

## Vendor Management Policy

### Authorisation:

| Document Creator | Document Owner | Reviewed By | Approved By |
|------------------|----------------|-------------|-------------|
| Legal Officer    | Legal Officer  | COO/CEO     | Chairman    |

#### I. Vision & Mission Statement

Our Vision at Harlow is to improve business results through mutual beneficial partnerships, programmatic performance analysis, vendor governance, reporting and continuous improvement. Our Mission for managing vendors is to establish, maintain, monitor, and evaluate vendor relationships to reduce risks, contain and reduce cost, and achieve greater levels of collaboration in delivery of competitive advantages to the company.

#### II. Purpose

Harlow relies on products, systems and services provided by a variety of vendors, contractors, and service providers including hardware and software vendors, marketing firms, technology and telecommunication services, support personnel, and consultants. It is the ultimately the duty of management to ensure:

- Each vendor relationship supports the overall business requirements and strategic plans
- The business or functional leader has sufficient expertise to oversee and manage the relationship.
- The business or functional leader has evaluated prospective vendors based on the scope and criticality of the procured service and products
- The risks associated with the use of the vendor are fully assessed and understood.
- The appropriate oversight program is in place to monitor contractual performance and risk mitigation activities.

#### III. Policy

This Policy applies to all Harlow activities and governs its officers who are responsible for negotiating or executing contracts with third party vendors on behalf of Harlow Group (herein referred to as "Harlow").

#### IV. Enforceability

In accordance with the company's Vendor Management Governance Structure, as delegated by the Harlow Management, the Vendor screening process and enforcement will be the responsibility of Legal Manager.

#### V. Conflict Resolution

Conflicts, or perceived conflicts, with the policy will be presented to the Legal Manager for resolution. Other policies will be secondary to this policy unless otherwise granted an exception/exemption.

#### VI. Exemptions/Exceptions

This policy recognizes that not all vendor relationships are highly critical, critical, important or represents a significant risk, or substantial financial impact to the company. Vendors meeting certain criteria will not be required to adhere to all components of this policy (Section XI - Exempt Vendors). In addition, requests for exemptions or exceptions to this policy can be submitted formally in writing to the Legal Manager. Exemptions or exceptions approvals are made in writing by the Legal Manager.

## VII. **Vendor Criticality**

The vendor criticality should be viewed as how important the product or service is to the day-to-day operations of the company. Classifying vendors by criticality is an important step of a vendor risk assessment. Specifically;

- **Strategic:** Strategic vendors are those who demonstrate loyalty to Harlow (exclusivity, limited distribution), are easy to do business with, and provide both growth and profitability.
- **Preferred/Operational:** are meant to be those who provide services to Harlow, managing the inner workings of our business so it runs as efficiently as possible.
- **Tactical:** are meant to be important, but minimally impactful in comparison to strategic or operational vendors. Potentially high in spend, but short in duration.
- **Commodity:** Non-critical to the company's operations, where if a break in the supply chain occurred, there would be little or no consequences to maintaining service levels and customer service. For example: Office Supplies.

## VIII. **Vendor Risk Management**

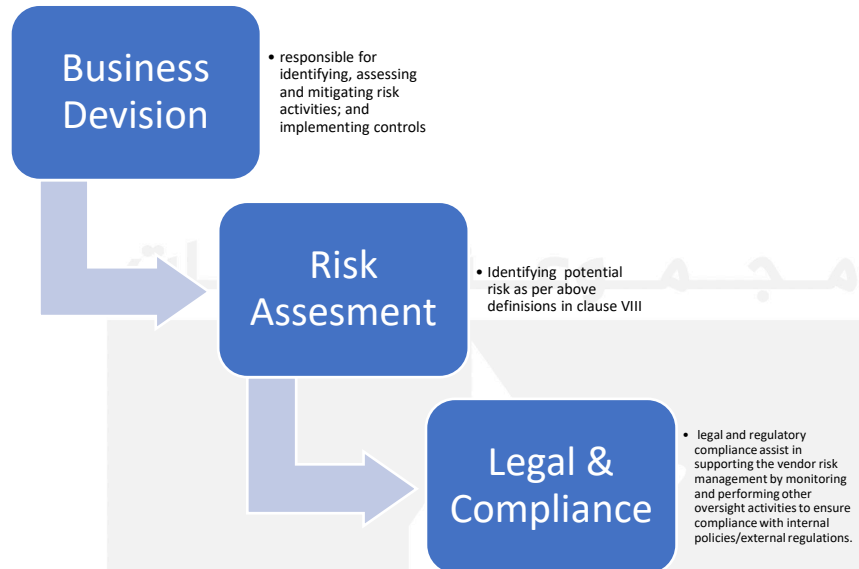
Vendor Risk Management is the process of managing/assessing potential risks associated with third party vendors. It's important to identify these risks in accordance to the internal rules, policies, laws and regulations in addition to the national/international conventions that are ratified by the government.

