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Supplier Management Process – Domestic (IoM and UK)

Purpose

The function of the Supplier management process is to provide a seamless quality service, alongside obtaining the best value for goods and services for Manx Telecom Trading Limited and our customers. Whilst performing a risk analysis for both financial and service ensuring transparency of supply in accordance with purchasing standards to maximise value add for Manx Telecom and our affiliate partners. Including Smart Roam, OV and Synapse 360.

It should also select and develop relationships with suppliers which deliver the highest standards of performance and long-term benefits. Alongside performing regular vendor management meetings to establish and drive forward value added service. Whilst delivering continuity of supply and value.

This process will also manage suppliers who operate and or provide dedicated support for our customers in a foreign territory and will detail the standards and controls required to support and maintain quality controls. For example, an IoM based customer who has services within the IoM and or the UK, or a territory which is Non-Domestic. Any Non-Domestic operations should reference our Internal Supplier Management policy.

All new vendor requests or vendor removal requests will follow the strict code of Procurement Governance in line with MT's business processes and controls.

Scope

The supplier management process is designed to govern the business interactions between Manx Telecom Services and its Suppliers. Suppliers are used throughout the business to various extents, so it is important that the business recognises and manages the relationships necessary to provide its service functions.

All suppliers with inputs into service functions will be controlled by this process and will link into the Procurement Matrix alongside any items of service are detailed in our Supplier Code of Conduct which can be located at:

<https://www.manxtelecom.com/terms-and-conditions/>

Key policies and protocols for Suppliers, GDPR and PCI can be located where also under supplier terms and conditions.

Roles and responsibilities

Head of Procurement and the Vendor Manager – Will control and manage all New Vendor requests approvals in line with our business ethics and in association with our Procurement Governance and the Procurement Matrix. The relevant Credit Control form and or New Vendor form must be completed. The same process applies for Vendor Removals. Whilst obtaining the relevant Supplier rebates and credits. The registration process is now online at: <https://www.manxtelecom.com/supplier-terms>

We will perform a risk analysis with any new vendor requests and or existing vendors as reasonably required. Whilst ensuring any new vendor is adhering to our company standards and work ethics, alongside fulfilling our commercial expectations. Once completed and listed on Finance the addition to Sales Force can be made. There is now a 4-stage process for signoff with an enhanced vetting process which will be managed by Procurement to support the business effectively

Head of Compliance – The responsibility of this role is to enforce legal standards and to review any aspects of contracts that have a legal commitment and or contractual commitment to a supplier. This covers the entire business and ensures the process fulfils the company responsibilities and legal requirements. In line with the Procurement Matrix. This is currently managed within the Procurement function

Head of Pre-Sales – Is responsible for managing strategic relationships with core vendors at a Sales functionality level.

Supplier Representative – Suppliers will be individually listed on Sage with a designated Supplier representative number and a supplier contract number within our SharePoint file structure. This individual will be responsible for ensuring the monitoring, reviewing and



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auditing the appropriate suppliers occurs on a regular basis where appropriate. They are also responsible for recording information on these suppliers and the formal supplier agreements associated with them. In addition, Procurement will perform an annual audit of suppliers to establish the following key points:

The Supplier Representative must engage Procurement and Legal in line with the Procurement Matrix

Key elements to manage:

- 1: Supplier Value – Procurement
- 2: Supplier adherence to contract terms and SLA's – Governance
- 3: Proven best value and price benchmarking – Procurement
- 4: Vendor Consolidation and commercial best practice. Agreed % margins where beneficial – Procurement
- 5: Aligning our **Tiered** suppliers – Operational & Procurement
- 6: Improving supplier value, credit terms and vendor relations - Procurement
7. UK and IOM standards and support where applicable and performance monitoring – Procurement
8. Key compliance to current GDPR regulations and ISO requirements inline with our business practices including adherence to PCI protocols and policies as required
- 9: Ethical sourcing is key; suppliers must adhere to our online policies and processes as per the following link – Suppliers
<https://www.manxtelecom.com/document-library/terms-conditions/suppliers>
- 10: Suppliers must demonstrate and adhere to good ESG (Environmental Social Governance) best practices as directed to them – ESG forum
- 11: Supplier performance reviews as required – Operational & Procurement
- 12: Supplier adherence to Modern Slavery statements and Anti-Bribery statements as required – Suppliers

Bid Review – The bid review meeting will capture new requirements for suppliers. Any new contracts requiring a supplier input will be submitted by the sales person and discussed at bid review. This will then follow the Procurement Matrix to ensure Procurement and Legal are engaged prior to making any financial or contractual commitment

Finance Team – The Finance team are responsible for screening new suppliers (credit check, banking check). Procurement will assist with (Risk, Supplier Service Validation & Creditability in line with strategy objective). Finance support step 3 of the onboarding process.

Step 1: Requestee – Step 2: Procurement & Step 3: Finance – in line with Delegated Authority approvals. DOA.

Once they are requested to be used within the business as validated by Procurement & Finance will add to Sage and the approved supplier list. This will reduce the risk of using new suppliers without full vetting. We will also perform automatic credit updates via Credit Safe to ensure continuity of service and credit.

Suppliers that are used on an ad-hoc basis or one-off basis will also fall under the responsibility of the Senior Procurement Manager and will notify Finance accordingly. All managers have financial approval limits to authorise payments to suppliers on the condition the Procurement Matrix has been allowed and is also in line with the Chart of Accounts/DOA.

All non-direct suppliers must not commence any works until a Purchase Order is issued to them and that they have confirmed of their supplier status being onboarded/vetted.

