10.	Sustainability shall become one of the core aspects to be taken into consideration during the definition and execution of MOL Group's procurement strategies. The concept of Responsible Procurement shall be an integrated part of each Group Sustainability Strategy, supporting the MGCs targets to care for the future of the people, communities, environment – globally.
11.	Procurement Sustainability strategies, targets and actions should be incorporated in the standard procurement category framework and developed to be one of the drivers of category strategies and supplier relationship management framework.
<b>PROC1</b>	<b>PLAN-TO-STRATEGY 'P2S' (CATEGORY MANAGEMENT)</b>
<b>PROC1.1</b>	<b>Spend Transparency &amp; Planning</b>
1.1.1	Category strategies shall be prepared based on spend and demand analysis to have full understanding regarding the historical and forecasted spend and past and future demand in the given procurement categories.
1.1.2	Procurement shall maximize the value delivered to Business by pro-active planning. Consolidated Procurement Plan shall be created for each procurement category. This process shall be driven by Category Management involving Sourcing, SCM and the relevant Business/Functional Units.
1.1.3	All sourcing activities with expected procurement value above EUR 100 000 is mandatory to be planned.
<b>PROC1.2</b>	<b>Market &amp; Portfolio Analysis</b>
1.2.1	Supply market analysis, as well as benchmarking information shall be collected ensuring that procurement function is having up to date, accurate and reliable market information regarding the given category.
<b>PROC1.3</b>	<b>Lever Analysis</b>
1.3.1	In order to develop an optimal and mutually agreed category strategy the developed Demand & Market profile shall be validated by the relevant Business/Functional Unit (Requestor) thus levers are to be defined jointly.
<b>PROC1.4</b>	<b>Strategy Development</b>
1.4.1	Category Strategy shall be developed by the Category Working Group lead by (Senior) Category Manager. Business side counterpart and main point of contact is Demand Manager. Category Strategy shall be reviewed and updated regularly (frequency of this review shall be set in Category Strategy).
1.4.2	Sustainability and development potentials need to be explored both in relation of suppliers and internal demands.
<b>PROC1.5</b>	<b>Category Strategy - Action Planning &amp; Tracking &amp; Execution</b>
1.5.1	Category specific procurement strategies shall be elaborated in alignment with the relevant business area to support the delivery of both business and procurement objectives.
1.5.2	Category Strategy development shall be controlled by cross-functional teams and bodies on the level of Division Category Board, Category Council and (Sub-) Category Working Group.
1.5.3	Category Strategies shall be made available for Sourcing and Demand Parties ensuring the executions follow the defined strategies and direction by Category Management. Category Strategies shall be registered in Ariba S2C as a Knowledge Project document.
1.5.4	Upon approval of the Category Strategy the sourcing/contracting strategy shall be transformed to a category sourcing plan where consolidation is priority where applicable. Procurement Planning is rolling planning covering minimum the next 12 month period and continuously monitoring and updating the category sourcing plan.

PROC2	SOURCE-TO-CONTRACT 'S2C' – SOURCING			
PROC2.1	Initiate Sourcing Project			
2.1.1	Sourcing shall be managed along the framework and direction defined in the relevant approved Category Strategy. If the expected/final procurement value increases above the given threshold value, the sourcing process shall be changed as soon as possible. During the Sourcing Procedure the best available methodology shall be followed, the process shall be transparent, and it must be always well documented. Procurement is accountable for the overall sourcing process, its execution, and for ensuring transparency, segregation of duties, fairness and competition. Sourcing procedure can be executed via competitive Tendering, Sole Source process and procurement from MGC. Sourcing in MOL Group is divided into the following three categories based on expected procurement value:			
	OPERATIONAL SOURCING	< EUR 10 000	Performed by SCM/Operational Procurement	
	SIMPLE SOURCING	EUR 10 000 – EUR 100 000	Performed by Divisional Sourcing Team	
	STANDARD SOURCING	> EUR 100 000	Performed by Divisional Sourcing Team	
2.1.2	The Sourcing process can only be initiated on the basis of Sourcing Request approved <sup>2</sup> by Requestor's cost center owner or line manager. Its creation and approval in Ariba S2C is mandatory if the value is above 100 000EUR, in case the end product is a frame contract in all cases without value limit, and if there is no ERP or other dedicated IT system for PO management process and the value exceeds EUR 1 000.			
	IT system for Sourcing Request Creation & Approval			
		Frame contract requested	Individual Contract requested, Purchase Order requested	
			Where ERP* is in place	Where ERP* is not in place
	< EUR 1000	-	ERP	Offline
	EUR 1000 < EUR 10 000	Ariba S2C	ERP	Ariba S2C
	EUR 10 000 < EUR 100 000	Ariba S2C	ERP/Ariba S2C**	Ariba S2C
	EUR 100 000 <	Ariba S2C		
* or dedicated IT system capable for PO management process ** depending on the subject and complexity of the request				
2.1.3	Deliberate ' <b>splitting</b> ' of requests with the objective of bypassing higher level (LDA) approvers of Supplier Selection Document (SSD) with/without tender is <b>prohibited</b> .			
PROC2.2	Specification & Bidder List			
2.2.1	The specification phase shall be started after the buyer received the approved Sourcing Request <sup>3</sup> . The classification of Sourcing request is expressly the Buyer's responsibility and the Buyer shall determine which Sourcing Category, in accordance to Category Strategy to choose for the given Sourcing Procedure. In case there is no Category Strategy, category manager should be involved.			

<sup>3</sup> Sourcing Request shall be created in Ariba S2C System.



