

 LuNa Smelter	PROCUREMENT POLICY		
No: LUNA/IMS/POLICY/16	Rev: 01	Effective Date: 23 rd December 2025	

The purpose of the procurement policy is to ensure the efficient use of company money/ resources while purchasing company products or services. The company seeks to conduct all procurement processes in compliance with company regulations to prohibit conflicts of interest and actions of employees engaged in the selection, award, and administration of contracts. This policy highlights the steps to be followed while purchasing goods or acquiring external services:

INITIATION PROCESS-REQUISITION FORM

1. The user department fills the requisition form with all clear specifications. The head of the requesting department approves the request, the procurement department will refer to the spending plan and stock level and approve the request.
2. The requester in the department will take the requisition to the finance department for their approval on the request as per monthly planning, if it is an emergency expense, the managing director will approve that expense by signing on the requisition form.
3. Only approved purchases/services by HoD, the procurement department, the finance department, and management (in case of emergency) will be processed.
4. From the approved requisition, the procurement department will acquire quotations from different vendors for price comparison, reliability, quality, and lead time.
5. A minimum of three (3) quotations will be collected for the amount above 200,000Frw. For the amount below 200,000Frw, the updated price list will support the amount.
6. Upon receiving the quotations, the procurement department will share the quotations with the requestor department to have a common understanding of the purchasing power. The HoD and procurement will put a note on the selected quotation, this will be an indication of the common understanding. The right item or service is expected to be delivered/ offered.
7. The procurement department will refer to the selected quotation and make a purchase order (P.O)/ service order (S.O).
8. The procurement department will collect the management approval of the P.O or S.O. The signed P.O or S.O will be sent to the vendor for the signature as a legally binding contract between the buyer and the vendor. Procurement will always collect the signature of the vendor on the purchase order.
9. In case the approval was done online, procurement must collect the signature of MD within two days.

10. The items will then be delivered in the timeframe indicated and checked whether it is of the right quantity and quality. On the Good received note, delivering person will sign, the receiver person will sign and the HoD will sign as the way to approve quality and quantity.
11. In the case of service, the user department will approve the service done.
12. Any returns (if any) or unsuccessful services are recorded and documented.

PAYMENT PROCESS

13. The procurement department initiates the payment request. The HoD of the concerned department will approve the payment request after checking the quantity on the requisition, quantity on the PO, and quantity on the received invoice (three-way matching).
14. The finance department will **ONLY** issue the payment after checking the authenticity of the documents: requisition form, Quotation, PO, Delivery Note where available, GRN, Invoice, Payment request all signed.

NOTE: The Emergency purchases are communicated to the procurement department and the procurement person treats the case with the highest priority. In the case of the absence of the procurement person, the appointed person will handle the process. Any purchase that will happen without following the process mentioned hereabove will be automatically rejected and the person involved will be held accountable.

No employee may participate in the procurement process except a designated person.



Serge NGABOYISONGA
MANAGING DIRECTOR

23rd December 2025

DATE