The following risks are to be thoroughly understood and assessed in regard to business and contractual relationships entered into with vendors:

- **Strategic Risk:** Risk of failing to implement or achieve planned business goals, objectives or initiatives. Inability to address the fundamentals required to execute the agreed strategy, as evidenced by deviations from business plans.
- **Compliance Risk:** Risks arising from violations of applicable laws, rules, regulatory mandates, and along with other issues, such as non-compliance of operational, and information security policies, procedures, and processes.
- **Operational Risk:** Risks from a failed system of operational internal controls relating to relevant policies, procedures, and practices. Specifically, failures associated with processes, systems or staff.
- **Financial Risk:** Risks related to the financial condition of the third-party vendors, such as any on-going trial, liquidation process or bankruptcy.
- **Reputation Risk:** Risks of negative public perception and rumours, such as unethical business practices, data breaches resulting in loss of sensitive and confidential consumer information.
- **Technology Risk:** Risks from technology failure and security issues, including inadequate resources (hardware, software or manpower).

- Country Risk: Risks arising from the political and economic restrictions such as international embargos, sanctions, and terrorism trafficking.
- Environmental Risks: Risks related to climate change impacts, environmental practices and such restrictions and legal obligations.

## IX. Risk Management/ Due Diligence Module



The Risk Management consists of the following check-ups:

- Existence and corporate history. Vendor’s business history and market share for a given service.
- Qualifications, backgrounds, and reputations of company principals, including criminal background checks where appropriate.
- Vendor’s reputation and past performance with similar business partners.
- Financial Condition: Obtain the audited financial statements for review by Corporate Finance.
- Reputation. Review year-end financial statements for litigation disclosures, past and any pending litigation.
- Internal control environment. Consider reviewing audit reports, internal control evaluations and assessments of the third parties.
- Legal and compliance including any regulatory actions and/or anti-bribery corruption risk.
- Insurance coverage sufficiency. Ensure that the vendor has sufficient insurance coverage such as “but not limited to” the third-party liability, WC, Fire, Motor insurance and any other potential risk exposure.

## X. Applicability

This policy is written to be applicable to multiple jurisdictions (UAE, Iraq, Korea and UK) and provide the guiding principles to assist the company in its compliance with all international regulatory bodies.

XI. **Harlow's Standard Terms & Conditions Applicable to Vendors Supplying Goods & Services to Harlow "ST&C"**

"The ST&C are to be published on Harlow website"

**1. APPLICABILITY**

- a) All sales of goods and services by a vendor ("Vendor") to Harlow International and any of its Group Companies, affiliates, subsidiaries "Harlow" and its contractor's, suppliers, vendors and service providers are subject to these standard terms and conditions "ST&C". The related purchase order "Purchase Order" and these Terms collectively "ST&C" comprise the entire ST&C between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. Terms and conditions of Vendor (whether contained in a purchase order confirmation or otherwise) that are in any way in conflict or inconsistent with or different or in addition to this ST&C (whether communicated orally or contained in a sales confirmation, delivery ticket, invoice or other written correspondence) shall not be binding on Harlow and are rejected and shall not be considered applicable to any purchase of goods or services by Harlow unless expressly agreed to in writing by Harlow. The supply of goods or services to Harlow pursuant to any purchase order or similar order of goods or services by Harlow shall be conclusive evidence of Vendor's approval of and consent to this ST&C.
- b) This ST&C shall prevail over any of Vendor's general terms and conditions of sale regardless of whether or when Vendor has submitted its sales confirmation or such terms. This ST&C expressly limits Vendor's acceptance to the terms of this ST&C. Fulfilment of the Purchase Order constitutes acceptance of this ST&C.

**2. PRICES**

The price shall be included in the Purchase Order. If for any reason the published price in the Vendor's website, showroom and any other vending method is found to be lesser than the PO price, the lesser price applies effectively from the date of publishment. Harlow will issue a debit note if the lesser price is found valid prior PO for the previous purchases.

Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the Delivery Point, insurance, customs duties, and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labore or transportation costs or otherwise, without the prior written consent of Harlow.