2.2.2	During definition of the Evaluation Principle and Evaluation Method the Evaluation Committee (EC) shall define “how” to evaluate the Bids. During setting the <b>Evaluation Criteria</b> the EC shall describe “what” to evaluate. The criteria are divided into these groups: General Criteria (e.g. pre-screening and post-evaluation results); Technical Criteria (e.g. disqualification criteria, minimum technical requirements); Commercial Criteria (e.g. price/total costs, payment terms); Delivery lead time. Commercial Criteria shall be weighted at least 50% during the evaluation; less weight can be applied only upon agreement of relevant Head of Divisional Procurement.
<b>PROC2.3</b>	<b>Tendering &amp; Evaluation</b>
2.3.1	<b>Tenders and other RfP events with value exceeding EUR 10 000 shall be managed in the Ariba S2C system</b> in Procurement organisations where such functionality is implemented. Any deviations from this rule shall be approved case by case by the relevant Sourcing Manager. This approval shall be attached into the SSD document.
2.3.2	The content of <b>bids needs to be kept confidential</b> until the Quotation Deadline and the beginning of the evaluation process. Only bids submitted by the invited bidders shall be accepted (except for Open Tender).
2.3.3	<b>Technical evaluation</b> falls into <b>Requestor BU/FU</b> competency and responsibility. In the course of Technical Evaluation bids shall be examined from technical compliance point of view. As a general rule, bids shall be evaluated not by comparison, but based on objectively defined technical parameters as per evaluation matrix. The result of technical evaluation has to be approved by EC members responsible for technical evaluation electronically or by signing a printed version of Technical Evaluation Report.
2.3.4	<b>Commercial evaluation</b> is the task and responsibility of the <b>Buyer member(s) of the EC</b> . Price Bids can be opened and the Commercial Evaluation <b>can be started solely upon completion of the Technical Evaluation</b> . In justified cases exceptions can be made based on Sourcing Manager decision, but in such case proper argumentation shall be given in the SSD.
2.3.5	<b>Sustainable</b> development aspects are also to be taken into consideration in such cases: environmentally-friendly/ safer solution shall be preferred, product or service available from a shorter distance are more favourable etc.
2.3.6	<b>Pre-screening and pre-qualification</b> (if applicable) of the suppliers shall preferably be performed before or at an early stage of the Sourcing process but in all cases prior to starting the SSD approval process. It is Buyers’ responsibility to ensure that any MGC concludes contracts solely with properly qualified suppliers. The pre-screening and pre-qualification of non-HC procurement’s suppliers shall be managed in line with rules set forth in <i>PROC4_PD1 Supplier Relationship Management</i> .
<b>PROC2.4</b>	<b>Negotiation &amp; Awarding</b>
2.4.1	<b>Short-listing</b> is subject to EC decision. As a main rule, minimum 3 bidders shall remain on the shortlist for further evaluation. Short Listing does not equal to disqualification.
2.4.2	In case of <b>Sole Source</b> (SS) and MGC, relevant offer price level shall be checked by the benchmark and its results shall be included in the SSD.
2.4.3	<b>Complex evaluation</b> : it is responsibility of <b>Procurement</b> (assigned <b>Buyer</b> ) to perform a complex evaluation summarizing the result of the technical and commercial evaluation in conjunction with instruction and agreement of the EC.
2.4.4	The result of evaluation shall be included in SSD proposal. The SSD and the associated approval workflow shall be set up by the Buyer in Ariba S2C system. Approval of SSD shall be made in line <b>with the relevant provisions of LDA</b> . For cases not specified in the LDA, approval protocol defined in PAB Appendix 3 shall be followed.
2.4.5	SSD shall be prepared and approved also in case of Sole Source supplier selection or contracting another MGC. In these cases proper justification shall be provided in the SSD to support the proposed selection.



