

Below are the company guidelines for contracts and negotiations at Haribo UK.

*(This is based on the Global Purchasing Policy date of issue: 01/08/2019 V1)*

- No agreements for goods, services, hire or contracting should be entered into without approval from Purchasing. This does not include customer contracts and terms.
- All contracts are to be signed by the Departmental Manager in charge of the business area and the Procurement Manager only. Any contracts greater than £50,000 must be approved by the Director responsible for that area and the Finance Director.
- Copies of all contracts are to be held centrally in the Procurement department. Contracts must not be kept in any other locations unless confidential in nature (employment contracts for example). Contracts of an annual value greater than £50,000 p/a must also be shared with the Legal department of the Holding
- Any capital purchases over £1,000 must have an investment appraisal form completed and be approved by the necessary personnel. *(Capital Expenditure Process)*
- All purchases for goods, services, hire or contracting which results in expenditure over £10,000 must have 3 quotes for comparison unless using a critical (defined by Procurement) or RIGO/group specified supplier.
- Procurement are to be informed before any negotiations for goods, services, hire or contracting commence.
- The company's standard payment terms are 60 days from invoice. Anything different from this must be approved by Purchasing.
- Suppliers must be approved prior to any agreements being made. This will form part of the Supplier Set Up process. *(PROCP3 - Supplier Set-Up Procedure)*
- No PO's are to be raised at zero cost. Hire costs and the length of hire, for example, must be known upfront, prior to work commencing, and the correct PO raised. – At least an estimate must be used.
- All purchases are to be processed via the Purchase Order Requisition System using the defined approval routes and any exceptions to this must be approved by procurement. *(PROCP8 - Requisition Procedure)*
- Any procurement of property, rent or long term consultancy agreements needs to be approved by all Directors.
- Any purchase above £300K must be approved by Haribo Holding.
- Self Approval of POs will not be allowed for any purchase greater than £1000.

Signed:

Date: 17<sup>th</sup> December 2019

On behalf of the Board of Directors

