

WPP SCANGROUP PLC

PROCUREMENT POLICY

	DESIGNATION	SIGNATURE	DATE
Prepared by	Chief Finance Officer		
Reviewed by	Board Audit & Risk Committee	<small>DocuSigned by:</small> Peter Kimurwa	20 August 2024
Approved by	Board	<small>DocuSigned by:</small> RICHARD OMWELLO	23 August 2024

PURCHASING AND PROCUREMENT POLICY

PREAMBLE

WPP-Scangroup Plc ('the Company') is committed to having the right policies and processes in place to manage the key stages of commercial delivery from third parties: from the initial identification of a business need to selection of the right suppliers to contracting with them to paying for the goods or services received – and to ensure that these stages are conducted in a legal and ethically responsible manner and deliver sustainable commercial value throughout.

PURPOSE

The Procurement Policy ('the Policy') governs and supports the selection of and contracting or renewing with suppliers or adding work orders pursuant to a master services agreement and must be followed by the Company and its subsidiaries ('the Group'). The Group and employees must comply with and keep in mind the following policies whilst complying with the Policy:

- WPP-Scangroup Code of Business Conduct
- WPP-Scangroup Conflicts of Interest Policy
- WPP-Scangroup Related Party Transaction Policy
- WPP-Scangroup Vendor Due Diligence Policy
- WPP Business Integrity ABC Booklet
- WPP Anti-Money Laundering Policy
- WPP Gifts & Entertaining Policy
- WPP Sanctions Policy
- WPP Antitrust and Taxation Policy
- WPP Adviser Payment Policy
- WPP ABC Policy
- WPP Data Privacy & Security Policy
- Travel and Expenses Policy

APPLICATION

Procurement is the sourcing, negotiating, contracting, order placement and supplier management of goods and services provided by suppliers. Purchase mainly consists of media, production, administration, and information technology. The processes below do not apply to procurement activities relating to legal spend (for which please contact the Company General Counsel, jimmy.mnene@wpp-scangroup.com).

The mandate of the procurement team is to obtain the best value by leveraging on scale and spend within the purchasing and the scope includes:

- **Indirect Costs** (sales, general & administration costs) - typically including Travel, IT, Rent and Professional Services
- **Advertising, production, and digital media costs** (usually a pass-through cost for clients)

Production and overhead costs above USD 100,000

For any non-media and non-legal costs purchase that exceed **USD 100,000 across a 12-month period**, WPP Procurement needs to be involved via **Ask Procurement** askprocurement@wpp.com who will partner with you to:

- Identify and source potential suppliers.
- Assess the risk associated with engaging suppliers to mitigate any negative impact on the Company.
- Negotiate and establish commercial terms with suppliers at best possible terms and price.
- Ensure compliance with best practice, such as responsible procurement, sustainability, and diversity; and
- Conduct benchmarking to identify trends and opportunities for cost reductions and process improvements.

In regard to total amount of spend, if there are multiple stages to a project in the course of a year, all stages should be calculated together. Spend should not be broken up into multiple smaller work orders or contracts. Click [here](#) for guidance on estimating total spend. Note: at contract stage this will need to be approved by the relevant authorized person as set out in the relevant Delegation of Authority matrix (note: all WPP agencies should have an up-to-date Delegation of Authority matrix in place and ensure that employees know about it and when to refer to it).

A. Production Purchase Procedure

1. Purchase Requisition

A brief or requisition is received from the client service team or the creative department by the production team. A cost estimate is prepared by the production team with details of the purchase that is needed. The cost estimate is shared with the requestor.

2. Identifying the Sources of Supply

For TVC and Radio Production works, a producer identified by the Team lead, the creative department or client service team, source for three (3) quotations from various suppliers and sends them to the production department. The quotations are then documented on the cost estimate template and shared with the client by the client service team for cost approval. The client evaluates the various quotes and gives approval for one quote and issues a Local Purchase Order to accompany the approved costs.

For printing production work, the client service shares a brief with the production team. The production department then sources for three (3) quotations from various suppliers. The quotations are then documented on the cost estimate template and shared with the client by the client service for cost approval. The client evaluates the various quotes and gives approval for one quote and issue an LPO to accompany the approved costs. In instances where three (3) quotations are not available, a documented rationale is provided for consideration in the supplier selection process.

