

# NLNG VENDOR CONSEQUENCE MANAGEMENT MATRIX

S/N	Type of Breach	Description	Applicable Sanction	Duration
1	Poor Performance	Persistent underperformance or failure to deliver as per specified terms and conditions with respect to quality, delivery and warranty.	(i) Put Vendor On Hold pending investigation based on poor performance or breach.	3 Months
			(ii) If outcome of investigation shows vendor negligence, vendor will be counselled to improve performance and placed on Probation.	6 Months
			(iii) Subsequently, if performance remains consistently poor, vendor shall be placed on Suspension.	1 Year
2	Commercial Bid withdrawal at Award stage	Withdrawing from contract pre award due to inability to meet commitments at bid price.	Suspension#	1 Year
3	Withdrawal from Contract	Withdrawing from contract post award for any reasons deemed within contractors' control or expected risk.	Suspension##	3 years
4	Breach of Ethical Standards	<ul style="list-style-type: none"> <li>* Bribery &amp; Corruption in order to obtain commercial advantage</li> <li>* Anti-competitive arrangements with competitors.</li> <li>* Restrictive arrangements with customers or resellers.</li> <li>* Market abuse, Regulatory disclosure &amp; Insider Trading</li> <li>* Falsification/forgery of records and documents e.g. financial reports, tax documents etc.</li> <li>* Undeclared conflicts of interest.</li> <li>* Fraud or proven intention to defraud NLNG.</li> <li>* False allegations against NLNG, especially in connection with the evaluation of bids and award of contracts.</li> </ul>	De-list vendor from NLNG Vendor database	Permanently

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5	Breach of Obligations	<ul style="list-style-type: none"> <li>* Willful delivery of sub-standard critical materials.</li> <li>* Failing to preserve, secure and protect the physical, financial and intellectual assets of NLNG, against the waste, loss, damage, misuse, theft, misappropriation or infringement &amp; failure to report such instances. (E.g. preparing or approving false invoices. Failure to follow the IP Standard. Supply of counterfeit/sub-standard goods.)</li> </ul>	De-list vendor from NLNG Vendor database	Permanently
6	Breach of NLNG Policies, Procedures and Principles	<ul style="list-style-type: none"> <li>* Accepting or giving gifts or entertainment that exceed the policy limits or violate another policy or NLNG Business Principles, such as respect for people.</li> <li>* Breach of NLNG Policies (HSE Policy, Security Policy, Nigeria Content Policy, ABC policy etc.)</li> <li>Violation of any NLNG Policy or Procedure.</li> <li>* Failure to comply with the company's document retention and destruction programme. Unlawful alteration or destruction of documents.</li> <li>* Inciting of community violence.</li> <li>* Staff harassment.</li> <li>* Substance abuse.</li> </ul>	De-list vendor from NLNG Vendor database	Permanently

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7	Regulatory and statutory Non-Compliance	*Non-compliance with regulatory requirement, taxation, etc. * Unethical conduct or practices, and indictments by a regulatory agency or court order/jurisdiction that may impair vendor's ability to deliver on their commitment to NLNG. Violation of any existing law.	<b>De-list</b> vendor from NLNG Vendor database	Permanently
8	Case of Vendor Bankruptcy/receivership.	This is applicable to vendors that have become insolvent and can no longer honor commitments.	<b>De-list</b> vendor from NLNG Vendor database	Permanently
9	Non-compliance with deliverables and commitments in the NC Execution Plan (NCEP) against which the contract was awarded.	Underperformance or failure to deliver as per NC commitments by contractor in their Nigerian Content Execution Plan	(i) Following failed efforts to ensure compliance with deliverables, Vendor shall be put <b>On Hold</b> .	6 Months
			(iii) Subsequently, if persistent non-compliance prior to completion of contract, vendor shall be placed on <b>Probation</b> .	1 Year
10	No response to enquires	No response to 3 or more enquiries received within 6 months and total number of enquires > or = 5	<b>Suspension#</b>	1 Year

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## LEGEND

<b>On Hold</b>	Continue other existing work. No new Enquiries. De-mapped from affected Product Groups (Time Bound)
<b>Probation</b>	Continue other existing work. No new Enquiries. De-mapped from all Product Groups (Time Bound).
<b>Suspension</b>	Stop work. No new Enquiries De-mapped from all Product Groups (Time Bound).
<b>Suspension#</b>	Continue other existing work. No new Enquiries. De-mapped from all Product Groups (Time Bound).
<b>Suspension##</b>	Continue other existing work. No new Enquiries De-mapped from all Product Groups (Time Bound).
<b>De-listing</b>	Stop work. No new Enquiries. Remove from NLNG database (Not Time Bound).