Process

Suppliers are categorised dependant on the defined business requirements and are split into 6 separate 'Tiers'. Each tier represents a relationship level Manx Telecom will have with the Supplier.

Tier RED – S = Supplier of a 'Service' which is Approved in Sage. There must be documented contracts in place with regular review meetings. Any changes must be vetted in accordance with business due process



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Tier RED – R = Consumer of a 'Direct Customer Service/Product' which is Approved in Sage. There must be documented contracts in place with regular review meetings. Any changes must be vetted in accordance with business due process

Tier AMBER = V = Vendor of a 'Service'. A Vendor who provides a strategic service but one we may not pay directly. i.e would be purchase through distribution and or a reseller partner. This strategic relationship is generally managed by Commercial. These suppliers must have contracts in place and have review meetings of their performance alongside they may require Technical Accreditation.

Tier AMBER/GREEN – I = Managed supplier of a 'Service' International. A supplier who provides a region-specific service other than the location of the United Kingdom and or provides dedicated services on our behalf of a customer in a foreign country.

Tier GREEN = An approved supplier. A supplier who we would use regularly when purchasing, but there is a contractual position in place or terms and conditions of trading that has been validated by Procurement

Tier GREEN = Any other suppliers who require recurring payments. Known as such a re-seller of one off purchase vendors that we would use more than once without a form of contract, but has followed the Procurement Matrix

Tier GREEN = Regular contractual services such as Telecomms, Circuits, Software Maintenance or Hardware maintenance – known as BAU. These will have recurring contracts in place. Run rate items and or ad-hoc items.

All Suppliers are entered on to the Salesforce data base and each supplier has a named individual who is designated to manage the relationship.

The Approved Supplier Agreement defines SLA's, security, dispute handling, management of sub-contracted suppliers and the interfaces therein. Suppliers who are not listed may be used if an urgent requirement exists and must be approved by the Procurement and or the Finance department. These will be defined as Tier 3.

Requests for the addition or removal of a supplier can be made by any department manager. In the first instance they should completed the Vendor Removal Form with a clear explanation. The Head of Procurement will then review this request whilst following our Procurement Governance process. No staff member may serve notice on any contract unless verified by Procurement, Legal or a Board Director.

Suppliers are reviewed in accordance with their amount of use. All tier one suppliers will be reviewed for the service they are providing, depending on how often they are used. These reviews will be performed monthly and or quarterly.

Procurement will assist with all other review of graded supplier and we will perform an annual renewal to determine service, value and support in line also with price benchmarking.

Suppliers used on an ad-hoc basis will be reviewed on a per call basis, with contact only being made if there is an issue. Core suppliers will be reviewed by the supplier representative who will assist in line with Procurement Governance.

Supplier disputes will be handled by the supplier representative in the first instance. The escalation paths for such disputes are the vendor manager, the Senior Procurement Managed, the head of legal and procurement, and or the finance manager and the senior management team as appropriate.

For full details please, cross reference our "Manx Telecom Service Terms & Conditions"

Monitoring Effectiveness and Reporting

The level of monitoring and reporting of suppliers will be dependent upon the categorisation that the supplier falls into.

Tier RED, as managed suppliers are the most closely monitored, due to the reliance on them by the business.

All Tier RED suppliers will be measured monthly on their performance. The designated supplier contact will be responsible for ensuring these reviews are conducted. Some sub vendors will be classed is Tier AMBER

Tier ANY – Vendor – Specific suppliers aligned to product sets/services. They may not be a direct purchasing supplier.

Tier ANY – I vendors will be subject to strict performance management controls and will be graded into depending on their services and impact risk to customers. Please follow the Supplier Management Process - International



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If performance is under the expectations of the supplier contact, action and improvement plans may be put in place, or contractual disputes raised and reviewed. Procurement can provide guidance on this and a performance analysis can be undertaken

Other Tier vendors will be performed measured at least annually.

Retention of records

Tier RED (S) and (R) suppliers will have documented records of:

- *Supplier Contract*
- *Records of supplier reviews as necessary*
- *Supplier Action and Improvement Plans as necessary.*

Tier ANY will have agreements and or records secured in our online repository. With physical copies being kept in a secure a lockable cabinet with strict access controls.

Vendors are graded on service, performance and payment terms.

Tiers ANY – I Suppliers are bound by our strict code of conduct and terms and conditions. For details please follow the Supplier Management Process – International link below. These are classed as GREEN suppliers on our Tier structure.

Supporting Documentation (located on the share drive O:/F4-Procurement/Vendor Control

MT – Vendor Appraisal Form – New v1.1

MT – Vendor Removal Form – New v1.1

MT - Procurement Matrix v1.1

Supplier Approved List & Tier Payment List v1.1

Supplier Management Process – International: [International.docx](#)

Our Supplier code of conduct is located at:

<https://www.manxtelecom.com/supplier-terms>

Suppliers are bound by or GDPR terms and conditions and any conditions relating to PCI DSS also. Which can be found at :

<https://www.manxtelecom.com/supplier-terms>

- **GDPR:**
General Data Protection Regulation applies in line with key guidelines and our GDPR policy and process is prevailing. Please reference our “GDPR Data Protection Policy for further guidance”
- **PCI DSS:**
Where applicable any supplier provider payment service provider and card acquirer and or payment gateway services must adhere to PCI DSS standards and our Manx Telecom Supplier PCI 12.8 HLD – Protocol document



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Summary of Procurement Matrix:



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