**3. DELIVERY OF GOODS AND PERFORMANCE OF SERVICES**

- a. Vendor shall deliver goods in the quantities and on the date(s) specified in the Purchase Order or as otherwise agreed in writing by the parties (the "Delivery Date"). If Vendor fails to deliver the goods in full on the Delivery Date, Harlow may terminate the Purchase Order immediately by providing written notice to Vendor and Vendor shall indemnify Harlow

against any losses, claims, damages, and reasonable costs and expenses directly attributable to Vendor's failure to deliver the Goods on the Delivery Date. Harlow reserves the right to return any Goods delivered prior to the Delivery Date at Vendor's expense and Vendor shall redeliver such Goods on the Delivery Date with an adequate warranty.

- b. Vendor shall deliver all goods to the address specified in the Purchase Order (the "Delivery Point") during Harlow's official business hours or as otherwise instructed by Harlow. Vendor shall pack all goods for shipment according to Harlow's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Vendor must provide Harlow prior written notice if it requires Harlow to return any packaging material. Any return of such packaging material shall be made at Vendor's risk of loss and expense.
- c. Vendor shall provide services to Harlow as described and in accordance with the schedule set forth in the Purchase Order and in accordance with these Terms.
- d. Vendor acknowledges that time is of the essence with respect to Vendor's obligations hereunder and the timely delivery of goods and services, including all performance dates, timetables, project milestones and other requirements set forth in the Purchase Order. The standard Harlow penalty rate is 5% of PO value for every calendar day for up-to a maximum of 150% of PO value.
- e. Delivery shall be made properly in the designated Delivery Point. The Purchase Order number must appear on all shipping documents, shipping labels, invoices, correspondence, and any other documents pertaining to the Purchase Order.

#### **4. TERMS OF PAYMENT**

Vendor shall issue an invoice to Harlow on or any time after the completion of delivery and only in accordance with this ST&C. Unless Vendor and Harlow otherwise agree in writing to payment terms other than those specified herein, payment shall be made in U.S. Dollars, or otherwise different currency must be contractually designated. Payment terms are not less than sixty (60) days from date of invoice unless otherwise agreed in writing on a lesser term by Harlow. Without prejudice to any other right or remedy it may have, Harlow reserves the right to set off at any time any amount owing to it by Vendor against any amount payable by Harlow to Vendor.

#### **5. TITLE AND RISK OF LOSS**

Title and risk of loss passes to Harlow upon acceptance of the goods at the Delivery Point.

#### **6. INSPECTION AND REJECTION OF NONCONFORMING GOODS/SERVICES**

Harlow reserves the right to inspect the goods on or after the Delivery Date. Harlow, at its sole option, may inspect all or a sample of the goods, and may reject all or any portion of the goods if it determines the goods are nonconforming or defective. If Harlow rejects any portion of the goods, Harlow has the right, effective upon written notice to Vendor, to: (a) rescind the Purchase Order in its entirety; (b) accept the goods at a reasonably reduced price; or (c) reject the goods and require replacement of the rejected goods. If Harlow requires replacement of the goods, Vendor shall, at its expense, promptly replace the nonconforming or defective goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement goods. If Vendor fails to timely deliver replacement goods, Harlow may replace them with goods from a third party and charge Vendor the cost thereof and cancel this Purchase Order for cause pursuant to Section 8.

Any inspection or other action by Harlow shall not reduce or otherwise affect Vendor's obligations under the ST&C, and Harlow shall have the right to conduct further inspections after Vendor has carried out its remedial actions.

#### **7. WARRANTY**

- a. Vendor warrants that the goods delivered hereunder are, and for a period of not less than 12 months from the Date of Acceptance as per Clause 6 hereabove, will be, free from defects in materials, workmanship, and design, shall conform to the specifications represented by Vendor and/or requested by Harlow, shall be merchantable and fit and sufficient for the use and purpose intended, shall conform to any and all warranties arising by usage of trade, course of dealing and course of performance, shall be free of all liens, security interests, or other encumbrances, and shall not infringe or misappropriate any third party's patent or intellectual property rights. Such warranties shall not be deemed waived either by reason of Harlow's acceptance of or any payment for any goods and/or services, and shall extend to Harlow and its transferees, including without limitation its customers.
- b. Vendor warrants that it shall perform the services delivered hereunder assigning adequate and high skilled personnel who are meets experience, qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services.
- c. Vendor agrees to replace or correct promptly without expense to Harlow (including shipping and other costs), any goods or services not conforming to the foregoing requirements as soon as reasonably possible after notification by Harlow. In the event Vendor fails to correct or replace goods or services in a timely manner, Harlow may correct or replace such items and charge Vendor the cost thereof. Such warranties and remedies shall be in addition to, and shall not limit in any way, any other warranties and remedies given by Vendor or arising by law.

