	STANDARD POLICY	Document ID	TNCL-PRO-POL-0002
		Document owner	Procurement Manager
	PURCHASING AND PROCUREMENT POLICY	Revision	00
		Approve Date	13 th January 2026

PURCHASING AND PROCUREMENT POLICY

1. Purpose

The purpose of this policy is to ensure that Tembo Nickel Corporation Limited (TNCL) (along with its subsidiaries) procurement processes are clearly defined and communicated to employees, consultants and suppliers of goods and/or services, and applied consistently for the procurement of all goods, services and works, in alignment with local laws and regulations. This purchasing and procurement policy (“**Policy**”) should support the objectives of the TNCL, such as achieving value and cost savings where possible or practical, delivery of quality services and goods, sustainable and social procurement, supporting local economies and improved economic outcomes for our shareholders.

This Policy does not affect or override any requirements and obligations under host country laws and regulations and should be read in conjunction with all other Tembo Nickel policy documents.

We will always require a Contract before commencing with any services or work, or the delivery of goods.

All Procurement must be carried out in accordance with this Policy.


The Delegation of Authority applies to the procurement process, and no expenditure is authorised more than the permitted financial delegations.

2. Scope

This Policy provides the minimum procurement guidelines for TNCL to ensure an efficient purchase process and effective internal controls. It is applicable to all TNCL personnel, including consultants and contractors.

Within joint ventures and partnerships, employees and consultants are requested to apply this policy, as far as respective joint ventures and partnership arrangements permit.


Any local requirements not covered by these Tembo Nickel - Minimum Supplier Requirements guidelines should be covered by locally adopted P2P policies.

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Key members of a particular procurement process (Contract Owners, Sponsor, Procurement members, etc.) are accountable for their actions and for adhering to this Policy.

3. TNCL's Procurement Principles and Objectives

- We support strategic goals that are conducted in accordance with these Policy and ancillary documents.
- We intend to treat potential and existing suppliers with equality and fairness.
- We will not seek or receive personal gain and avoid conflicts of interest.
- We comply with our sanctions, anti-bribery and anti-corruption policy and laws and require suppliers to comply with relevant related policies and laws.
- We don't make or allow facilitation payments, including via our suppliers.
- We allow and encourage our employees to report violations, misconduct, or grievances without fear of retaliation, as per our whistleblowing policy.
- We deal with suppliers honestly and impartially.
- During an RFP / tender process, we will provide bidders with the same information and opportunities.
- We will ensure that our potential suppliers are informed about TNCL's Minimum Supplier Requirements and are encouraged to follow them.
- RFP / tender processes should be assessed in light of the costs necessary for the optimum result. There is no set number of bidders for an RFP / tender, but it is recommended that at least three suppliers should be invited to bid to create competitive tension and value for TNCL.
- TNCL will prefer the best overall tender offer in response to an RFP and is not required to accept the lowest cost tender.
- We aim to work with suppliers to create relationships that are professional and productive to enhance the value of services and products received.
- We aim to identify and rectify inefficiencies in procurement processes.
- We intend to effectively manage Contracts including monitoring and enforcing performance.
- We will aim to standardise Contracts.
- We perform risk-based due diligence and screening before engaging suppliers to identify and manage and make sanctions, corruption, human rights or other related risks.


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4. Governance & Responsibilities

This Policy requires accountability and internal controls during the procurement process.


The main functions involved are:

Definitions	
Procurement	means the process of sourcing, contracting, acquiring, and paying for goods and services.
Supplier Performance Management	is an important pillar of our procurement strategy and spans the life cycle of a Contract. It provides a possibility to correct sub-standard delivery, improve ongoing delivery and generate crucial feedback for future procurement processes. It is most successful if Contracts include clearly defined performance criteria, KPI and milestones against which performance can be assessed.
Purchase Order	means the document used by TNCL acting for itself to “draw down” from a Contract which incorporates the terms and conditions set out in a Contract. A Purchase Order can only bind TNCL without a contract if it is approved by Finance and Legal, and has sufficient terms and conditions attached in accordance with the DOA.
Contract	means an agreement, contract or arrangement with a Supplier for the supply of goods and/or services.
Contract Owner	means the individual requisitioning goods, services or works for the requesting department. The Contract Owner is responsible for submitting a purchase request to Procurement or Finance after approval by the Sponsor. The Contract Owner will play a key role throughout the process, including the evaluation of proposals/bids. The Contract Owner always needs to review an invoice before it is processed by Finance.
Sponsor	The Sponsor is accountable for the overall adherence to this Policy in relation to a specific purchase. The Sponsor is customarily the person who has the authority (under the DoA) to enter into the Contract he/she “sponsored” and has managerial responsibility over the requesting department. The Sponsor must approve supplier invoices before they are processed by Finance.
RFP	is the invitation to submit a proposal and is accompanied by supporting documents like drawings, datasheets, designs, etc.


