

Norpe Ltd Purchasing Policy

Task and Responsibility

- The foundations of our work are the strategy and the value platform defined for the Norpe group.
- Purchasing is a key contributor to increased profit margins, minimized working capital and an optimised supply chain in Norpe Ltd. Our task is to:
 - Source specified raw and subcontracted materials, goods and services of top quality to the lowest possible total cost.
 - Participate in assuring a hassle free supply chain starting from design and raw materials to the final product or service delivered to the end customer.
 - Systematically strengthen and develop our co-operation with our key suppliers in order to emphasize collaboration and create added value for the whole supply chain.
- The purchases are made according to the needs and forecasts of the sales teams.
- The Purchasing organisation has the overall responsibility for purchasing activities at the Norpe group, excluding trading cabinets and their accessories, installation and power pack project purchases. The purchase department negotiates raw and subcontracted materials and services at the lowest possible total cost for Norpe Ltd and all the subsidiaries within the group by combining the volumes and taking advantage of any synergies involved.
- Purchasing responsibilities and activities in Norpe Ltd are divided as:
 - The Purchase and Logistics Director has the overall responsibility for the group's purchasing process and purchasing budget. He/She approves the annual contracts.
 - The Purchase Manager has the operative responsibility for the local purchasing activities and the country specific purchasing budget. He/she is also responsible for the agreed item groups as described below. The Purchase Manager is the contact person for subsidiaries and coordinates the process when two or more units purchase the same material, or when it is more beneficial compared to purchasing locally.
 - The Purchasers are responsible for strategic item groups, which mean that they negotiate the terms for their specific item groups. The Purchasers are responsible for local operative tasks for instance purchase orders and call offs.
 - The Warehouse Manager is responsible for the transportation and warehousing agreements within the Norpe group.
- The Purchasers work according to the up-to-date purchase processes.

Basic Principles

Suppliers and process

- We are to be continuously aware of changes in the market, which means that we regularly ask for competitive offers, follow up current market development and make supplier analysis and comparisons etc. Special attention is given to the expected future price development.
- When making purchases we are to, if possible, ask for offers from at least three competing suppliers.
- Our vendor selection criteria as well as price include such as quality, delivery time and precision, environmental issues, supplier reliability, service, capital costs and payment terms.

- The purchasers of the subsidiaries co-operate with Norpe Ltd purchase team and aim for harmonisation of the purchase processes, suppliers and material specifications.

Ethics and Law

- Norpe Ltd's Purchasing is committed to the highest standard of ethics and applicable national and international law.
- All persons involved in purchasing activities shall contribute to and work in an honest, credible and professional way. Only fair and honest negotiation techniques shall be used and all kind of purchase enforcement is forbidden.
- All information related to purchasing, such as prices and other contractual terms shall be treated as confidential and shall not be transferred to third parties.

Human Rights

- Norpe Ltd respects and promotes human rights and condemns discrimination of all kinds. Norpe Ltd will not use child or forced labour. Norpe Ltd will not tolerate working conditions or treatments that are in conflict with international laws and practices. Materials supplied to Norpe Ltd must not be produced by children or youths through harmful work as described in the United Nations' convention regarding child labour, article 32.1, ILO (International Labour Organisation) conventions 138 regarding minimum age for recruitment as well as 29 and 105 regarding forced labour.

Conflicts of Interest, Gifts and Bribes

- Norpe Ltd's purchasing professionals must avoid situations and activity that leads to a conflict of interests. Acceptance of and giving of personal gifts or hospitality of other than nominal value (100 €) must be avoided.
- Norpe Ltd pays its own employees' travelling costs when visiting suppliers.

Suppliers

- We cooperate with suppliers that we can build good long-term relations with and hence get more competitive prices, higher quality and better delivery precision. Our supplier base is, however, not static. We favour fair competition and we always keep our independence.
- Our strategic items should, when possible, have at least two alternative suppliers.
- Norpe Ltd continuously follows up the performance of the suppliers. All suppliers are to be approved and they have to follow our quality and delivery terms. In case of reclamations we require written answers on corrective actions within 3 weeks.

Approving of purchasing policy

- The purchasing policy is prepared by purchase and logistics director and approved by Norpe Ltd's CEO.