#### **8. CANCELLATIONS**

Harlow shall be permitted to cancel at any time any purchase order or other order of goods or services hereunder with a (15) fifteen days' notice. In the



event such cancellation, Harlow shall be responsible for any direct costs associated with such order, but only to the extent that the goods ordered or inventory and components relating to such order are not fungible, resaleable or useable by Vendor or a third party.

If For Cause: Harlow reserves the right to cancel at any time with immediate effect any purchase order or other order of goods or services if in case of inspection failure and/or rejection pursuant to Clause 6 above.

#### **9. CHANGE ORDERS**

Harlow may at any time, by written instructions and/or drawings issued to Vendor (each a "Change Order"), order changes to the goods or services. Vendor shall within three days of receipt of a Change Order submit to Harlow a firm cost proposal for the Change Order. If Harlow accepts such cost proposal, Vendor shall proceed with the changed services subject to the cost proposal and this ST&C. Vendor acknowledges that a Change Order may or may not entitle Vendor to an adjustment in the Vendor's compensation or the performance deadlines under the Purchase Order and these Terms.

#### **10. VENDOR'S OBLIGATIONS REGARDING SERVICES**

Vendor shall:

- a. obtain and maintain all necessary licenses and consents and comply with all relevant laws applicable to the provision of the services;
- b. comply with all rules, regulations and policies of Harlow, including security procedures concerning systems and data and remote access thereto, building security procedures and general health and safety practices and procedures;
- c. maintain complete and accurate records relating to the provision of the services, including records of the time spent and materials used by Vendor in providing the services in such form as Harlow shall approve. Vendor shall allow Harlow to inspect and make copies of such records and interview Vendor personnel in connection with the provision of the services;
- d. obtain Harlow's written consent, which shall not be unreasonably withheld or delayed, prior to entering into ST&Cs with or otherwise engaging any person or entity, including all subcontractors and affiliates of Vendor, other than Vendor's employees, to provide any services to Harlow (each such approved subcontractor or other third party, a "Permitted Subcontractor"). Harlow's approval shall not relieve Vendor of its obligations and Vendor shall remain fully responsible for the performance of each such Permitted Subcontractor and its personnel;
- e. require each Permitted Subcontractor to be bound in writing by the confidentiality provisions of this ST&C, and, upon Harlow's written request, to enter into a non-disclosure or intellectual property assignment or license ST&C in a form that is reasonably satisfactory to Harlow;
- f. ensure that all persons, whether employees, agents, subcontractors, or anyone acting for or on behalf of the Vendor, are properly licensed,

- certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the services;
- g. ensure that all of its equipment used in the provision of the services is in good working order and suitable for the purposes for which it is used, and conforms to all relevant legal standards and standards specified by the Harlow; and
  - h. keep and maintain any Harlow equipment in its possession in good working order and shall not dispose of or use such equipment other than in accordance with the Harlow's written instructions or authorization.

#### **11. GENERAL INDEMNIFICATION**

Vendor shall defend, indemnify and hold harmless Harlow and Harlow's subsidiaries, affiliates, successors or assigns and its respective directors, officers, shareholders and employees (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the goods and services purchased from Vendor or Vendor's negligence, wilful misconduct or breach of the Terms. Vendor shall not enter into any settlement without Harlow's prior written consent.

#### **12. CONFIDENTIAL INFORMATION**

All non-public, confidential or proprietary information of Harlow, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Harlow to Vendor, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with these Terms and the Purchase Order is confidential and may not be disclosed or copied unless authorized in advance by Harlow in writing. Upon Harlow's request, Vendor shall promptly return all documents and other materials received from Harlow. Harlow shall be entitled to seek injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Vendor at the time of disclosure; or (c) rightfully obtained by Vendor on a non-confidential basis from a third party.

#### **13. FORCE MAJEURE**

no party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this ST&C, for any failure or delay in fulfilling or performing any term herein (except for any obligations to make payments to the other party hereunder), when and to the extent such party's (the "Impacted Party") failure or delay is caused by or results from the following force majeure events ("Force Majeure Event(s)": (a) acts of God; (b) flood, fire, earthquake, pandemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or action; (e) embargoes or blockades in effect on or after the date of the Purchase Order; (f) national or regional emergency; (g)



strikes, labour stoppages or slowdowns or other industrial disturbances; (h) shortage of adequate power or transportation facilities; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within 10 days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of 30 consecutive days following written notice given by it, the other party may thereafter terminate this ST&C upon 30 days' written notice.

