

Valmet Global Purchase Invoice approval grid

Draft version for review

The Why

Missing standardization: Valmet has not had a standardized approval grid existing across regions, companies and business lines

Auditability challenge: Approval rights are not linked to employee roles or responsibilities but granted by line manager approval

Lack of Transparency: Approval chains are unclear and invoice approvals are unauthorized due to a missing standard

Operational inefficiency: Unclear or inconsistent approval structure such as manager is in different legal unit than the reviewer, causes delays in invoice processing

The What

Standardization across entities: Consistent approval rules globally across all entities, eliminating local variations that may lead to compliance risks

Enhanced compliance: The purchase invoice approval grid follows a clear framework for accountability with approval rights defined based on roles and responsibilities

Accountability: Create visibility of who is responsible for approving invoices by following the organisational matrix.

Approval setup: Mass upload of approval rights to Idefix when approved by Business area management. After mass upload, users request approval rights through Idefix.

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- Basware P2P accesses in overall
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Approval rules

Described in this document, the principles

Approval rights

Defined per the Approval rules. Applied via Idefix and approved by the defined approval chain – required to ensure the Approval rules are followed.

Principles

- Valmet Global Purchase invoice Approval Limits define the **maximum invoice value** which can be approved by a Valmet employee working in the defined position level
 - All purchase invoices must be approved by one individual with the appropriate approval limit. The preferred approver is in the employee's management chain
- Limits are maximum limits for approval of one transaction, and they are based on the job position
 - The limit is always applied / compared to the full invoice total (including VAT, GST or other indirect taxes)
 - Purchase Order (PO) related invoices needed to be approved separately in Basware P2P only if there is price difference above approved tolerance on PO line (max. 100EUR or +/- 5%)
 - If the limit is not sufficient, then the person cannot approve the invoice in question
 - Invoices can be conditionally approved by person with lower limit, but to complete approval requires approval by person with appropriate limit
 - The limit is not separated e.g. by invoice type or legal company
- The limits defined in this document are applicable for all units operating in Basware P2P
- Rules for approving ERP purchase requests are not technically tied to the limits described here; BA's are responsible to ensure that the principles are adhered to in all detailed procedures
- Global approval limits are the basis for all guidelines and business rules used in Basware P2P for invoice, spend plan and purchase request approval

Approval rights management – Roles and Responsibility



Employees need to request the approval rights via Idefix.

The requests are approved by the line manager and in approval rights over 1.000.000 EUR (Level 2,5) also Business Area Vice President, Finance



Approval rights are defined and managed per legal entity

Global approval rights given to levels 1 and 2



Approval rights should be requested within the person's home organization. If the person's role requires broader approval authority, additional rights may be requested for other legal entities as needed

Approval rights are legal entity-specific and each legal entity rights should be applied for separately

When a manager oversees employees across multiple legal entities, access rights must be requested for each respective company to ensure that Basware Shop approvals can be properly executed.



Valmet partners are not granted with approval rights, however review accesses can be granted

Basware P2P accesses when Guided Buying is rolled out

Types of access rights

Review

Procurement

- Create purchase requests
- Execute Goods receiving
- Manage own purchase orders
- View own documents

Invoice management

- 1st level of validation / approval
- Validate invoice correctness, checking that the invoice corresponds to what was ordered and provide coding
- Code the invoice (ledger account, cost center, project or service order, tx code)
- Sends invoice to approver

Approve

Procurement

- Approve/reject purchase requests – done before order is sent to supplier

Invoice management

- Approve the invoice coding e.g. Correct cost center element and approve invoice justification (ok to pay)
- Approves price variances between invoice and goods receipt

Review rights are included, so there is no need to apply for review separately

Monitor

- No edit access
- Access to see invoices in Basware
- Access to see purchase documents (orders, requests, goods receipts) in Basware
- Requested separately for each company

Professional roles

Invoice administrator

- Can edit invoice basic header data
- GFO / Finance team users only

Procurement administrator

- Can edit purchase requests, purchase orders and goods receipts created in Basware
- GFO/IT procurement teams only

Procurement review

- Additional validation role for purchase requests for specific suppliers/services, before approval.
- Selected business roles

Global maximum approval limits

Level	Job Title	Max limit (in EUR)	Scenarios			
			PO Price difference	Non-PO	Spend Plan	Basware PO approval
Level 1	CEO & CFO	Unlimited	Yes	No	Yes	Yes
Level 2	Valmet Executive team	3 500 000	Yes	No	Yes	Yes
Level 2,5	Vice President (as required by business process)	1 000 000	Yes	No	Yes	Yes
Level 3	Vice President	200 000	Yes	Yes	Yes	Yes
Level 4	Director	100 000	Yes	Yes	Yes	Yes
Level 5	Senior Manager	20 000	Yes	Yes	Yes	Yes
Level 6	Manager	10 000	Yes	Yes	Yes	Yes