3. Placing of Purchase Order

Once the client approves the cost and the right supplier is selected, the production department prepares a local purchase order in the accounting system. Where a new vendor is amongst the three (3) quotations, this vendor must pass the due diligence checks as per the New Vendor Set Up Policy. The LPO is approved as per authorization matrix below:

Types of LPO	Authorized Personnel	Limit
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LPO related to a particular job	Production Traffic Managers/ Regional Finance Managers / Finance and Commercial Manager	As per threshold table in Appendix
Self-Cost PO	CFO /Group Finance Director/ Commercial and Finance Manager	As per threshold table in Appendix

The CFO shall also approve, by email, the cost as a dual approver, any Purchase Order greater than the limits indicated on the threshold table in the Appendix or where a planned contract is for a duration greater than one year.

The production department will then send the authorized purchase order to the supplier.

4. Follow Up of Purchase Order

The production department will follow up on execution of the order as per client expectation through email reminders or oral communication.

5. Receiving and inspection of goods

The production department will check the quality of goods before the vendor dispatches the goods to the client or the designated place of delivery as advise by the client. Upon delivery, the goods will be received by a client authorised person and acknowledgement of receipt will be done by signing the delivery note and /or stamping on it. A copy will be sent to the production team and /or client service team.

The materials may be rejected due to inferior quality and the production team will clearly communicate to the supplier the reasons for such rejection. The supplier will then make good and deliver as per the specification required.

6. Checking of Invoices and Passing the Invoice for Payment

Once the production department confirms delivery, which may include checking with client service, the invoice along with supporting documents are shared with the Accounts Department for processing.

B. Media Purchase Procedures

Media vendors are selected and contracted in accordance with the Media Investment policies adopted by the Company from time to time.

Subject to the Media Investment policies adopted by the Company from time to time, the Media Purchase Order authorization follows the following Purchase PO approval matrix:

Types of LPO	Authorized Personnel	Limit
Media Estimates	Managing Director	As per threshold table in Appendix
Media Purchase Order	Commercial director	As per threshold table in Appendix

The CFO shall also approve, as a dual approver, any Purchase Order greater than the limits indicated on the threshold table in the Appendix

C. Digital Purchase Procedure

Based on the brief from client the digital team identifies platform(s) suitable to deliver on the client brief and prepares the media plans and allocations for each digital platform for client approval.

There are 2 categories for digital spend i.e., the Local and the International vendors.

Local vendors comprise of local publishers and influencers.

International Vendors comprise of Google, Facebook, LinkedIn, Eskimi, Opera mini etc.

At all times, where a new vendor is being used, this vendor must pass the due diligence checks as per the New Vendor Set Up Policy

LOCAL DIGITAL VENDORS

The digital media manager creates a manual digital media plan based on a client request. The client reviews and approves the digital media plan with a client purchase order. The digital media managers create an estimate in the accounting system and share it with the Finance - Monitoring and Billing Assistant for review. If approved, the release orders are generated by the production coordinator and sent back to the digital media managers to share with the vendors.

Once the job is completed, the vendors will submit their invoice documentation (Invoice /insertion order/proof of work. These are received by the account assistant for processing.

At all times, where a new vendor is being used, this vendor must pass the due diligence checks as per the New Vendor Set Up Policy

INTERNATIONAL DIGITAL VENDOR PROCESS

For International vendors, once the Client PO is received, the campaigns are launched on dashboards (Google and Facebook) and the spending limit is set by the digital media managers. for other international vendors like Twitter, LinkedIn, Eskimi, Opera mini and others, the insertion orders are issued by digital media managers and approved

by the Digital media account for specific monthly spend. At all times, where a new vendor is being used, this vendor must pass the due diligence checks as per the New Vendor Set Up Policy.

Types of LPO	Authorized Personnel	Limit
Insertion Orders	Head of Digital - Paid Media	As per threshold table in Appendix
Digital Media Release Orders	Commercial Director	As per threshold table in Appendix

The CFO shall also approve, as a dual approver, any Purchase Order greater than the limits indicated on the threshold table in the Appendix

D. Overhead Purchase Procedure

Office Stationery

- A) In Kenya, stationeries are managed either through Employee Self Service (ESS) where the system monitors inventory based on the re-order level or manually in regional markets. When the stock is less than the re-order level, the Administration team will purchase the stationery from identified vendor whom we have been using over a period.
- B) The administration team or the person handling administrative responsibilities in the regional market will obtain a quote from the vendor and forward it to finance to generate purchase orders through Adams Systems. The junior accountant will raise a purchase order and send it to the senior finance manager for approval in the system. Senior Finance Manager, after reviewing the quote and the trend of the purchases, will authorize the purchase order in the system. The purchase order is then shared with the administration team. The LPO will be dispatched to the respective supplier. Upon delivery of the goods, a copy of the LPO is attached together with the supplier invoice and delivery note. This set of supplier documents is then forwarded to the Finance Department for posting as it processed the payment within the specified payment terms.