#### **14. COMPLIANCE WITH LAWS**

Vendor shall comply with all applicable laws, regulations, and ordinances. Vendor shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this ST&C. Vendor shall comply with all export and import laws of all countries involved in the sale of the goods under this ST&C or any resale of the goods by Vendor. Vendor assumes all responsibility for shipments of goods requiring any government import clearance. Harlow may terminate this ST&C if any governmental authority imposes antidumping or countervailing duties or any other penalties on goods.

#### **15. TERMINATION**

In addition to any remedies that may be provided under this ST&C, Harlow may terminate this ST&C with immediate effect upon written notice to Vendor, either before or after the acceptance of the goods or the seller's delivery of the services, if Vendor has not performed or complied with this ST&C, in whole or in part. If Vendor becomes insolvent, files a petition for bankruptcy or commences or has commenced against its proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors, then Harlow may terminate this ST&C upon written notice to Vendor. If Harlow terminates the ST&C for any reason, Vendor's sole and exclusive remedy is payment for the goods received and accepted and services accepted by Harlow prior to the termination.

#### **16. RELATIONSHIP OF THE PARTIES**

The relationship between the parties is that of independent contractors. Nothing contained in this ST&C shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

#### **17. SEVERABILITY**

Any provision of this ST&C that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law each party hereby waives any provision

of law which renders any provisions hereof prohibited or unenforceable in any respect.

#### **18. GOVERNING LAW**

This ST&C shall be interpreted in accordance with the laws of UAE, regardless of the conflict of law provisions thereof. The parties hereto agree that any litigation arising out of this ST&C shall be in Dubai-UAE or any other jurisdiction Harlow may agree in writing. Any legal action by Vendor for breach must be commenced within one (1) year from the date of the breach. Vendor agrees to pay all costs and expenses, including reasonable attorney's fees incurred by Vendor in any action to enforce its rights hereunder. The United Nations Convention on the Contracts for International Sale of Goods, 1980, and any amendment or successor thereto is expressly excluded from this ST&C.

#### **19. ANTI MONEY LAUNDRY AND TERRORISM FINANCING**

The vendor is hereby committed to comply with all the national AML & TF rules and codes in addition to any applicable ratified international rule in this regard. Vendor shall solely, comprehensively, and irrevocably fully responsible for each and any breach whatsoever.

#### **20. WAIVER**

No waiver by Vendor of any of the provisions of this ST&C is effective unless explicitly set forth in writing and signed by Harlow. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this ST&C operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

#### **21. ASSIGNMENT**

Vendor shall not assign, transfer, delegate, or subcontract any of its rights or obligations under this ST&C without the prior written consent of Harlow. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Vendor of any of its obligations hereunder. Harlow may at any time assign or transfer any or all of its rights or obligations under this ST&C without Vendor's prior written consent to any affiliate or to any person acquiring all or substantially all of Harlow's assets.

#### **22. AMENDMENT AND MODIFICATION**

This ST&C may only be amended or modified in a writing stating specifically that it amends this ST&C and is signed by an authorized representative of each party.

#### **23. SURVIVAL**

Provisions of this ST&C that by their nature should apply beyond their terms will remain in force after any termination or expiration of this ST&C including, but not limited to, the following provisions: Compliance with Laws, Confidential Information, Governing Law and Forum, and Survival.

I HAVE READ, UNDERSTOOD, AND HEREBY ACKNOWLEDGE AND AGREE TO ABIDE BY THIS USER ST&C AND THE TERMS AND CONDITIONS CONTAINED HEREIN.

[NAME OF VENDOR]

Signature

Name

Title

Date

E-mail address:

## XII. **VENDOR PERFORMANCE**

The Head of Procurement will assist the business owners or relationship managers with the development of a performance audit program to assess the vendors compliance with agreed upon service levels and quality of services. The scope of review, frequency and the supporting documentation needed will vary depending on the complexity of the vendor relationship and the product or service being provided. In general, the scope of the performance audits will include the following:

- Vendor Relationship Oversight
- Quality of Services
- Contract Terms
- Billings

## XIII. **REPORTING & BLACKLISTING**

Head of Procurement shall report any recorded breach, risk, and/or non-compliance of any of the Vendor to the Legal & Compliance with a dotted line to the CEO/MD for initiating termination of the related contract ST&C and further blacklisting.

