

Niagara Procure-to-Pay —— Supplier Compliance Standard ——

Niagara is committed to delivering quality products to our customers while upholding compliance and operational excellence and efficiency standards. We expect the same commitment from our supplier partners, who play a vital role in supporting our operations.

Procure-to-Pay Supplier Compliance Standard

To uphold this commitment, Niagara has established a comprehensive Procure-to-Pay (P2P) Supplier Compliance Standard designed to ensure consistency, transparency, and accountability across all supplier transactions. These standards define the key elements of Niagara's Procure-to-Pay (P2P) requirements, outlining the requirements governing each stage of the process:

- (1) *Requisitions of Goods and Services via Purchase Orders and Release Orders*
- (2) *PO Acknowledgement*
- (3) *Delivery Confirmation and Delivery Requirements*
- (4) *Supplier Invoice Compliance*
- (5) *The Automated 3-way Match*
- (6) *Credit limits and Credit Holds*
- (7) *Resolution of Disputes*

Collectively, these standards ensure an efficient and seamless P2P Process. Adhering to these standards allows Niagara and our supplier partners to minimize delays, disputes, and errors, thereby ensuring on-time payments.

The Procure-to-Pay (P2P) Compliance Standard represents our shared commitment to compliance and operational excellence and efficiency. We appreciate your continued partnership and commitment to upholding Niagara's Procure-to-Pay (P2P) Compliance Standard.

For any questions regarding these standards, contact your Niagara Procurement representative or Buyer.

1. Requisition of Goods and Services via Purchase Orders (PO) and Release Orders (RO)

Niagara enforces a “No Purchase Order, No Payment” standard

All purchases of goods and services supplied to Niagara must have an approved Purchase Order (PO) or Release Order (RO). **The PO or RO number must be included in all materials (as outlined below) to ensure timely and proper tracking of service requests, deliveries, and invoices.** Deviations from the provided PO or RO prior to invoicing must be communicated in advance to your designated procurement contact or buyer.

To request a service purchase order or release order, contact your procurement or buyer representative.

Exceptions to the “No purchase Order, No Payment” standard:

1. **Exempted Goods and Services:** Your procurement or buyer representative will notify you if your transaction is exempt from the standard P2P process for pre-approved goods and services.
2. **Emergency Purchase Orders (EPO):** This is strictly reserved to prevent production disruption or downtime when critical parts or services are required and must have an assigned EPO number.
 - EPO’s are authorized exclusively by Plant Directors or formally designated representative.
 - Supplier must use the provided EPO number when delivering goods/services.

Beginning 2026, all POs and ROs can be tracked on Niagara’s Supplier Portal. Contact your Niagara procurement or buyer representative to register and receive portal access. For more information on the Supplier Portal, review Appendix A.

2. Purchase Order (PO) or Release Order (RO) Acknowledgement

Suppliers are required to acknowledge each PO or RO and all associated line items, including: Item and SKU, Quantity, Unit of Measure, Unit Price, Currency, and Delivery Date. Acknowledgement must be submitted through one of the approved listed platforms: EDI, Niagara’s Supplier Portal, or other approved communication channel established between Niagara and Supplier.

Suppliers are responsible for ensuring **information in POs is accurate. Promptly notify your Buyer of discrepancies or changes,** purchase order will be considered accepted as issued, absent prompt notification to the contrary.

3. Delivery Confirmation & Deliveries

Niagara uses multiple tools to ensure accurate shipment tracking, reduce discrepancies, streamline receiving, and maintain full alignment between purchase orders, deliveries and invoices including:

- a) Advanced Shipping Notice (ASN),
- b) Electronic Packing List (PL)
- c) Electronic Bill of Lading (BOL) or other forms of Proof of Delivery

A valid PO or RO number should be referenced in the delivery documentation using the agreed-upon method between Niagara’s procurement and/or buying representative(s) and the supplier. If goods are provided on an Ex-Works or an FOB basis, submission of the Advanced Shipping Notice (ASN) and / or the Electronic Packing List (PL) is still required. All ASN transmissions must be available **prior to, or at the time of delivery,** with 100% transmission (EDI or OBN) success rate and a minimum ASN accuracy of 98%.

- Deliveries to Niagara facilities must be executed in accordance with the terms and conditions stated on the PO or RO.
- Deliveries are expected to arrive on time, in full, and in compliance with the specified condition and packaging requirements outlined by Niagara.

- Suppliers are responsible for ensuring that all shipments are properly labeled with the correct PO or RO number.
- Deliveries must comply with Niagara’s site-specific receiving protocols, including scheduled delivery windows, dock requirements, safety procedures, and documentation standards.
- Any deviations from the agreed delivery schedule, quantity, or specifications must be communicated in advance (within a commercially reasonable timeframe) to the designated Niagara buyer contact.
- In the event of short shipments, suppliers must immediately notify the assigned Buyer, detail the discrepancy vs PO or RO, and update the ASN or PL to reflect the revised shortshipped delivery plan.
- Suppliers failing to adhere to these requirements may experience delays in unloading, rejection of goods, or payment holds until discrepancies are resolved.

4. Supplier Invoice Compliance

A) Invoice Items

All invoices must include the following information. Any incomplete or inaccurate invoices may result in payment delays:

1. Purchase Order (PO) number or Release Order (RO) number	Must be included in all communications to ensure timely and proper tracking of service requests, deliveries, and invoices.
2. Item Quantity	Invoiced quantity must match the PO / RO quantity and shipped quantity. Short shipments: Only invoice the shipped portion to ensure match between ASN or PL as well as BOL and Niagara receiving records.
3. Item Unit	Must match unit of measure between the invoice and PO.
4. Invoice Currency	Must match currency in both the invoice and PO.
5. Additional provisions	Any invoice-related requirements outlined in the Master Services Agreement, Statement of Work or other contractual documents between Niagara and the Supplier, including payment terms, any payment milestones or any other required mentions.