Definitions:

PO price difference: The limit is applied to the total amount of the invoice line that exceeds the Basware automatic tolerance

Non-PO: The limit is applied to the total amount of the invoice

Spend Plan: The limit is applied to the calculated amount of a single invoice planned to match

Basware PO: The limit is applied to the purchase order amount

Level 2.5: Approval rights at Level 2.5 may exceed the standard Vice President role approval rights when required by business processes. Typical examples include IT purchase/service approvals through the Basware shop or credit card spend plan approvals.

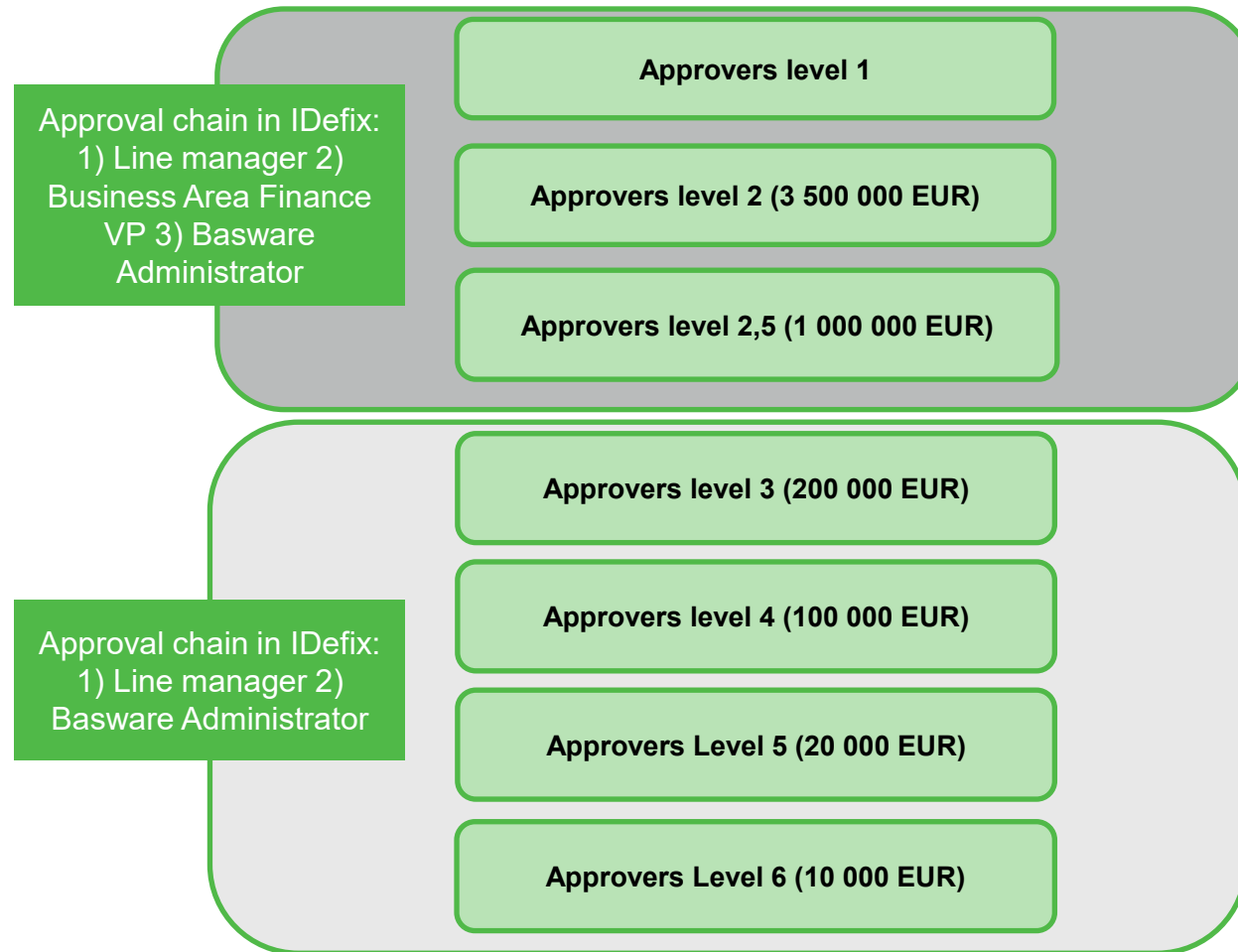
Non-PO definition

Non-PO invoice, is an invoice that does not include a reference and thus cannot be matched to purchase order or spend plan.