<b>PROC2.5</b>	<b>Contract Creation &amp; Sign-Off</b>
2.5.1	<p>Conclusion of a Contract (including also the IPO accompanied by the GTCP) is always mandatory and it is allowed only with the Supplier(s) approved during SSD approval. In case of CAPEX project conclusion of contract is only possible if the budget is allocated to the project (It means –IPP/CR is approved by the management before contract conclusion).</p> <p>Contracts shall be registered in Ariba Contract module as a Contract Workspace (Procurement) where Ariba Contract module is available and all related documents (final contract, signed contract, appendices...etc) shall be uploaded to Contract Workspace.</p>
2.5.2	<p>Usage of Standard pre-approved template contracts is priority. In case of individual contract, contract reviews shall be executed in Ariba S2C contracting module where such system is available. Contracting process shall be executed according to provisions of <b>Source-to-Contract Process Description and Creation and Amendment of Contracts; Management of Breach of Contract</b>.</p>
2.5.3	<p>Contract signature must be done in accordance with Contract Signature Protocol rules. To support the sustainability and process efficiency targets, authorized representatives of the contracting parties sign contracts with digital signatures, whenever such system is available. Applying electronic signature is a priority and MGC shall strive for using the available e-signature solution according to detailed rules set in Source-to-Contract regulation.</p>
2.5.4	<p><b>Individual Purchase Order (IPO)</b> issued electronically from dedicated ERP or Ariba Network system, with the total net value below EUR 100 000 is valid without signature if accepted by local Legal (Relevant companies are listed in appendix 7), but in all cases below EUR 1000. In case of value higher than defined threshold, it must always be prepared and signed digitally in electronic signature system. When such system is not available, then in hard-copy in an auditable manner.</p>
2.5.5	<p>As a <b>main rule</b>, IPO cannot be applied as contract document over EUR 100 000, only in exceptional and properly justified cases and solely with approval of Sourcing Manager or Project Procurement Manager in case of Project procurement. IPO can be used for material purchases over the value limit defined above.</p>
2.5.6	<p>Issuing a <b>Letter of Intent (LOI)</b> is allowed only in exceptional cases, when the provision/delivery shall be started before the foreseeable date of contract conclusion, otherwise the delay may cause financial damage to the Company with rules set forth in <b>Source to Contract</b>.</p>
2.5.7	<p><b>Contracts can be amended only in writing.</b> Only contracts in effect can be amended, following the expiry date there is no possibility to amend a contract.</p>
<b>PROC2.6</b>	<b>Contract &amp; Implementation (handover phase from S2C to D2D)</b>
2.6.1	<p>Upon approval of the relevant SSD, contracts shall be recorded in the ERP system by the Buyer who managed the sourcing process at MOL Group companies where ERP system procurement module is available. The contract value cannot exceed the value approved during SSD approval.</p>
2.6.2	<p>The 'hand-over' phase shall be managed in a way that ensure possible immediate call-off transactions afterwards.</p>
<b>PROC3</b>	<b>Demand-to-Delivery 'D2D'</b>
<b>PROC 3.1</b>	<b>Inventory Management</b>
3.1.1	<p>Stock levels and MRP parameters of non-hydrocarbon materials required for the efficient everyday business segments operation shall be optimized across all stock locations. Locked-up capital in unnecessary stocks shall be minimized, timely and accurate replenishment or subcontracting shall be provided in order to assure high stock turnover and avoid impairment costs. Inventory Management shall act as central point of contact between end-users, warehouse management, master-data, accounting, suppliers etc.</p>
3.1.2	<p><b>Forecasting / Consumption analysis</b></p> <p>Inventory Management shall collect and analyze historical consumption related data along with Business Plan and/or Bill of materials. In case Business Plan is not available, analysis will be based solely on</p>

	historical consumption. If requested, Inventory Management shall provide information on consumption of stocked material(s) for given period, on forecasting, on planning of sourcing activities, on inventory controlling, on slow moving items, on proposals for sale / scrapping of excessive stocks etc. to the Requestor.
3.1.3	<b>Left-over management (global and local)</b> A report shall be created on excess materials (general non-moveable materials / project leftovers) at least annually per each Group company. Based on the movement reports, stock impairment shall be executed on non-moving materials (if not already done by Accounting) in accordance with the local legal and accounting regulations and the Group Reporting Manual. In case there are no foreseeable needs justified by Business Unit SME within the Group, excess materials are to be sold externally by ASM. Excessive materials which cannot be sold shall immediately undergo the scrapping procedure.
3.1.4	<b>Inventory taking - planning, preparation, carry-out supervision and result analysis</b> Inventory-taking must be provided for ensuring the authenticity of the balance sheet to be observed without fail as well as for the security of Group properties in compliance with the local legislative environment in force and applied accounting rules. Counting shall be carried out in the warehouse(s) by counting and measuring materials in scope for inventory. Results of the inventory taking shall be collected in a report and cascaded to stakeholders. It is recommended to execute a technical inventory (based on physical inspection) by end user committee on materials which are older than 4 years and are impaired but are still needed and usable. Their value can be adjusted through price reduction upon Business request.
3.1.5	<b>Specification of stock level in quantities for non-HC materials</b> The stock level of the stored materials shall be determined at plant/warehouse and at article level, shall be maintained continuously and reviewed at least once every year in agreement with the business and Procurement department. In case Bill of Material (BoM) is available the set levels should apply for the safety stock. If there is no BoM, then the safety stock revision needs to be done continuously at such a pace that it can be finished in two years period. In the course of stock level determination, the following levels shall be calculated and maintained if the criticality categorization, the consumption history or business forecasts prove its necessity: <b>For safety materials</b> <u>Defined safety stock level</u> (in quantities) for safety maintenance materials shall be determined to ensure the safe and reliable operation of MOL Group facilities, equipment and production processes. The safety stock level shall be defined based on risk classification has to be kept on stock in all cases by initiating new replenishment process if stock level is expected to fall below the defined level (cannot be zero). <b>For general materials</b> <u>Defined minimum/optimal stock level</u> (in quantities) is the quantity defined for general materials under the responsibility of the stock management representative. The minimum stock level is required for ongoing operation and shall be based on cost-effectiveness calculation having known the business requirements (plans) that have to be fulfilled and the expected procurement lead-time of the material (can be zero). It is recommended to classify general materials per ABC/XYZ methodology, maintain minimum levels for AX, AY, BX, CX and apply Reorder Points (ROP) and Economic Order Quantity (EOQ).
3.1.6	<b>Rules of establishing consignment stock</b> The stock management organizational unit has to investigate in cooperation with Category Management the opportunities for handling stocks in the form of consignment stores, or as a Vendor Managed Inventory (VMI) at least once every year or as necessary. Total cost of the consignment model has to be analyzed and the most beneficial model has to be chosen.

