

# Procurement & Contracts Policy



Effective procurement and contract management of goods, works and services are critical in driving operational excellence and profitable growth for MAG.

We contract with a large number of third-party suppliers across the whole of our organisation. We rely on their contribution to achieve our business goals.

These are our Key Procurement Principles. We will:

1. Only procure goods, services and works that deliver value. We will apply competition in line with the defined fiscal levels.
2. Follow a consistent, externally accredited process to the sourcing, selection and management of suppliers (The Procurement & Contracts Sourcing Process).
3. Adhere to the MAG Executive Scheme of Delegation and the Scheme of Delegation Table. The Procurement & Contracts Department is the only department granted authority to commit the company to retail, concession and commercial agreements (that are following the Utilities or Concession Regulations) and all capex and opex expenditure with third-party suppliers through purchase order or by contract.
4. Prohibit the provision of goods or the commencement of works and services until a valid and fully approved purchase order or contract is in place.
5. Record and retain all retail, concession and commercial agreements (that are following the Utilities or Concession Regulations) and all capex and opex contracts in one contract repository, owned by the Procurement & Contracts Department.
6. Ensure all purchase orders and contracts are let in accordance with national and international laws and regulations. Where relevant we will follow the Utilities Contract Regulations and the Concession Contracts Regulations, commonly referred to as OJEU which are transposed into UK Law and will continue post Brexit.
7. Let all purchase orders and contracts on MAG Terms & Conditions. Any deviations must be authorised in advance by Legal as set out in the Procurement & Contracts Sourcing process. We will share contractual risk and never compromise MAG's position or customer service levels.
8. Drive sustainable procurement and contract management in order to meet our CSR commitment to be a responsible, sustainable business.
9. Only work with suppliers that respect our corporate values, meet our financial and ethics standards and agree to our Supplier Code of Conduct.
10. Maintain effective Contract and Supplier Relationship Management processes to measure performance, identify opportunities and manage risk. This is owned by the Procurement & Contracts function who will work in partnership with business stakeholders.

A handwritten signature in black ink that reads 'Charles T. Cornish'.

Charlie Cornish  
MAG Chief Executive Officer  
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