

# CODE OF CONDUCT NEOGRID PRODUCTS USERS

## Code of Conduct - NeoGrid Strategic Sourcing Solutions Products Users

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**Agentrics LLC**, doing business as **NeoGrid**, offers their Members, Retailers and Suppliers - the opportunity to use an auction tool to negotiate in an efficient, simple and transparent way. The following principles represent a summary of best commercial practices for conducting an online auction. They are not intended to be exhaustive, nor are they legally binding on any of the parties. Rather, the principles are based upon mutual respect of commitments as well as mutual confidence and they are there to provide guidance to the parties.

### General Principles

- Confidentiality of information must be recognized and observed from all parties involved during the whole negotiation process.
- The Market Operator (NeoGrid) is a venue through which Market Owners and Market Participants may conduct online auctions. The Market Operator is not a party to any transactions conducted on the Site, and the Market Operator does not set nor endorse any of the terms relating to such events.
- The specific terms and conditions of each auction are established between the Market Owner and the Market Participants independently of the Market Operator. The following principles should be observed when running an online auction using NeoGrid Strategic Sourcing Solutions tools.

### 1. Principles for NeoGrid as the Market Operator

- a. Before the E-Auction:
  - NeoGrid will train the Market Owner in the use of the Auction Tool and the Code of Conduct.
  - NeoGrid auction tool will issue the access user IDs and temporary or initial passwords to the Market Participants and will require from them a password change the first time they get connected to the auction site.
- b. During the E-Auction:
  - NeoGrid will endeavor to ensure that at all times the system performance enables a normal bidding process.
  - NeoGrid will supply help desk services for all tool users.
  - NeoGrid will supply surrogate bidding services to the Market Participants upon formal request of the Market Owner.
- c. After the E-Auction:
  - NeoGrid will analyze the bid history if there is good cause to conduct such a review following a written request by either a Market Owner or a Market Participant, and such reviews will be used by NeoGrid to maintain the terms and conditions established by the Market Operator.
  - In such a case the confidentiality of other participants will be respected
- d. For NeoGrid Collaborative Auctions NeoGrid will endeavor to:
  - Respect appropriate competition legislation and safe harbor laws.
  - Ensure the full confidentiality among the Collaborating group.
  - Ensure that only aggregated data are circulated.
  - Achieve the full process of negotiation on behalf of the Collaborating group.

### 2. Principles for Market Owners

- a. Before the E-Auction:
  - The Market Owner should clearly define and communicate his product and/or service requirements as well as his Terms and Conditions with a sufficient time notice enabling the Market Participants to assess any aspects of any Request For Proposal / Information / Quotation in advance of the auction.

- The Market Owner's rules for the auction must be clearly communicated to the Market Participants in order to ensure an open and fair process.
  - These communications should be equally shared with all the Market Participants.
  - Only Market Participants who the Market Owner would be prepared to do business with should be invited to the auction: new Market Participants should be vetted and qualified prior to the auction, although it is recognized that final qualification may be completed in the post-auction diligence process.
  - The Market Owner is required to enter the online auction process with more than one Market Participant.
  - The Market Owner must endeavor to ensure all Market Participants are fully trained to use the Auction Tool before assigning them to the Online Market.
  - Price alone may not be the only important factor in a negotiation. In such a case, Market Participants should be assessed on the other relevant non-price variables and these variables when possible valued and factored into the bids in the auction.
- b. During the E-Auction:
- No phantom or bogus bidding is allowed under any circumstances (this is independently monitored by NeoGrid).
  - Market Owner should provide contact details should Market Participants face system problems.
  - In case of system issues the Market Owner endeavors to ensure that all Market Participants can equally gain access to the tool and will take appropriate action including pausing the market and/or re-launching it; in such a case the Market Owner will inform all Market Participants as soon as possible.
  - In the event of surrogate bidding Market Owner should have a defined process in place.
- c. After the E-Auction:
- In making a decision, the Market Owner must endeavor to respect the commitments taken before and during the auction.
  - The intention of placing the business with the winning bidder(s) is paramount. Only in exceptional circumstances or when additional assessment criteria previously communicated to the participants should apply will this principle not be observed.
  - The business should be placed on the basis of the specifications and rules outlined to the Market Participants prior to the auction: subsequent amendments should be agreed between the parties.

### 3. Principles for Market Participants

- a. Before the E-Auction:
- The Market Participant must accept the specifications of the products and/or services being auctioned as well as the Market Owner's Terms and Conditions and market awarding rules.
  - For product negotiations the Market Participants must endeavor to supply the Market Owner with product samples and documentation if required by the latter.
  - The Market Participant must ensure compliance with any system and process requirements enabling the participation in the e-auction.
- b. During the E-Auction:
- Bids placed in the auction are regarded as binding and where applicable must comply with the Request for Quotation submitted prior to the auction
  - The Market Participant must contact the Market Owner as soon as a system issue is identified and endeavor to resolve it as soon as possible to enable the completion of the negotiation.
- c. After the E-Auction:
- The Market Participant must respect the commitments taken before and during the auction.