<b>PROC 3.2</b>	<b>Operational Procurement</b>
3.2.1	Operative Sourcing procedures with expected procurement value (PO) under EUR 10 000 where there is no contract available for the given service/material) and Purchasing procedures irrespective of value (in case there is available contracts to call-off) shall be carried out by Operational procurement. Operative Sourcing procedure shall only be carried out if the Purchase Request has been created by Requestor Business Unit and approved by the cost owner in ERP /dedicated IT system. If such system is not available, the Purchase Request should be created and approved in Ariba S2C system in case above 1000 EUR.
3.2.2	If there is no appropriate frame contract nor SRM catalog item available, a sourcing process must be initiated by responsible Operative Buyer in accordance with prescription set forth in <i>PROC3.2_PD1 Demand-to-Delivery_Operational Procurement PD</i> .
3.2.3	<b>Mini Bidding/RfQ</b> Mini bidding/RfQ shall be applied in cases when company has frame contracts for the same scope of services and/or materials with multiple suppliers having the unit prices fixed or maximum prices defined, but the exact scope to be performed/delivered is not included in the frame contracts (e.g.: engineering design services). In case of CAPEX projects mini bidding procedures can be started prior to IPP approval but it is forbidden to make any contractual commitments before the approval of the relevant IPP. If a mini bidding procedure is initiated to fulfil the purchase order creation criteria, a detailed technical scope (if applicable) and/or evaluation criteria (if applicable) is/are required to make the responsible able to obtain a detailed price offer from the contracted (if there is such) partners for the exact scope to be performed/delivered. Mini bidding can be performed by the Buyer or below EUR 100 000 by the Requestor if it relates to frame contracts concluded by Procurement.
3.2.4	As a general rule the supplier/buying channel selection – in case of mini bidding – shall be based only on offered price, but evaluation can be done based on predefined complex evaluation matrix also. Mini bidding procedures are not subject to LDA approval as it is considered as a call-off from existing frame contract (provided there is available approved budget on the given frame contract). Exceptions can be made in justified cases (e.g.: lab equipment is calibrated for a special reagent); exception can also be the case when the given service/material can be obtained from a contracted partner following the pre-defined conditions and it is supported by Business.
3.2.5	<b>Delivery and Performance Verification</b> Performance shall always to be verified and the performance verification document prepared by the end-user organization (in case of receipt for stock, it is the officer in charge thereof) who shall notify the procurement organization if any problems incurred. Performance shall be verified by officers authorized to do so in the relevant contract, in separate proxy or in any other official form and documented in an auditable manner. Document retention and archiving are under the responsibility of the end-user. In case of performance not in conformity with the contract/purchase order, measures required to enforce rights arising from the breach of contract shall be taken pursuant to rules defined in <i>LEG1.2_PD1 Creation and Amendment of Contracts; Management of Breach of Contract</i> .
3.2.6	<b>Deviated Procuring Processes</b> Supplier invoices related to non-HC purchases shall not be paid without corresponding purchasing history. In such cases when an invoice has been submitted by the supplier without having procurement history, but the subject is on the list of eligible exceptions or rules defined in Demand-to-Delivery_Operational Procurement PD, then it shall be approved according to LDA approval protocol. If the invoice is not connected to such eligible exception or rule, it can be paid only in case appropriate standard antecedent procurement documents have been created. Same rules apply for Procurement by Business: invoices submitted through Procurement by Business procedure also require procurement history, except if the subject is on the list of eligible exceptions.
<b>PROC 3.3</b>	<b>Inventory Logistics</b>
3.3.1	<b>Warehouse/storage management of non-HC materials/tangible assets</b> Preservation of the condition of non-HC materials, HSE compliance of material handling and storage, the rational utilization of warehouse/storage areas, the optimization of storage and transport & material

	handling expenses as well as the minimizing of all storage and associated logistic costs shall be provided by Warehouse and Storage management units.
3.3.2	<p><b>Inbound and Outbound material or tangible asset processes (goods receipt / issuance)</b></p> <p>It shall be assured in the course of receiving and issuing of stocked goods with a special focus on items requiring incoming or periodical quality control. As a general rule, materials or tangible assets must not enter or leave the warehouse without having the movement documented.</p> <p>Special attention shall be brought to accompanying documentation upon delivery as well as to proper posting of all stocked goods movements in order to support uninterrupted invoicing and reliable stock levels in the used ERP at all times.</p> <p>Working days / hours availability shall be determined by warehouse locations and shall be communicated to Procurement and Business segments. The input of picking the goods from the storage location and issuing to the requester or delivering to its final destination shall be an archivable document.</p> <p>Any kind of determined discrepancies of stock level has to be reported to the relevant stock management representative immediately.</p>
3.3.3	<p><b>Storage activity</b></p> <p>Warehouses must be separated, closed areas which may be open or roofed and heated according to the storage requirements of stored materials (or assets on safekeeping), where the admittance of unauthorized personnel is prohibited. Storage facilities have to be complied with the requirements of the local HSE and with fire protection regulations considering the characteristics of the materials stored.</p>
<b>PROC 4</b>	<b>Supplier Relationship Management (SRM) &amp; Supplier Lifecycle Management (SLM)</b>
4.1	<b>Supplier Relationship Management (SRM)</b>
4.1.1	SRM shall enable value adding activities and continuous improvement through collaborative engaging with our supplier base in order to bring positive impact on innovation, performance and processes improvement and risk mitigation
4.1.2	The SRM collaboration shall bring win-win results for both MOL Group and our partners still the objectives and KPIs shall be targeted to maximize the potential benefit for MOL Group.
4.1.3	<b>Supplier Relationship Manager</b> shall be nominated on Procurement and Business side in line with the elaborated category strategies. In case of strategically important suppliers these nominations shall be identical to relevant (Senior) Category Manager and Demand Manager positions.
4.1.4	SRM shall target the whole business potential with a supplier. The SRM shall cover cross-country cross-divisional activities.
4.1.5	SRM/Category Manager shall take full ownership for the collaboration with the assigned supplier. In cases of very complex collaboration and time-consuming supplier developments/engagements efforts, a fully dedicated person can even be nominated to perform the SRM project activities.
4.1.6	(Senior) Category Managers must take the lead in SRM and must be able to identify the value and criticality of a supplier, and make sure that the supplier is engaged at the right level, i.e. with the investment and resources appropriate for the individual supplier.
4.1.7	<p>SRM process is <b>closely interlinked with the Category Strategy</b>. SRM activities for each individual supplier shall follow and be a result of a pre-defined Category Strategy, and vice versa these activities and engagements might influence the future strategic direction of the category, especially in terms of the associated risks &amp; opportunities. Still SRM activities shall be solely driven with the potential increase of value for MOL Group.</p> <p>Further information and detailed instructions shall be defined in <i>PROC4_PD1 Supplier Lifecycle Management</i>.</p>