Non-PO invoices exceeding 1 million EUR in amount are not allowed to be approved – purchase order or spend plan must be created, if needed with support of relevant Global Supply team

Basware P2P approval user groups

Applied to specific financial company.



Supplier invoice approval rights request Process flow

INTERNAL

A



Basware approval access Level 6 needed for new employee

Request via Idefix



Employee



Request approved in Idefix



Line Manager



Administration approval



Basware Administrator



Access granted

- Employee requests approval rights needed for job role
- Line manager approves the request, Basware Administrator operates as technical approver of the request

B



Supplier invoice approval access Level 2,5 needed for new employee

Request via Idefix



Employee



Request approved in Idefix



Line Manager



Request approved in Idefix



Business area approval



Administration approval



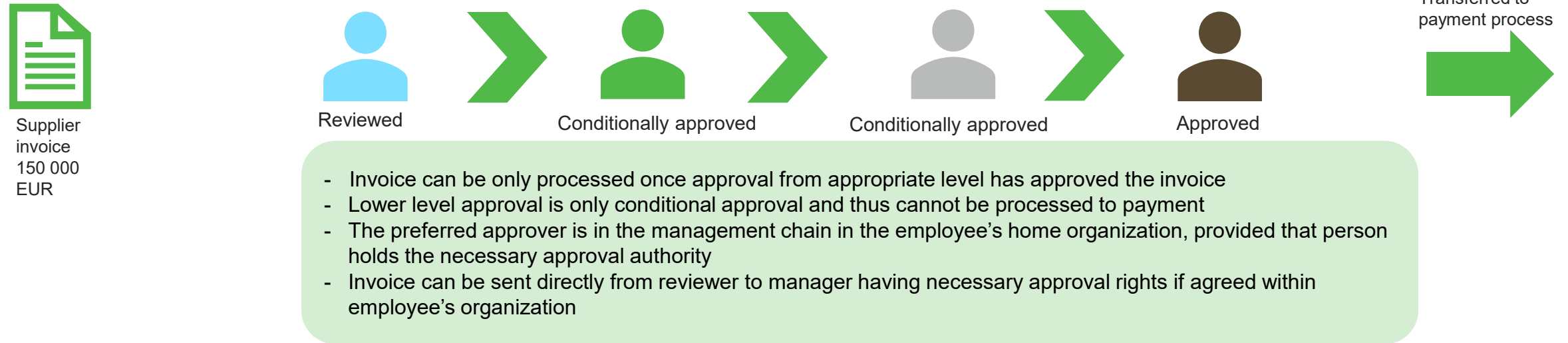
Basware Administrator



Access granted

- Employee requests approval rights needed for job role
- Line manager & business area approver verifies the access need
- Basware Administrator operates as technical approver of the request

Supplier invoice approval Process flow



Unexpected absence from the company & Inherited Approval rights

- Approval of the invoices will be made by the person's manager if the person is not able to do so
- In the situation of an unexpected absence and no replacement yet for the person, then the authority to approve invoices on behalf of the original approver can be temporarily given to a person whose position level is lower than the limit would require, to ensure business continuity
 - The manager of the temporary approver is responsible for removing the approval rights after the substitution period
- If a user with higher-level approval limits designates a backup in Basware P2P, those higher limits are also inherited by the backup user until backup period is over

Global maximum approval limits – exceptions

Role	Extended approval right
GFO roles – Tax corrections	<p>Global Financial Operations (GFO) management holds the authority to approve tax code corrections within Basware with larger limit than global approval grid stands.</p> <p>If the Internal Tax Team or Valmet's designated tax auditing partner identifies a requirement for correction; the necessary tax code adjustment is initiated inside Basware. All such corrections are processed internally by Operative Finance in compliance with standard procedures.</p> <p>Extended approval right is only for tax code corrections and must not be used to approve other invoices outside the approval right</p>
GFO roles – Manual Invoice Workflow	<p>The Global Financial Operations (GFO) Invoicing Team Manager is granted extended approval rights within Basware P2P. These rights are restricted solely to invoices processed through the Manual Invoice Workflow (MIW).</p> <p>This approval step in Basware P2P is a technical requirement only, as the official financial approval has already been completed within the LN system.</p>