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Definitions	
Evaluation Team	<p>a group of at least three individuals, comprising at a minimum the Contract Owner, the Sponsor and a member of the Procurement or Finance department. An Evaluation Team is formed for each RFP or a group of closely related RFPs. It is not a standing “committee”. Procurement / Finance (as applicable) can expand the team in case of high-value, strategic, complex or cross-departmental purchases. Potential conflicts of interest must be declared, and any individual with a perceived conflict of interest cannot form part of an Evaluation Team. Decisions should always be unanimous, but if no decision can be reached, Procurement / Finance will elevate the issue with the country head, CEO or CFO.</p>


Policy Principles	
Requesting Department	<p>The Requesting Department initiates the purchasing process. The Contract Owner is a member of the Requesting Department, and is responsible for:</p> <ul style="list-style-type: none"> Defining the needs of the business at the earliest possible point in time (including short and long-term demand planning) and ensuring key future purchases are included during the yearly budgeting process. Committing the specification or scope of proposed purchase(s). Providing appropriate technical or departmental advice during the procurement process. Providing Procurement of Finance (as applicable, <i>see below</i>) with feedback on the performance of suppliers and their services and goods. Ensuring that the Sponsor (<i>see below</i>) is included in the process proactively and that Legal and Finance are provided with sufficient time to review documents, Contract drafts, and that their recommendations are incorporated into the final documents. The requesting department is not responsible for negotiating or determining commercial matters with suppliers (except if instructed by Procurement or Finance). <p>Add: All procurements whose value is less than USD 100,000 should be sourced by way of competitive process, and a minimum of 3 quotes should be obtained.</p>

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Policy Principles	
Procurement	<p>Within Tembo Nickel, the Purchasing activities are the responsibility of the Procurement department (Tanzania), and if a legal entity does not have a dedicated Procurement department, that role needs to be fulfilled by Finance. Procurement / Finance will ensure:</p> <ul style="list-style-type: none"> • Sufficient process oversight to maintain adequate internal control. • The purchasing process is conducted efficiently and according to this Policy. • A member of their department is nominated for each Evaluation Team, and inputs are provided quickly. • Every contract has been reviewed before signing from a legal, commercial and fiscal perspective. • Legal is involved at the right time and kept informed about the pipeline of procurement activities. • The commercial terms are negotiated in a cost-efficient way. • The purchasing process is documented, and documents are saved centrally and securely, available to access by Finance and Legal.
Public Tender process	<p>All procurements whose value exceeds USD 100,000 shall be sourced through public tender process in line with the requirements of Tanzania Local Content Regulations. Should the Executive Committee of TNCL consider in its sole discretion that the nature of a purchasing requirement and the characteristics of the market are such that the public tender process would lead to a better result for TNCL, public tenders may be called.</p>
Exemptions and Emergency Purchases	<p>This Policy does not need to be followed in urgent situations when immediate action is required to address an emergency, a critical issue or safety concerns.</p> <p>Documentation of decision-making must be provided for all purchases above USD50,000 using the RCA form as a template.</p> <p>Exempt from this process, are purchases dealt with in the Code of Conduct (for example, hospitality or gifts) or Travel and Expense Policy.</p>

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Best Value Procurement	<p>Achieving the best overall value at the appropriate cost should be the basis of all procurement decisions within TNCL.</p> <p>Best overall value must be assessed using the Evaluation Scoring Matrix during decision-making by the Evaluation Team. The assessment can be supported by any supplier questionnaires, site visits, interviews, reference checks, demos, evaluation of samples etc.</p> <p>The following elements form part of a value-driven supplier evaluation:</p> <ul style="list-style-type: none"> • Professional Competence and experience • Product range and range of services • Quality standards and reputation • Health, safety, security factors • Environment and community requirements • Flexibility • Reliability • Delivery and lead times • Support and maintenance factors <p>Achieving the best overall value at the appropriate cost should be the basis of all Support and maintenance factors:</p> <ul style="list-style-type: none"> • Warranties and insurance impact • Financial situation of the supplier • Market position of the supplier • Level of co-operation and responses • Others
Sanctions list	<p>TNCL must comply with all international trade laws and sanctions of the countries in which the group operates, including screening suppliers against relevant sanctions lists.</p>
Supplier Due Diligence and Screening	<p>Due diligence and screening are performed before engaging suppliers to identify any sanctions, corruption, human rights or other related risk factors, including on their key shareholders (beneficial owners), directors and management personnel,</p>