4.2	<b>Supplier Lifecycle Management (SLM)</b>
4.2.1	<b>Supplier Qualification</b> process shall include supplier pre-screening and pre-qualification steps. It is Buyers' responsibility to ensure that any MOL Group Company concludes contracts solely with properly qualified suppliers. Qualification (if applicable) is mandatory to be performed in case of conclusion of a new contract; modification of a current contract, including the cases of value increase, scope change and contract extension <sup>4</sup> ; contract transfer (from existing supplier to another (successor) company).
4.2.2	<b>The qualification process of the selected supplier</b> shall contribute to creating and maintaining a supplier database of qualified (if applicable) companies meeting the general requirement of MOL Group as well as to collecting detailed information on potential Bidders' HSE, technical etc. capabilities.
4.2.3	Buyer shall make all efforts to make the bidders complete the registration and pre-screening process online and it shall be clearly communicated to the Bidders that failure of completing the registration and/or pre-screening process or updating of the registration and pre-screening information and documents by the Bid Submission Date might lead to the disqualification of the Bidder from the sourcing procedure.
4.2.4	The pre-screening, pre-qualification process must be completed before starting of SSD approval workflow; the results must be attached to the SSD. It is LDA decision-makers' responsibility to check whether the proof of performed pre-screening, pre-qualification is available. Further information and detailed instructions are defined in <i>PROC4_PD1 Supplier Lifecycle Management</i> .
4.3	<b>Supplier Performance Evaluation</b>
4.3.1	<b>Regular evaluation</b> The performance of MOL Group suppliers (including contractors) shall be evaluated on either regularly or on ad hoc basis with respect to the extent to which the performance met the contractual requirements. Based on the results of performance evaluation, suppliers shall be classified into categories, which reflect the general performance of suppliers in the relevant half year period.
4.3.2	<b>Evaluation framework</b> Evaluation shall be performed in the Vendor Performance Evaluation (VPE) system where it is rolled out. For those MOL Group Companies where the VPE system is not available manual evaluation process is to be applied.
4.3.3	<b>List of not suggested companies for Procurement (Black-list)</b> As a result of an ad-hoc evaluation or a negative behavior during tendering process/contractual relationship a supplier can be suggested to be 'black-listed' (e.g. reasonable suspicion arose that the vendor is involved in cartel activity, damaging the MOL Group's or the MOL Group Company's reputation, business trustworthiness etc.). <i>Further information and detailed instructions are defined in PROC4_PD1 Supplier Lifecycle Management.</i>
PROC5	<b>Capex/Project Procurement</b>
5.1	Procurement shall be involved into the stages of project and the main procurement deliverables shall be pre-defined for each gate to support the successful completion of investment projects.
5.2	<b>Main principles</b>
5.2.1	In Stage Gate 2 - Assess Procurement shall ensure that only feasible and aligned solutions are presented The project implementation strategy should also be already decided (EPC, E+PC etc.).
5.2.2	In case of CAPEX projects required for Individual Project Proposal (IPP)/Change Request (CR) approval, related sourcing procedures can be started in parallel with the IPP approval process. Contract conclusion with potential supplier(s) in stage Implement can only proceed as per approval of the given IPP.

<sup>4</sup> in latter cases the validity of existing pre-screening/qualification has to be checked; new pre-screening/qualification procedure shall be performed if the previous results are no longer valid

