

## **1. Introduction**

This document sets out the integrated procurement policy of Alpiq Csepel Business.

The Procurement Policy and the relevant Alpiq Corporate Human Resources Policy and the Human Resources Policy of Alpiq Csepel Business together establish the framework within which Alpiq Csepel Business will conduct its procurement activities.

## **2. Policy Statement**

The policy set out below is the procurement policy of Alpiq Csepel Business.

### **2.1. Legislative Compliance**

In the course of procurement processes, no action may breach any of the legal requirements.

In the course of procurement activities, actions must fully comply with applicable domestic and international legal requirements, and must follow the regulations and standards established by the competent professional bodies, as well as general domestic and international practice.

### **2.2 Probity**

In the course of the procurement process, the persons involved in the process shall make sure that they act with probity in their every action, and during the procurement procedures it should be ensured that no doubt arises about the probity of our staff members provided that they fully observe the stipulations of those procedures.

All staff members must see a clear distinction between their personal interests and business interests. The order and nature of the procedures shall ensure that staff members avoid compromising situations.

Staff members are prohibited from pressurizing any colleague to make them deviate from the order of procedure.

Any presents given by our staff members to partners involved in the procurement processes shall be of low value and may be given only in an organised and appropriate manner. Additionally, our staff members may accept from business partners only presents of low value and in a way as set out in the relevant procedure (Alpiq Code of Conduct).

### ***2.3 Utilising the benefits of competition***

To achieve company goals, the aim shall be the best possible utilisation of competition benefits provided by the market position. Wherever necessary and possible, a tendering process shall be launched or the efforts of applicant business partners shall be required to compete by way of the submission of price quotations to bring the company into an advantageous position because natural market competition is the best way to attain cost-effective procurement.

Procurement without making bidders compete may be acceptable only in a few exceptional cases:

- Low-value procurement;
- There is only one supplier / manufacturer in the market;
- Service provided by the manufacturer due to warranty reasons;
- In an exceptionally urgent case\_ However, this need not refer to an urgency caused by default.

### ***2.4 Competition clean and open for participants***

Tendering must always apply the principle of clean and open competition which means that the tendering process is managed in a way which is transparent to participants.

Transparency of the tendering process shall be ensured for participants by the proper provision of information - and due diligence will be necessary in the selection of the information to be disclosed.

Documents and instruments shall be retained for the appropriate time period to maintain evidence of clean competition.

### ***2.5 Providing equal chances***

Managing the tendering process shall involve providing equal chances of success to all tenderers.

Employees are prohibited from preventing a potential tender applicant from participation or successful bidding by withholding information or by any other means.

In wording the requirements, such criteria shall be set which, in addition to upholding company interests, shall also cover the reasonably required expectations and which do not limit the options for participation by tenderers.

***2.7 Equal treatment***

Staff members must apply impartial and equal judgement to all suppliers, without bias or prejudice.

The process shall create the conditions which guarantee equal treatment by establishing an identical framework for all tenderers.

***2.6 Maintaining good company reputation***

In the course of the procurement process, staff members shall make sure that our business partners gain a positive impression of the company.

Critical comments relating to the whole of the company or any employee of it made by any staff member to any representative of a third-party company will be seen as unacceptable.

***2.7 Confidentiality***

Parties to the procurement process shall have a clear understanding of the fact that disclosure of business information obtained by them during the process conflicts with good business conduct and may deteriorate the favourable competitive position of the company.

***2.8 Integration***

During the procurement process, the aim shall be the enforcement of the integration between the member companies of Alpiq Csepel Business which may potentially support the achievement of the goals of the Business Group.

***2.8 Professionalism***

Both the procurement process and the organisational structure of the company shall ensure that participants in the procurement process possess the skills necessary for the management of the process in an appropriate manner. This may happen either by them acquiring the required professional skills, or by others providing them with the option of getting support in the course of managing the process from persons possessing the necessary professional skills or qualifications.

***3. Minimum Standards***

All procurement activities of Alpiq Csepel Business shall comply with the above policy and the Procurement Procedures set out in the applicable instructions.

#### **4. *Applicable Decrees***

- Civil Code
- INCOTERMS
- Accounting Act
- Alpiq Csepel Business Finance / Controlling Integrated Policy and Procedures

#### **5. *Responsibilities***

##### **5.1 *Group Production Director***

As the senior manager having overall responsibility for the procurement process, the Group Production Director shall ensure compliance with the above policy during the procurement activities.

##### **5.2 *Senior Management***

As the persons having procurement right under the Order of Responsibilities, and in line with their own scopes of responsibility, Senior Management shall ensure full compliance by all with the above policies.

##### **5.3 *Engineering and Maintenance Controller***

As the responsible manager of the Procurement Unit, the Engineering and Maintenance Controller shall ensure that the Procurement Unit is operated in accordance with the above policies.

#### **6. *Associated policies and procedures***

- The procurement procedures listed on the front page,
- Finance (Controlling/Accounting) Policy Documents (IPO/FCO/003, IPO/FAC/001, IPO/FCA/002, IPO/FCA/003).

#### **7. *Background Material***

Not applicable to the current procedure.