

## PROCUREMENT POLICY

### Explanatory Notes

Given that there are many different types of procurement procedures which will be applicable to Thriven Group, there may be some variations to the process on a case by case basis. However, it is recommended that the following procedures should be applied, as far as possible and appropriate with respect to the procurement process by the relevant Business Unit. This Document should be read together with the Business Authority Limits.

#### Non-Restricted Competitive Tendering

- In general, any procurement process should be opened on a non-restricted competitive tendering.
- The relevant Business Unit who wish to procure any products/services to ensure that the tenderers have sufficient technical and financial strength for them be able to perform the scope of works agreed in the agreement to be entered into with Thriven Group.
- The selection criteria for the tenderers should be made transparent and fair.

#### Restricted Competitive Tendering

- In the event whereby a restricted competitive tendering needs to be adopted, it may be justifiable for the tendering process to be restricted to a number of tenderers.
- The justification for conducting such restricted competitive tendering should be reduced in writing and must be properly documented.
- The criteria on which tenderers are selected to participate should be fair and transparent and the number of tenderers selected to tender should be sufficient to provide genuine competition in the tender process.

## **Guiding Principles to be Observed**

1. There should be an independent party who has no connection with any person involved in the procurement process who monitors the procurement process. This is crucial in ensuring that the procurement process is being done in a just and transparent manner and thereby reducing any corruption risks.
2. All documentations and decision making with respect to each stage of the procurement process (i.e. pre-qualification, tender and nomination) must be reduced in writing and properly documented.
3. Proper due diligence should be carried out on all tenderers in accordance with the Standard Operation Procedures and the findings must be notified to the ABC Compliance Team, Group Finance & Treasury Department and the procuring Business Unit, particularly when the tenderers have any “red flags” with respect to corruption matters.
4. The tender documentation should also highlight that anti-bribery and corruption measures are being adopted by Thriven Group for the procurement process and the contract or project. The tenderers should also be informed that they will be contractually bound to comply with those measures, and that any breach or non-compliance with those measures may lead to disqualification (if contract has yet to be awarded) and the contract being terminated by Thriven Group (if contract has been awarded). If it is found that there is any suspected or actual corruption conducts, Thriven Group will report such conduct to the relevant authorities.
5. All pre-qualification and tender submissions have to be sealed and should be kept sealed in a secured place until the official opening date.
6. The evaluators of a tender process must be carefully selected to avoid any conflicts of interest which thereby increasing the risk of possible corruption. The evaluators’ identity should not also be disclosed to all tenderers.
7. It is also important for the following to be carried out:

### Audits and checks

- Conduct regular and random audits to look for trends and patterns.
- Conduct sample audits to check veracity of invoices, and whether goods and services have been delivered.
- Check quality of goods and services.
- Check invoices against prices in the contract.
- Audit employee access to sensitive tender information.

### Conflicts of interest

- Establish framework for employees to manage conflicts of interest, including declaring then reviewing identified conflicts at each relevant stage of the procurement process.
- Rotate employees in high-risk positions.
- Segregate duties at various stages of the procurement process – e.g. use different people to approve and receive goods/services

### Processes and controls

- Conduct due diligence to establish legitimacy of Business Partners (e.g. check details on tenders and quotes, conduct searches to identify possible links between prospective suppliers and employees, or whether the potential Business Partners have appropriate assets or business facilities).
- Check financial documentation is complete before approving expenditure.
- Control sub-contracting processes (if any).
- Monitor tenders and contracts to detect possible contract splitting.
- Require employees to sign invoices to verify goods and services have been received.
- Ensure controls exist in payment systems to detect duplicate invoices.
- Maintain robust contract management and oversight to enforce contractual terms, milestones and deliverables.
- Monitor variations in contracts and project scope after approval.