5.2.3	Procurement shall be represented by relevant Head of Divisional Procurement e.g Project/DS/E&P/Indirect) in case of projects. must be inserted as one of the countersignatures on the IPP/CR Cover Page.
5.2.4	Procurement Leaders shall delegate procurement representative to the Investment Committee (IC) meeting if the nature of the Project so requires, in order to closely follow up the Procurement related requirements of each Project.
5.2.6	Procurement shall conclude the contracts for work packages during <b>stage Implement</b> .
5.2.7	<b>Sourcing Request</b> including the detailed technical specification shall be obtained from Requestor department in Ariba S2C System.
5.2.8	Project Procurement must support <b>Operate phase</b> by requesting BoM list for BoM relevant equipment from suppliers and contractors, which has been obtained during the stage SELECT as part of contract requirement. Further information and detailed instructions are defined in PROC2_PD1 Source to Contract.
<b>PROC6</b>	<b>Management Processes</b>
6.1	Procurement performance is subject for regular management review, measured by KPIs (defined in Chapter 3.1) displayed in various management reports and dashboard. Reports on the procurement activities are the most important sources of efficiency and performance measurement and decision making. These reports and all the feed databases of shall be created with the highest attention and precision. They also serve a basis for the below management meetings.
6.2	<b>Quarterly Business Divisional Meeting:</b> Divisional Procurement Heads shall present achievement of relevant procurement team via a KPI dashboard in the given period to partner Business Division Heads. Conclusion development areas and actions steps shall be discussed and defined between the parties.
6.3	<b>Quarterly Procurement Divisional Meeting:</b> Head of Procurement Divisions and Head of Process, Method & Tools (PMT) team shall present actual status of KPIs in the given period to each team, highlighting areas to be developed.
6.4	<b>Procurement Leadership Team (PLT) Meeting:</b> Predefined topics shall be thoroughly discussed by Divisional Procurement Head, Head of Category Management, Head of PMT. Discussion topics shall include e.g.:review of actual Procurement dashboard; Discussion of HR related issues; sharing best practices.
6.5	<b>Half-yearly Deputy CEO Meeting:</b> CPO together with partner Business Division Heads shall present achievements and actual performance in regard of procurement KPIs regarding the last period biannually towards Deputy CEO.
6.6	<b>Sustainability Awareness:</b> MOL procurement together with Business and Sustainable Development and HSE function management is committed to build and maintain a responsible, safe, reliable and sustainable investment, operations and supply chain. MOL procurement shall continuously develop such supply base of partners who demonstrate their behavior in a responsible and sustainable manner via acceptance of its Code of Ethics and Business Conduct and via undergoing various supplier assessment procedures.
6.7	<b>Non-HC Procurement Compliance Framework:</b> The process shall be designed to reduce risk to MOL Group Procurement across a number of risk areas and fit into MOL Group's already existing boarder control and assurance framework. Results shall be presented to the CPO and to the PLT parallelly with the quarterly reporting set out in the yearly operating rhythm. The framework shall consist of the following elements that are to be elaborated in detail separately in the Procurement Compliance Framework WI. <ul style="list-style-type: none"> <li>• Governance and Resources</li> <li>• Risk and Assessment</li> <li>• Framework Control</li> <li>• Culture, Learning, Communication, Network</li> <li>• Assurance and Reporting</li> </ul> These elements shall be applied consistently across MOL Group Procurement.

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	<p>The process shall be owned by the MOL Group CPO who shall appoint the MOL Group Procurement Compliance Expert to manage the process and to ensure the operation and implementation of the framework across MOL Group Procurement.</p> <p>MOL Group Procurement Compliance Expert shall be differentiated from other bodies within MOL Group Procurement due to its independent position and unique reporting arrangements. To provide the independence of the procurement compliance function, MOL Group Procurement Compliance Expert shall report to and have direct access to the Chief Procurement Officer.</p> <p>The Procurement Compliance Expert shall be responsible for proposing an appropriate risk-based plan setting out the internal investigation and process audit plan that shall be endorsed by the PLT and approved by the CPO at the beginning of the reporting year.</p> <p>There are no restrictions placed upon the scope of the function within MOL Group Procurement that shall cover all operations including any activities and subsidiaries controlled by MOL Group. The Procurement Compliance Framework WI shall be reviewed on a yearly basis and updated as required.</p>
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### 3 APPENDICES

Nr	Appendix title
Appendix 1	List of Modifications
Appendix 2	Abbreviations
Appendix 3	Procurement relevant decisions
Appendix 4	<a href="#">RACI matrix</a>
Appendix 5	<a href="#">List of companies where 100 000 EUR threshold is applicable for IPO signature protocol</a>

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*List of Modifications*

Version No.	Description of change	Date of effect
1	New regulation	8 September 2019
2	Ariba S2C system is added to the list of IT systems used by Non-HC procurement as per implementation in the frame of eProcurement.	11 July 2020
3	Process Breakdown restructured. Eliminating duplicity with PDs Adding Responsible Procurement Adding Ariba S2C, Ariba Network and eSignature usage Revision of ERP approval strategies matrix Collection of Procurement related Decisions/approvals	01 May 2022
4	Delete the eSignature usage related contract amount limit Clarification regarding Procurement by Business responsibilities	2 Jan 2023

## Abbreviations

Abbreviation	Expression
<i>BoM</i>	Bill of Material
<i>BU</i>	Business Unit
<i>BSD</i>	Bid Starting Document
<i>CM</i>	Category Management
<i>CPO</i>	Chief Procurement Officer
<i>CR</i>	Change Request
<i>CSS</i>	Contract Summary Sheet
<i>EC</i>	Evaluation Committee
<i>EOQ</i>	Economic Order Quantity
<i>ERP</i>	Enterprise Resource Planning
<i>FCO</i>	Frame Contract
<i>FU</i>	Functional Unit
<i>Functional Procurement</i>	<i>Refers to a special constellation of stakeholders, when the Requestor and the End User are not necessarily the same. It is used in cases when the subject of procurement is under the control of functional departments. In case of Functional Procurement, the professional control is exercised by the relevant functional area, while the End User is responsible only for the submission of the Request.</i>
<i>GR</i>	Group
<i>GTCP</i>	General Terms and Conditions of Purchase
<i>IC</i>	Investment Committee
<i>ICO</i>	Individual Contract
<i>IPO</i>	Individual Purchase Order
<i>IPP</i>	Individual Project Proposal
<i>ITB</i>	Invitation to Bid
<i>LDA</i>	List of Decision Authorities
<i>MAF</i>	Market Adjustment Factor
<i>MGC</i>	MOL Group Company
<i>MRP</i>	Material Requirement Planning
<i>PAB</i>	Procurement Area Book
<i>PO</i>	Purchase Order
<i>PD</i>	Process Description
<i>PRM</i>	Performance Review Meeting
<i>PROC, PRC</i>	Procurement
<i>Procurement</i>	functional unit responsible to deliver required materials and/or services in a predefined condition. Procurement shall appoint Procurement Responsible Buyer(s) for each sourcing procedure.
<i>RACI</i>	Responsible-Accountable-Consulted-Informed

