



QMA02.04 COMPANY PURCHASE POLICY

Scope

- Company's purchasing policy
- Purchasing and control routines
- Evaluation of suppliers and
- Receiving control

All with respect to goods and services that have an impact on safety and environment, operation, maintenance, repairs and re-constructions.

Purpose - purchasing policy

Company strives in purchasing goods and services only using suppliers who can fulfil our needs and expectations. This means that the competence and expectation for co-operation on the part of suppliers are given careful attention.

Quality is the most important factor in purchasing. If possible, always purchase in bulk to reduce packing volumes. Encourage recycling initiatives and using non disposable equipment.

Goods and services that require certificates, type approval or similar shall be proven available before executed and approved. Documents and certificates in conjunction with delivery or shortly thereafter, supplier responsible to ensure it is done. Master and/or Chief Engineer responsible for filing of the documentation onboard.

Suppliers that fulfil the Company's requirements according to the above purchasing policy are given in "List of approved main suppliers" which is available in our PMS system software K-fleet Purchase. The suppliers named in the list shall be used primarily, if a procurement needs to be done from another supplier office approval is needed.

The "list of approved suppliers" is reviewed by Technical Manager at least twice per year and every time a new supplier is approved and added.

Responsibility

The Managing Director has the overall responsibility for the purchasing of goods and services.

All purchase orders are to be approved by shore management before executed. This is done through the PMS system.

Purchasing routines, ships and office

The purchases of goods and services takes place direct from the ships or the office.

All orders from the ships are handled and administrated in the PMS system software K-fleet Purchase. All orders from the vessel are handled in consultation with the Master/Chief Officer or the Chief/1st Engineer. Orders must be approved within the PMS system before executed. Urgent orders that needs to be executed as soon as possible needs approval from shore management in writing.

All orders are reviewed for hazardous material and harmful substances including Asbestos. This is handled by a third party agreement with Metisoft by retrieving data on every purchase order through the PMS system.

During drydocks or shipyard visits a procedure is established between shipyard and owner in which shipyard is to ensure that no asbestos nor other hazardous material are used or installed onboard.

It shall always be clarified for all sub-contractors to follow Rederi AB Älvtank policies, e.g code of conduct, relevant policies are displayed at our homepage and the request for quotation contains a text with this information.



Status of the order can be traced in the PMS system. The different stages recorded are:

- Order sent from Vessel
- RFQ
- PO approved
- Not confirmed
- Not received
- Delayed
- Received by Agent
- Sent from Agent
- Received Pool
- Sent Pool
- Partly Received
- Invoiced, not onboard
- Finished

Invoices are always checked against purchase orders.

Provision, food supplies etc is ordered by the Master. Suppliers from the "List of approved suppliers" are chosen as far as reasonably practicable.

Bunkers are always ordered by shore personnel.

Purchasing data

- Information on all characteristics important for quality
- Requirements on the performance and function of goods
- Requirements on the performance and scope of services
- Standard for requirements on the quality system that shall be applied
- Any eventual quality verifications (test control, test certificate) that is included in the delivery
- Information on type, kind, model, class and manufacturing no. for products
- Delivery conditions

Control and inspection at delivery

When the order has come on board, the delivery is checked in order to ensure that the delivery agrees with the specifications and conditions according to the order. Any eventual remaining notes are made on the delivery bill. Incorrect deliveries are returned after written agreement. In the case of an incorrect delivery of spare parts, an accompanying letter or email shall be sent. The correspondence and emails are filed within the PMS system and on email servers.

Controls are also made of services.

Management after delivery

In the management, stowing and storage of goods on board, special attention is paid to potential safety and environmental risks that may arise while handling the goods in the ship environment.

Treatment of deviating products



One of the following alternatives shall be chosen for the product:

- Returned to the supplier for exchange or reworking so that it fulfils specified requirements
- Accepted with or without repair after delivery exemption or deduction of price.
- Reclassified for alternative use
- Rejected or scrapped

Documentation - Traceability

All documentation is available in the procurement software K-Purchase as a part of the PMS system. RFQ, approval process, delivery notes, invoices and traceability during delivery are all recorded in the system and available in the database both onboard and in the office.

Synchronisation between the vessels and office database is being done frequently automatically every second hour or instantly upon request manually.

Evaluation of suppliers

Purchases of goods and services are made with suppliers who:

- Have been approved after evaluation (List is available in K-fleet Purchase software).
- Have shown good ability through long experience.

Technical Manager is responsible for keeping the "List of approved suppliers" updated and for changing purchasing documents when product requirements have changed.

The "List of approved suppliers" should be reviewed and amended periodically at least twice per year and when new approved suppliers are added.

Managing Director Rederi AB Älvtank

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