

Guideline – Vendor Suspension/Removal from Approved Vendor List



DP WORLD

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Introduction

DP World is a leading enabler of global trade and an integral part of the supply chain. DP World ensures that stringent management and control measures are in place related to its procurement activities. DP World is committed to ensuring that all company business is conducted according to rigorous ethical, professional and legal standards.

The main objective of this policy is to encourage good business practices by requiring vendors to materially perform in accordance with the terms and conditions of the contract.

Purpose

The purpose of this policy is to provide guidelines that ensure fair and transparent processes in the suspension and/or removal of a vendor from the relevant Head Office (HO)/Regional Offices (ROs)/Business Units (BUs) locally approved vendor lists.

Scope

The scope of this policy applies to all vendors across the DP World Group Companies. Group Companies that are not controlled by DP World (e.g. Joint Ventures) are highly encouraged to follow this policy.

This policy shall be adapted by RO's/BU's as per local rules and regulations, internal procurement organisation structures, and roles and responsibilities.

Policy

1. Suspension from the approved vendor list

Suspension from the approved vendor list is typically a temporary action that is based on (but not limited to) the below causes and requires the vendor to fulfil certain requirements/obligations to become prequalified and part of the approved vendor list.

A suspended vendor can be considered for invitation and participation in new tenders/quotations based on the type of cause(s) for suspension. However, a suspended vendor cannot be awarded a new tender/quotation until the causes for suspension have been resolved to a satisfactory standard and supporting evidence is provided to the relevant HO/RO/BU Procurement Manager (or equivalent) to make an informed decision.

1.1 Causes for suspension from the approved vendor list

Suspension from the approved vendor list includes but is not limited to the following causes:

- The vendor is suspended by a relevant local authority and is not permitted to undertake new projects within the specified jurisdiction until certain local authority requirements/obligations are fulfilled (e.g. Dubai Municipality (a government authority in the UAE) may suspend contractors/consultants (i) for not

having the required manpower to undertake any new projects; (ii) issues with staff accommodation and/or working conditions; (iii) expired trade licenses);

- Poor performance or not meeting the contractual obligations of a particular project/contract;
- Pending court cases/arbitrations with other clients that may expose DP World to undue business/financial/reputational risks; and
- Any other cause the Vendor Review Panel¹ determines to be sufficient for suspension from the approved vendor list.

2. Removal from the approved vendor list

Removal from the approved vendor list is typically a long term/permanent action that is based on (but not limited to) the below causes whereby the vendor has not met certain requirements/obligations that are considered mandatory/integral to the relevant HO/RO/BU policies and procedures.

A rejected vendor cannot be considered for invitation, participation and/or award of any tenders/quotations.

2.1 Causes for removal from the approved vendor list

Removal from the approved vendor list includes but is not limited to the following causes:

- Deliberate and/or regular non-compliance with DP World's Vendor Code of Conduct;
- Breach of globally accepted ethical standards in business dealings;
- Material breach of any aspect of a DP World contract for which the vendor has been found guilty;
- Engaging in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 (UK) or the Foreign Corrupt Practices Act (US) or any other form of bribery or corruption that would constitute an offence in any other jurisdiction;
- Malpractices that may or have resulted in losses to DP World;
- Misuse of DP World's assets/rights/names/trademarks/logos etc. for personal benefit and gain;
- Use of DP World's assets/rights/names/trademarks/logos without appropriate approval;
- Unduly attempting to influence the outcome of a procurement process;
- Soliciting or offering of a bribe to a DP World employee or representative;
- Failure to cooperate in DP World's monitoring of contract performance by refusing to provide information or documents required by a contract;
- Collusion with other bidders or prospective bidders in an attempt to restrain competition during a tender process;
- Sanctions that may exist against an organisation or individuals associated to the organisation; and
- Any other cause the Vendor Review Panel determines to be sufficiently serious and compelling to represent lack of good faith or responsibility by a DP World vendor.

¹ Vendor Review Panel shall consist of the relevant HO/RO/BU Procurement Manager (or equivalent), Head of the relevant End User Department, and any other relevant stakeholder(s) deemed appropriate to make a collaboratively informed decision.

3. Vendor Communication

Based on the causes for suspension or removal from an approved vendor list, the below communication process acts as a guideline for the relevant HO/RO/BU Procurement Manager (or equivalent) to consider:

1. Verbal communication should be given to vendors to provide an opportunity for them to take immediate corrective action. Verbal communication must be formally documented to maintain an audit trail. A maximum of 2 verbal communications should be considered prior to the next level of escalation.
2. A written communication should be issued to vendors whereby the vendor has failed to act upon previous verbal communication.
3. A formal request for suspension and/or removal from the approved vendor list must be provided to the relevant HO/RO/BU Procurement Manager (or equivalent) for review whereby the vendor has failed to acknowledge a written communication and/or failed to make the necessary improvements.