<i>Requestor</i>	Business/Functional Unit requesting materials and/or services to be delivered, who generally is the budget owner. Requestor as Demand Party also responsible for contract ownership and shall appoint a Contract Owner and can appoints Technical Responsible(s) for each procurement category and sourcing procedure.
<i>Rfi</i>	Request for Information
<i>RfQ</i>	Request for Quotation
<i>RoL</i>	Reorder Level
<i>QAR</i>	Quality Assurance Review
<i>SBR</i>	Strategic Business Review
<i>SQS</i>	Supplier Qualification System
<i>SRM</i>	Supplier Relationship Management
<i>SS</i>	Sole Source
<i>SSD</i>	Supplier Selection Document
<i>SCM</i>	Supply Chain Management
<i>SSM</i>	Stock and Storage Management
<i>TCO</i>	Total Cost of Ownership
<i>VMI</i>	Vendor Management Inventory
<i>VPE</i>	Vendor Performance Evaluation

## Procurement relevant decisions

The following protocols shall apply for MOL Group Procurement:

	STEP	APPROVER/ APPROVAL PROTOCOL	OBTAINMENT RESPONSIBLE	APPLIED IT SYSTEM
PLAN-TO- STRATEGY	Category Strategy Approval	LDA Approval Protocol	Category Manager	Ariba S2C <sup>5</sup>
SOURCE-TO- CONTRACT	Sourcing Request Approval	Direct Line Manager of Requestor/ Cost owner / Project – Manager responsible for project implementation	Requestor	Ariba S2C <sup>6</sup>
	Bid Starting Document Approval	Evaluation Committee	Buyer	Ariba S2C <sup>7</sup>
	Supplier Selection/Awarding Document Approval	LDA Approval Protocol	Buyer	Ariba S2C
	Contract Approval	Counter-signature Protocol	Buyer	Ariba S2C/Manual
	Contract Sign-off	Contract Signature Protocol	Buyer	eSignature solution/ Manual
DEMAND-TO- DELIVERY	Contract ERP Approval	ERP Approval Protocol	Buyer	ERP*
	Purchase Request Approval	ERP Approval Protocol	Requestor	ERP*
	Purchase Order Approval	ERP Approval Protocol	Operative Buyer	ERP*
	Call-off Purchase Order Approval	ERP Approval Protocol	Operative Buyer	ERP*

- If there is ERP or other dedicated IT system

### ADDITIONAL RULES FOR LDA DECISIONS

Supplier selection of procedures below EUR 10 000 shall be approved according to ERP strategy defined in Procurement Area Book or in case no ERP, shall be approved by Cost Owner and Local Procurement Manager. In case of Frame Contracts below EUR 10 000, approver of the sourcing request and relevant category manager shall approve the supplier selection.

The following additional recipients shall be added to the supplier selection workflow with the roles defined herein:

- Functional Procurement:  
In case of sourcing procedures within the professional competency of a Functional Unit where the Requestor is not the Functional Unit, the relevant leader of the Functional Unit on the same level as the Decision maker at the Business Owner unit shall be added as additional approver.
- Sourcing procedures relating to projects managed by Investment:  
If the value of the sourcing procedure exceeds EUR 1 million the Project Owner (as defined at Gate 2) shall be added as additional reader/observer.

<sup>5</sup> Official Memo prepared on Category Council meeting where approvals are obtained.

<sup>6</sup> Mandatory to be created in Ariba S2C only in case of sourcing procedures with expected value from EUR 100 000, where ERP or other dedicated ERP system is available and the request is created and approved therein. <sup>7</sup> Applicable in case of Tender with procurement value exceeding EUR 100 000.

- Consolidated sourcing procedures (scope of more Business Units involved):  
The relevant manager(s) of the Business Unit(s) which is(are) not acting as the Requestor Unit shall be added as additional reader/observer. The appropriate leader shall be defined based on the value of the scope of the affected Business Unit in the procedure according to the matrix of the relevant LDA point.
- In case the sourcing process is initiated by a local unit as Requestor, but due to the value the approval goes to Group decision makers on L2 or L3 level, local CEO/Managing Director will have to be involved in the approval workflow with additional reader/observer in Bonita/Ariba S2Csystem.

## SUPPLIER POOL EXTENSIONS

In case a new supplier is added to a pre-approved supplier pool, the following rules are applied:

- set the SSD value to the remaining budget,
- include the new distribution of the remaining budget among old and new suppliers in the SSD documentation
- add the price evaluation of the new supplier
- the original SSD has to be attached
- the document has to be approved by LDA approvers of the original SSD.

For the sake of accurate reporting (avoid duplicity and include saving in the reports) mini-bidding forms should be used in Bonita/Ariba in this particular case.

## INTERCONNECTED SUPPLIER SELECTION PROCESSES

In case contracting with a supplier generates a sole source event later on the same project with the same supplier or other supplier, the connected sourcing events shall be managed in accordance with the following principles:

- This connection and causality shall be clearly articulated and brought to the LDA approver's attention in the SSD documentation.
- The new procedure have to be approved by the same LDA approvers.
- The SSD values shall be equal to the actual value of the individual contracts being approved.
- The intention for managing related sourcing events as above has to be clearly articulated in the sourcing plan.
- LDA approvers of each connected SSD shall be defined according to the cumulated value of all the interconnected contracts.
- The cumulated value should represent the sum value of the original contract and all the presumed future contracts directly determined by the conclusion of the original one.