Office Utilities

The administration team or the person handling administrative responsibilities in the regional market regularly monitors the stock levels and depending on the utilization trends, will request a quote from the designated vendor. The process of procurement will remain the same as mentioned in point (B) above.

Other general overheads

This includes repairs or maintenance at the office premises. The administration team and or the person handling administrative responsibilities in the regional market in consultation with the senior finance manager in Kenya, reviews the scope of the work & cost estimates and get the work done. The purchase order & payment process is per point (B) above.

Travel

The travel requests are divided into 3 categories as follows:

- a) Business - related
- b) Staff - related
- c) Client - related

Business Travel will be initiated through an email request where various details in respect of a trip shall be indicated i.e., date, time, destination etc. The administration team will prepare cost estimate based on competitive quotes (particularly for air tickets) to be shared with the line manager for approval followed by GCEO or CFO approval. The approval is then sent to the Junior accountant to raise the purchase order. The junior accountant will raise a purchase order and send it to senior finance manager for approval in the system. Senior Finance Manager will authorize the purchase order in the system. The purchase order is then shared with the administration team and LPO will be dispatched to the respective supplier. The supplier will share the invoice and the administration team will forward it to the Junior accountant for payment after confirming passenger travel. Hotel booking is paid/done online via the approved vendor for all travel. (Refer to the Travel and Expense Policy for more details)

Staff passage/relocation travel shall be approved by Human Resource Director, then forward to CFO or GFD for their approval. The Administration Assistant team will share this approval with Junior accountant for raising the purchase order in the system. Senior Finance Manager will authorize the purchase order in the system. The purchase order is then shared with the administration team and LPO will be dispatched to the respective supplier. The supplier will share the invoice and the administration team will forward it to the Junior accountant for payment after confirming passenger travel. (Refer to the Travel and Expense Policy for more details)

Client related travel, administrative team will prepare a cost estimate & share with client service team for client approval. Once the client approves the cost estimate, the client will share the purchase order. In case of an emergency, the signed cost estimate acts as an approval. The client service team will have the cost estimate/purchase order approved by the line manager followed by CFO or GFD approval before making any booking. The request to share purchase order is sent by the administration team to the production coordinator who raises the purchase order in the system then sends to the production & traffic manager to approve the system. The purchase order is then shared with the administration team and LPO will be dispatched to the respective supplier. The supplier will share the invoice and the administration team will forward it to the Junior accountant for payment after confirming passenger travel. (Refer to the Travel and Expense Policy for more details).

General Overhead costs Purchase order approval

The general overhead costs and purchase orders are approved as follows and in reference to the approved expense approval matrix. (Expense Approval Matrix Appendix A)

Approval	Authorized Personnel	Limit
1 st Approval	As per the Expense Approval Matrix and PO less than the threshold amount by Senior Finance Managers and Group Finance Director	As per threshold table in Appendix
2 nd approval for any Purchase Order above the set Threshold Amount	As above, a secondary email approval from the Company CFO is required	

After approval, the LPO is dispatched to the respective supplier. Upon delivery of the goods, a copy of the LPO is attached to the supplier invoice and delivery notes. This set of supplier documents is then forwarded to the Finance Department for posting awaiting the payment processing within the specified payment terms.

IT Procurement Process

IT purchases fall under 2 categories i.e., Software and Hardware purchases. We have a software inventory which includes a list of the software (WPP recharge & direct purchase) that is used and their expiry dates.

For software that falls under WPP recharge category we normally receive invoices from WPP IT together with its supporting documentation.

For software that falls under direct purchase, the vendors are requested to share the renewal quotation for IT review/ scrutiny and for sharing the requirements with Senior Finance Manager for approval prior to its expiry date. Senior Finance Manager will request/vet the requirement and inquire for additional information to guide in making an informed decision. All software purchases must be approved by the WPP Scangroup Strategic Business partner for IT.

Hardware requirements include procurement of computers, printers, audio-visual equipment, network equipment, servers, security systems and spare parts.

The IT team understands and evaluates the requirement received from user departments and obtains competitive quotations from genuine OEM (Original Equipment Manufacturers) vendors and negotiates with them for the best deals, and finally presenting the procurement information to Senior Finance Manager for approval. All hardware purchases must be approved by the WPP Scangroup Strategic Business partner for IT.

Upon approval, LPO will be raised in the ERP System and forwarded to Senior finance Manager for approval and subsequent distribution to the supplier by relevant IT Team Personnel.

