

Business Rules

1. Overview of MARCAS Business Model

In summary, MARCAS aggregates the purchasing volumes of its Members and negotiates prices / discounts, payment terms and specific T&Cs with suppliers on their behalf.

These are used in the formation of either framework or commitment-based contracts between MARCAS and its suppliers. Eligible Members are listed within the contract documentation and can then trade with the suppliers using the prices (or discounts) and terms agreed.

MARCAS also ensure that any suppliers contracted meet minimum V.Group standards. For more information please refer to V.Group Supplier Code of Conduct set out at <https://vgrouplimited.com/legal/supplier-code-of-conduct>.

2. How we work

MARCAS employs a team of category managers and account managers to understand our Members' requirements and to negotiate agreements with suppliers. MARCAS's aim is always to deliver best market pricing and service levels to its Members and their principals, commensurate with the volumes it can offer in the marketplace.

In particular the team's duties include:

- Managing on-going relationships with suppliers and Members, to identify opportunities, including arranging new and updated contracts for Members.
- Vetting suppliers to ensure the highest professional standards are maintained and that capabilities are fully understood.
- Running competitive tendering processes, benchmarking contracts, and negotiating with suppliers on a regular basis to ensure we maintain a panel of reliable and competitive suppliers able to meet the needs of our Members.
- Providing escalation support to Members where critical or continued supplier failures are impacting vessel operations.
- Undertaking price audits to ensure that contractual pricelists are correctly and consistently applied by Suppliers.

In addition, MARCAS employ data analysts who focus on market cost trends and likely effect on purchased commodities and services. This assists Members to understand the potential impact to budgets and informs our procurement strategy with suppliers.

In consideration of these activities, MARCAS may earn fees from suppliers. In agreeing to use any MARCAS supplier agreement, Members and their principals acknowledge and agree that such fees will be retained by MARCAS.

3. MARCAS Business Philosophy

There are 3 pillars to MARCAS's business philosophy.

Fairness and transparency: MARCAS will ensure fair competition between suppliers able to meet our standard and our Members' requirements, with no preferences given or implied.

Ongoing value: MARCAS's philosophy is to obtain for its Members and their principals best value goods and services as determined by a combination of price, quality, assured supply and delivery, technical innovation, and commitment to cost saving initiatives.

Professional conduct: MARCAS views relationships with both Members and suppliers as a business partnership. We expect Members and suppliers to conduct their relationship in a fair, open and business-like manner in line with V.Group values – Refer to <https://vgrouplimited.com/our-group/our-values> for more information.

4. Obligations of Members and their principals

To enable MARCAS to operate effectively on behalf of its Members, each Member and its principals:

- Confirm that they are aware of MARCAS's objectives, which are to pool requirements and negotiate with suppliers on behalf of its Members to obtain prices and terms commensurate with the volumes it can offer in the marketplace.
- Recognise that MARCAS has agreed prices, terms and conditions with suppliers, which remain confidential between MARCAS, its Members and contracted suppliers. Accordingly, each Member and its principals agree that they will not in any way disclose any MARCAS offer to any Third Party unless otherwise agreed in writing by MARCAS.
- Acknowledge that pricing and terms are negotiated with suppliers is based on compliance with agreed payment terms. Accordingly, each Member:
 - Undertakes to comply with the payment terms of the contracted suppliers and agree to pay any penalty or interest charge on invoices not settled in accordance with these terms.
 - Agrees, subject to valid disputes and claims, that a supplier's statements, invoice dates and dates of collection are binding. It will be the sole responsibility of the Member to resolve any credit problems with its principals.
- Confirm that in good faith, they can estimate volumes to MARCAS. To this end:
 - Before the start of the Membership Agreement, the Member will send to Marcas annual estimated volumes for the Suppliers to be listed in the Membership Agreement.
 - If there are significant variances from the volumes estimated by the Member (including change of supplier preference and vessels leaving or entering their management), this will be reported to MARCAS at the earliest opportunity.

This last point is critical for MARCAS to effectively engage the supplier base. After the start of the Agreement, Members are asked to report purchasing volumes with each of the Suppliers listed in the Membership Agreement. The frequency of these reports is to be agreed with the Account Manager.

These Business Rules are an integral part of membership in MARCAS. Failure to comply with these Business Rules by any Member may lead MARCAS to terminate the membership agreement with that Member.