## CONTRACT BUDGET REALLOCATION

If multiple suppliers are awarded for a certain part of the scope, budget reallocation between suppliers can be initiated by both Procurement and Requestor/End-User sides. Reallocation shall be approved by responsible Sourcing Manager, provided

- approved overall SSD value is not exceeded and,
- possibility of budget reallocation was indicated and approved during SSD approval.

If the above conditions are not met, re-approval is required according to the actual SSD approval protocol in place.

## APPROVAL RULES IN CASE OF CONTRACT MODIFICATION

All contract changes resulting in contract value increase are subject to approval according to MOL Group LDA.

Validity extension of frame contracts need to be approved according to MOL Group LDA in all cases (with or without value increase), with the exception of cases when the possibility of extending the validity of the contract was approved in the SSD document provided that the approved SSD value was calculated accordingly. In such case the decision whether the prolongation option is used shall be made by Category Manager and Business Owner of the contract. In case LDA approval is required, approvers need to be defined based on the estimated contract value for the extended period.

Scope change: If a new material / service belonging to the contracted category is added to the scope of the frame contract, no additional approval is required, but if a material / service belonging to another category is included in the contract, the scope change need to be approved by the responsible category manager(s).

Unit price changes in frame contracts, which otherwise do not trigger an overall contract value increase, require approval by the responsible category manager except when the price-changing methodology is explicitly set in the contract and the unit price is changing in line with the pre-defined price calculation/adjustment formula/methodology or procedures with any values resulting a frame contract and the end result is not a frame contract. Mini bidding procedures are not subject to LDA approval as it is considered as a call-off from existing frame contract (provided there is available approved budget on the given frame contract).

## ERP APPROVAL PROTOCOL

By general rule, all forms created in ERP systems (Individual / Frame Contracts; Call-Off Purchase Orders; Individual Purchase Orders) are subject to approval. The approval shall be obtained according to the table below. In case of value increase approval shall be requested for the increased total value.

In case of MGC having ERP system, considering the local specifications and capabilities of such system, there can be a range of Call-Off POs, which do not need to be approved as per system set-up; detailed instruction will be defined in D2D PD.

[EUR]	Purchasing by Divisional Procurement			Purchasing by Project Procurement	Purchasing by Business
	Contract approver	Individual PO approver*	Call-off PO approver	Contract+ Individual PO + Call-off PO	
10M <	Head of Divisional Sourcing	-	SCM Manger	Project Procurement Manager	4 <sup>th</sup> level leader
5M – 10M		-			5 <sup>th</sup> level leader
3M – 5M	Sourcing Manager	-	Operational Procurement Lead	Project Lead Buyer	6 <sup>th</sup> level leader
1M – 3M					
100 – 1M	Sourcing Lead Buyer	Operational Procurement Lead	Operational Procurement Lead	Project Lead Buyer	6 <sup>th</sup> level leader
10th – 100th	Sourcing Lead Buyer	Operational Procurement Lead	Operational Procurement Lead		
<10 th	Sourcing Lead Buyer	Operational Procurement Lead	Operational Procurement Lead		

\*Sourcing Lead Buyer can also be set as approver of IPO (e.g. IPO created by a SOU buyer).

## CONTRACT COUNTER-SIGNATURE PROTOCOL

In principle, procurement contracts other than/except unchanged Standard Contracts are subject to contract review countersignature performed by Legal and Finance. Rules are defined in Creation and Amendment of



Contracts; Management of Breach of Contract regulation. Countersignatures shall be obtained in Ariba Contract Workspace via the dedicated approval workflows where Ariba Contract module is available.

Countersignature can be obtained in parallel from Requestor and Contract Reviewers electronically or on printed hard-copy. The contract copy countersigned by the Contract Reviewers shall be retained for internal use only, it shall not be forwarded to the supplier.

Only in case of manual signature, Buyer must always countersign each and every page of the contract to testify that its content is matching the agreement reached with supplier during contractual negotiations and is also matching with the content of the SSD approved by LDA approvers.

## CONTRACT SIGNATURE PROTOCOL

All procurement agreements concluded between MOL Group Companies and suppliers (or even between MOL Group Companies) which incorporates new/modified contractual relationship must be signed according to the rules regulated in right to sign regulation by procuration / proxy authorized personnel. Call-Off PO is not subject to the signature protocol unless the Frame Contract between the parties or/and local law provides otherwise.

### Main Principles

- Contract Signature shall be preceded by proper contract review and countersignature process.
- Buyers shall attempt to obtain the signatures on MOL Group Companies' side first.
- The contract shall be signed by two persons who are authorized to sign the given contract.
- "4 eye principle" shall be followed; i.e.: Signature of the contract shall be made both from Procurement and Requestor side unless local law provides otherwise. In case of IPOs the 4 eye principle is assured by the approval of the request by the requestor side and approval of the IPO itself by Procurement side.
- In case of electronic signature, the type of signature shall be defined according to the Signature Type Matrix (in S2C PD).

In order to provide supporting information to the person signing the contract, Buyers must always attach a copy of Contract Summary Sheet (CSS) to the contract (template for CSS is available on dedicated [sps site](#)) In case of applying electronic signature, the CSS shall be sent to the Signers via email prior to initiating the signature task. CSS shall be saved and stored in the Ariba Contract Workspace where Ariba Contracting module is in place. In case of procurement by Business the authorised leaders of BU/FU shall sign the contract keeping the 4 eye principle. CSS is not mandatory to be used by Business.

## *RACI Matrix*

Detailed RACI matrix of procurement processes are available [HERE](#).

*List of companies where 100 000 EUR threshold is applicable for IPO  
signature protocol*

Please see the list in this [link](#).