4. Procedure for suspension and/or removal from the approved vendor list

Based on the causes for suspension and/or removal from the relevant HO/RO/BU approved vendor lists, either, (i) the relevant HO/RO/BU Procurement Manager (or equivalent) can suspend a vendor directly; or (ii) a Vendor Review Panel shall investigate the request to remove a vendor from the approved vendor list.

Based on the causes for suspension and/or removal from the relevant HO/RO/BU approved vendor lists, the below process acts as a guideline for the relevant HO/RO/BU Procurement Manager (or equivalent) to consider:

1. Formal proceedings shall only be considered by the relevant HO/RO/BU Procurement Manager (or equivalent) once all the facts have been obtained and reviewed, and it has been determined that further formal action is required;
2. The relevant HO/RO/BU Procurement Manager (or equivalent) shall engage in communication with the vendor explaining the nature of the circumstances and requesting a formal response to determine the appropriate course of action;
 - 2.1 If the vendor provides a satisfactory response that is acceptable to the relevant HO/RO/BU Procurement Manager (or equivalent) a decision can be made to take no further action;
 - 2.2 If the vendor provides an unsatisfactory response that is not acceptable to the relevant HO/RO/BU Procurement Manager (or equivalent) a decision can be made to either (i) suspend the vendor temporary from the approved vendor list, or (ii) issue formal written communication to the vendor.
3. The vendor shall be provided an opportunity to formally respond in writing within two calendar weeks of receiving notification from the relevant HO/RO/BU Procurement Manager (or equivalent) . The vendor's response must clearly detail their interpretation of the situation, including any evidence to support their case;
4. The vendor shall be provided an opportunity to request a formal meeting with the relevant HO/RO/BU Procurement Manager (or equivalent) and any other relevant DP World stakeholders to discuss the matter further;
5. Having carefully considered all information obtained in the vendor's written response and formal meeting, the relevant HO/RO/BU Procurement Manager (or equivalent) may request further input from the Vendor Review Panel;
6. The relevant HO/RO/BU Procurement Manager (or equivalent) shall conduct any further investigations as required, in collaboration with the Vendor Review Panel (if applicable) and make a decision on removal of the vendor from the approved vendor list;
7. The relevant HO/RO/BU Procurement Manager (or equivalent) shall formally notify the vendor and the relevant internal stakeholders of the final outcome and make the necessary changes to the vendor's status via the relevant eSourcing Portal.

5. Duration and Reinstatement

Based on the causes for suspension and/or removal from the relevant HO/RO/BU approved vendor lists, the following guidelines shall be considered to determine the duration of suspension and/or removal of a vendor from the relevant approved vendor list:

- Up to 12 months or less based on the corrective actions being taken by the vendor and approved by the relevant HO/RO/BU Procurement Manager (or equivalent); and
- Greater than 12 months based on no corrective actions being taken by the vendor and circumstances remain unchanged.

At the end of a suspension and/or removal period, the relevant HO/RO/BU Procurement Manager (or equivalent) shall conduct a thorough review to determine if corrective action has been taken.

Suspended and/or removed vendors shall only be considered for future prequalification once all issues have been remedied successfully to the satisfaction of relevant HO/RO/BU Procurement Manager (or equivalent).

The vendor reserves the right to petition reinstatement at any time after formal notice of suspension and/or removal has been received by the vendor. Based on any additional information/evidence that has been provided, the relevant HO/RO/BU Procurement Manager (or equivalent) reserves the right to reconsider its position with regards to vendor suspension and/or removal.

6. Maintenance of Records

The relevant HO/RO/BU Procurement Manager (or equivalent) shall ensure that all documents and decisions are maintained for audit trial.

Related Standards, Policies and Processes

This policy should be read in conjunction with the following policies:

- Group Procurement Policy; and
- Vendor Code of Conduct.

History

Version Number	Review Date	Summary of Changes
1.0	December 2016	First introduced
2.0	July 2023	<p>Version 2.0 superseded version 1.0 based on historical lessons learnt; relevant feedback from Regional Office(s)/Business Unit(s)/Head Office Departments; Group Internal Audit Findings; and Government Audit Findings.</p> <p>The following major enhancements have been made to the updated 'Vendor Suspension/Removal from Approved Vendor List Policy':</p> <ul style="list-style-type: none">- Updates to the causes of vendor suspension- Updates to the procedure for suspension and/or removal from the approved list- Updates to the duration and reinstatement- Inclusion of Annex A – Vendor Suspension/Removal Procedure

This Policy has been developed by Group Procurement Department and is subject to annual review.

Approved by: Group Deputy CEO & CFO
Department: Group Procurement
Revision Number: 2.0
Revision Date: July 2023

**ALL QUERIES IN RELATION TO THIS
POLICY SHOULD BE DIRECTED TO
SVP GROUP PROCUREMENT AT**

<mailto:groupprocurement@dpworld.com>

Annex A – Vendor Suspension/Removal Procedure

