# PURCHASING GOODS AND SERVICES

**Purpose**

To establish guidelines for making appropriate purchases of goods and services on the Company's behalf.

**Scope**

This Policy applies to all team members of McWane, Inc. and its divisions and subsidiaries ("McWane" or "Company") who influence the buying process, not only those in charge of purchasing, and applies to the purchasing of goods and services.

**Policy Statement**

Each employee who is involved in the buying process must maintain a high standard of ethical conduct. The Company contracts with suppliers and contractors on the basis of competitive price, quality and delivery. Decisions regarding purchasing must only further the business interests of the Company, and no trace of favoritism should be part of the buying process. The responsibility that rests with an employee who spends Company money is a serious one. Sellers of goods and services to McWane understandably try to influence the Company to buy their products or use their services. The Company expects a level of honesty and integrity that is clearly without question or challenge.

When you negotiate, all prices, terms and conditions and agreements must be based on sound business judgment and always be in the best interest of the Company.

Any arrangement with third party independent contractors (i.e., vendors, suppliers, consultants, engineers, interior designers, space planners, construction contractors, import agents, trucking companies, brokers, etc.) providing goods or services to McWane must be arranged in compliance with the Company's *Guidelines for Dealing with Independent Contractors*. All new outside organizations and changes in arrangements with existing contractors must be approved by the appropriate division management. All arrangements for accounting services must be approved by the Vice President – Finance Corporate Controller. All arrangements for legal services must be approved by the Legal Department.

Additionally, the following guidelines apply:

- *All suppliers and potential suppliers, contractors, etc., should be treated fairly, courteously and in a professional manner.*
- *At all times, purchasing personnel shall act in an ethical manner, and also conduct themselves in a way that avoids the appearance of compromising their obligation to act in an ethical manner.*
- *Purchasing personnel are prohibited from deviating from the Company's Gift Policy.*
- *Participation in luncheons, dinners and other associations with suppliers, contractors and potential suppliers or contractors is authorized where such participation is appropriate to the business at hand. Purchasing personnel are required to equitably share (and will be reimbursed by the Company in accordance with the appropriate financial procedure) the expenses associated with such meetings. By*

*"equitably sharing" the Company means that purchasing personnel must either pay for their portion of the expenses of the event or must reciprocate at a subsequent similar occasion.*

- *Purchasing personnel will be responsible for the cost of (and will be reimbursed by the Company in accordance with the appropriate financial procedure) their own transportation and accommodations associated with visits to suppliers' and contractors' locations.*
- *You must report immediately to your manager any instance where an attempt or veiled attempt is made by a supplier, potential supplier or other party to compromise or otherwise unduly influence an award of business. The Company expects that any purchasing personnel approached with such an offer will courteously refuse it, indicating that McWane does not conduct business in that manner, and then report the incident to his or her manager.*
- *All arrangements for technical or professional services must be based on the Company's need for such technical or professional advice or assistance.*
- *You should review the background and professional ability of contractors providing services to the Company and only engage the services of respected and competent individuals and organizations.*
- *It is your responsibility to make sure each contractor providing services is aware of our standards for ethical behavior and business conduct and our EHS Policies and agrees to comply with those standards.*
- *Each invoice received from contractors providing services should provide a detailed and accurate description of the services provided and the basis for the fee charged.*
- *All reimbursable authorized expenses incurred by contractors providing services must be supported by appropriate documentation, such as original receipts, invoices, statements, checks, etc., so that the amount and purpose for the expenditure or charge can be easily verified in accordance with Company procedures for accounting and internal control.*
- *A contract for services must be signed prior to the commencement of any services.*
- *The retention of any outside contractor must be supported by necessary and appropriate internal authorization in writing as well as evidenced by a contract containing the details of the arrangement such as term, scope of the services, fees, confidentiality obligations, insurance, assignment of key personnel, compliance with safety procedures while on McWane property, etc. Forms of agreement approved by the Legal Department should be used. Check with the Legal Department if you have any questions.*

McWane reserves the right to modify, amend, supplement or replace this Policy at any time with or without prior notice.