

# Engro Corporation Limited

## Policy on Procurement of Goods and Services

### A. Purpose / Scope

The aim of our procurement policy is to obtain sustainable competitive advantage through efficient sourcing of goods and services that maximizes value for the Company based on innovation, principles of risk / return benefit, ensuring product quality, timely deliveries, reliability and controls.

This policy establishes a foundation for our discipline and serve as guidelines in our daily activities as we interact with external suppliers and service providers.

### B. Policy Statements

#### 1. Value for the Company

The sourcing decisions shall be made on the basis of best total value offered from goods and services. Best total value is driven by business needs and includes a number of components that include total cost of ownership, quality of goods or services performed, supplier responsiveness and account service, speed or time-to-market.

#### 2. Honest, Ethical, and Fair Dealings

We will ensure that all our activities are governed in accordance with the laws and regulations stipulated by the government with highest degree of ethics and integrity. We believe that buyers and suppliers optimize their working relationship when there is a foundation of trust. By treating suppliers and potential suppliers honestly, ethically and fairly, we do our part in building that foundation, and expect that the supplier will do likewise.

### 3. Competitive advantage

We will award business, to the extent possible, on the basis of competition amongst qualified suppliers and will carry outsourcing activities by strictly adhering to the purchase procedures and undertake transactions with reputable organizations that are financially sound and capable of satisfying our corporate philosophy. We will enter into strategic partnerships on a negotiated basis, based on current market trends, with select business partners and suppliers to seize available opportunities in the best interest of the Company.

### C. Limitation and Conditions

The Board may impose any limitation or condition in case of particular sourcing transactions, as they deemed fit and in the best interest of Company.

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