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	<p>using a combination of Internal and External Due-Diligence Questionnaires, screening tools (Sanctions, PEP and adverse media) and internet searches.</p>
Risk Management	<p>Risk Management is to be appropriately applied at all stages of Procurement activities. Procurement should be properly planned and carried out in a manner that will protect and enhance TNCL's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.</p> <p>Risks identified in relation to a potential supplier and their related goods or services need to be outlined in the RCA.</p>
Disclosure of Information	<p>You should not disclose to any third party, discuss, or share any commercially sensitive or confidential information. This includes:</p> <ul style="list-style-type: none"> • Budgets for proposed purchases. • Information disclosed by third parties in tenders, quotations or the RFP process. • Information related to Supplier Performance Management; and • Any Contract-related information, including supplier information and bank details.
Accountability	<p>TNCL intends to maintain consistency in its approach to Procurement.</p> <p>You will be asked to explain and provide evidence that an appropriate process has been followed.</p> <p>All employees and consultants must be able to account for Procurement decisions over the lifecycle of all goods, services or works purchased by the TNCL and provide an audit trail for monitoring and reporting purposes.</p>
Dispute Resolution	<p>The Legal department must be asked to advise on all disputes, dispute management and alternative dispute resolution provisions for each Contract, to minimise the chance of disputes leading to legal action.</p>

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Demonstrate Sustained Value	<p>The Procurement strategy should support the corporate strategy, aims and objectives of TNCL. This includes sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community.</p> <p>The Minimum Supplier Requirement states TNCL's expectations for business conduct by all companies wishing to do business with, or on behalf of, TNCL.</p>
Contract Terms	Refer to the P2P Checklist and Terms for minimum terms and conditions, payment terms requirements.
Performance Measures and Continuous Improvement	<p>You should establish reporting systems to monitor performance and compliance with the Contract.</p> <p>The performance measurements should be used to:</p> <ul style="list-style-type: none"> • Highlight trends and exceptions where necessary to enhance performance. • Improve efficiency, performance and delivery of the supplier's services, as well as the Procurement process. • Facilitate programs to drive improvement in procurement to eliminate waste and inefficiencies across key spending categories. • Ensure performance is in line with TNCL's Code of Conduct and Minimum Supplier Requirements and does not unintentionally incentivise suppliers to engage in misconduct e.g. paying bribes to meet timelines.
Social and Sustainable Procurement	<p>TNCL is committed to social and sustainable Procurement by:</p> <ul style="list-style-type: none"> • Endeavoring to ensure that all Procurement practices stress sustainability within supply chains and are strategically aligned with the wider objectives of TNCL. • Actively developing local businesses and suppliers and achieving value across the community, particularly among disadvantaged residents and areas. • Encouraging international suppliers to source locally and to invest in local capacity building and training. • Purchasing ethical and fair-trade goods to support equitable trade. • Foster supplier collaboration and engagement building.

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Policy Principles	
Build and maintain Relationships	<p>Developing and managing suppliers is essential to achieving a competitive market capable of delivering the required goods, services and/or work.</p> <p>TNCL aims to develop relationships with suppliers that create mutually advantageous, flexible, and long-term relations based on the quality of performance and financial savings.</p>
Supply Market Development	<p>A wide range of suppliers should be encouraged to compete for TNCL opportunities.</p> <p>The focus does not always need to be on the largest, more familiar supplier.</p>
Single Source Justification (SSJ)	<p>In exceptional circumstances, an SSJ may be necessary where competition is deemed impractical. Examples include:</p> <ul style="list-style-type: none"> • Work of exceptional urgency caused by unforeseeable circumstances where competitive tendering would cause unacceptable delays, for example, after breakdown, storm, fire, H&S etc. • The proposed supplier is the only one known to possess either the unique technical, intellectual or professional capability required to deliver the goods or services and by default are unobtainable from any other source. <p>In these circumstances, an SSJ must be completed in respect of a purchase over USD50,000 (excluding tax) where the proposed purchase is not being made under a recommended Contract and where competitive offers are not or cannot be obtained.</p>



03/06/2026

Benedict Busunzu
CEO - Tembo Nickel.






9643-CP-POL-000003 TNCL Purchasing and Procurement Policy

Final Audit Report

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