B) PO vs Non-PO Items

Any additional charges (such as freight, surcharges etc.) not listed on the PO must be approved in writing before invoicing by Niagara Procurement or the designated buyer. Charges should be submitted as a separate invoice and may require a separate PO number. Confirm with your contact to determine if an additional PO or RO is required when invoicing with additional charges.

Credit Amounts: Do not include credit amounts on the original PO. Any credit amounts should be sent as a separate document.

If an invoice contains non-PO items, Niagara may take one of the following actions in its sole discretion:

- Pay only the PO portion and pay the remaining items upon manual approval, or decide to delay the entire payment of the invoice due to manual approvals.
- Cancel the invoice and request the supplier to resubmit it in line with the PO, with a separate invoice for non-PO items.
- Adjust the PO to reflect the invoiced amount and allow for payment, as an exception.

C) Invoice Submission

If invoicing instructions are not on the PO, suppliers must confirm the correct submission process with their Procurement or buyer representative before invoicing. There are several ways to submit an invoice:

- EDI or OBN (XML)
- Manual PDF submission via: invoices@niagarawater.com or
- Other approved methods for specialized Procure-to-Pay Items

Invoices that do not comply with the compliance standard may experience payment delays until full authorization is obtained. To be compliant, suppliers must:

1. Submit invoice as per agreed payment terms and delivery terms contracted.
 - Payment terms shall be the terms in days referenced on the PO. For no-agreed upon payment terms, Niagara will apply payments at 60 days from date of receipt of goods or services or invoice, whichever is later.
 - Delivery or shipping terms are set on agreed Incoterms contracted.
2. **Send invoices to Niagara during or after supplier has transferred the ownership of goods or services in line with the agreed Incoterms, or other contract terms.**
3. Submit invoices no later than 90 days from the delivery of goods and services.
4. Include the original invoice reference when submitting a revised invoice and mention “Revised Invoice” and reasons for revision.
5. Not duplicate invoice submissions
6. Not submit Zero-value invoices (e.g., bill and hold, notifications, updates).
7. Reference a unique invoice number for each invoice submitted without leading zeros or special characters (* < \).

5. The Automated 3-Way Match

Niagara applies an automated 3-way match process to all transactions. A successful 3-way match occurs when (a) the Purchase Order, (b) Submitted invoice, and (3) Goods or Services Receipt from a Niagara representative, match for price and quantity. This is intended to be automatically processed without any manual checks or adjustments and is set up for immediate payment, subject to the agreed payment terms. The 3-way match compares the following elements:

- **Quantity Check** → PO vs. Goods Receipt vs. Invoice.
- **Price Check** → PO vs. Invoice.
- **Terms Check** → PO listed by buyer, including any applicable early pay discount.

Three-way match discrepancies or mismatches will be subject to manual review and likely payment processing delays. **Niagara is not responsible for payment delays resulting from discrepancies or mismatched documentation versus this standard.**

6. Credit Limits and Credit Holds

Niagara operates within supplier-defined credit limits. Suppliers must communicate their credit thresholds and conditions for review or adjustments to their Niagara Procurement contact. To ensure accurate order planning, avoidance of disruption risks, and timely payments, Suppliers must provide commercially reasonable advance notice before placing Niagara on a credit hold, to resolve outstanding credit issues.

7. Resolution of Disputes

In the absence of a separately executed contract, all goods and services delivered to Niagara will be governed by Niagara’s **Standard Purchase Terms and Conditions** available here:

<https://www.niagarawater.com/Resources/Documents/purchaseterms.pdf>, and as maybe updated by Niagara from time to time.

APPENDIX A

NIAGARA'S SUPPLIER PORTAL

Niagara is committed to working with suppliers to reduce errors and leverage technology for greater efficiency. As part of this initiative, we invite our suppliers to complete registration on Niagara's Supplier Portal, designed to complement existing integration methods like EDI and Oracle Business Network. Contact your Niagara representative to begin the registration process.

The Supplier Portal is designed to complement, not replace, existing integration methods such as EDI and Oracle Business Network. High-volume, transactional data will continue to flow through these established systems optimized for scalability.

Starting in 2026, Niagara's Supplier Portal will have the capability to track invoice payment status.

The following table is a reference to review and enable key capabilities to enhance your interactions with Niagara:

Collaboration Area	Capability	Enabled (Y/N)
Supplier Onboarding	<ul style="list-style-type: none"> • Self-service Registration • Qualification • Profile management 	Y
Purchase Order Collaboration	<ul style="list-style-type: none"> • View and acknowledge POs • Submit PO change requests (quantity, ship date, cancellations) 	Y
Delivery Communication	<ul style="list-style-type: none"> • Track receipts by PO or shipment; view receipt, promised, and need-by dates. • Submit Advanced shipment notification (ASN), Bill of lading (BOL) and Packing List • Manage inventory and request replenishments (VMI) 	Enabled on Jan 2026
Invoicing and Payments	<ul style="list-style-type: none"> • Create and submit invoice • Check invoice status • Check payment status • Remittance advice 	Partially enabled on Jan 2026
Performance and Communications	<ul style="list-style-type: none"> • Access scorecard and performance evaluation • Message for rebuttals 	Enabled on Jan 2026