Approval	Authorized Personnel	Limit
1 st tier approval	Head of Technical Support	Up to USD100k
2 nd tier approval	Strategic Business Partner	Up to USD100k
3 rd tier approval	Senior Finance Manager / Group Finance Director	Up to USD100k
3 rd tier approval Any Purchase Order above the above set Threshold Amount	As above, a secondary email approval from CFO is required	Up to USD100k
4 th tier approver	IT Category Board approval	Over USD 100k

On receipt, the item will be verified and the supplier’s documents like the delivery note will be signed and stamped. The invoice will be attached to the LPO, and supplier’s delivery note and forwarded to the Finance Department for

posting and processing of payment. Sometimes the payments for subscriptions are processed through Credit Card but the approval process remains the same.

EXPENSE APPROVAL MATRIX APPENDIX A		FINANCE APPROVER			
		Senior Finance Manager	Group Finance Director	Group CEO / Group CFO	WPP
Nature of Expense	Requisitioned By				
Flight - Economy class	Traveller / PA	USD 1500		Above USD 1,500	
Flight - Business Class	Traveller / PA				Any Amount
Accommodation per night	Traveller / PA	USD 250 (upto 3 nights)		Over USD 250	
Client Entertainment - Per event	Client Service	Upto USD 100	USD 100 to USD 250	Over USD 250	
Staff Entertainment - Per event	User	Upto USD 100	USD 100 to USD 250	Over USD 250	
Pitch / Tender - Per document	Client Service	Upto USD 500	USD 500 to USD 2,000	Over USD 2,000	
Awards per entry	Client Service	Upto USD 500	USD 500 to USD 2,000	Over USD 2,000	
Corporate Membership - MSK / APA etc - renewal	Client Service	✓			
Corporate Membership - MSK / APA etc - new	Client Service	✓	✓		
CAPEX					
IT - Per requisition	IT	Upto USD 5,000		USD 5,000 to USD 100,000	Over USD 100,000
Motor Vehicle	Admn				
Furniture & Fittings - Per requisition	Admn				
Administration					
Stationery	Admn	✓			
Consumables	Admn	✓			
Utilities	Admn	✓			
General office Maint	Admn	✓			
IT					
Internet - as per agreement	IT	✓			
Mobile Bills	IT	✓			
IT spares	IT	✓			
Subscription - renewal	IT	✓			
Subscription - new	IT	✓	✓		
Office Rent - as per agreement	Admn	✓			
Other Storage	Admn	✓			
HR					
Professional Membership	HR / User	✓	✓		
Training per person per course	HR	Upto USD 100	USD 100 to USD 250	Over USD 250	
Staff Passage as per contract	HR	✓			
Immigration - as per contract	HR	✓			
Consultants - as per contract		✓			
Recruitment - as per contract		✓			
Insurance					
General	Admn	✓	✓	✓	
Medical	Admn	✓	✓	Change in benefits or criteria	
Group Life	Admn	✓	✓		
Legal and Secretarial	Legal	As per agreed terms/ contracts		One off	
Listing Expenses - AGM / NSE / CMA	Legal	As per agreed terms/ contracts		One off	
Tax and Professional Fees	Finance	As per agreed terms/ contracts		One off	
Audit fees				✓	
Note:					
1. Any Expense before it reaches to finance approver must be approved by Unit MD / CEO					
2. Where amount is not specified, the concerned approver can approve any amount					

RESPONSIBLE PROCUREMENT

The Company uses the power of creativity to build better futures for our people, planet, clients and communities. This is true when we are working with suppliers too. We are committed to reaching Net Zero in our supply chain by 2030 and increasing our spend with diverse suppliers, which must be factored in when deciding to work with a supplier.

We ask all suppliers to meet our standards and agree to the principles contained in [WPP Scangroup Supplier Code of Conduct](#). If you have genuine concerns about a supplier or arrangements or the relationships with them, please contact the Company General Counsel, jimmy.mnene@wpp-scangroup.com or report your concerns through WPP's ethics hotline [Right to Speak](#).

If you have any questions or would like further guidance, please get in touch with the Company Procurement contact at AskProcurement@wpp.com

APPENDIX

Purchase Order Threshold Table

Currency	Threshold
Ghanaian Cedi	593,175
Kenyan Shillings	7,500,000
Malawian Kwacha	54,815,325
Mozambican Metical	3,310,650
Nigerian Naira	40,366,125
Rwandan Franc	61,566,150
Tanzanian Shilling	128,574,750
Ugandan Shilling	188,283,000
South African Rand	39,000
Zambian Kwacha	981,825