

SUMMA

Procurement and Recruitment Policy

August 2019

1. Objectives:

- a. Guaranteeing objectivity, transparency and excellence in procurement and contracting processes.
- b. Achieving optimum management in terms of efficiency and control.
- c. Optimization and documentation of processes.
- d. Ensuring the sustainability of the organization.

2. Purchasing policies for articles, goods and services:

The following are the guidelines for the regularization of purchases within SUMMA. The objective of establishing these parameters is to promote the management and safeguard the correct use of financial resources in terms of acquisitions.

- a. The goods and services to be purchased must be included in the annual budget approved by SUMMA Foundation.
- b. The goods and services to be purchased, which are not included in the budget, must be reviewed by SUMMA's strategic development area management and wait for its approval (signature of the purchase request).
- c. All purchases of articles, goods and services must be approved by the administration and finance coordination. Those over \$1,000,000 pesos must have the additional approval of SUMMA's strategic development management.
- d. For purchases of goods and services associated with non-accountable activities or projects, the type of process to follow will be:
 - i. Amount: up to CLP \$500,000, one estimate only
 - ii. From + CLP \$500,000 to CLP \$15,000,000, three estimates
 - iii. From + CLP \$15,000,000 to CLP \$100,000,000, Closed Bidding
 - iv. From + CLP \$100,000,000, Open Bidding
- e. For purchases of goods and services associated with accountable projects, the provisions of the documents governing the project in question (contract, agreement or bases, as appropriate) must be complied with.
- f. In the case of purchases with one or three estimates, the applicant must send a clear technical specification of what was requested, as well as the estimates required.
- g. Closed or open bids generated will be managed by the Administration and Finance Coordination (AFF), and supported by the requesting area, as required.
- h. The Procurement Department will select the vendor based on price, quality, lead time and level of service.
- i. In the case of purchases that by their nature are made from recurring suppliers, the latter must be duly registered in the database of recurring suppliers that the Procurement Department keeps for this purpose. Such registration must be

- j. authorized by the Operations and Finance Manager. Their rates should be reviewed at least once a year. The selected supplier will be contacted each time a product of their category is required.
- k. The Procurement Department will be the only unit authorized to close, through the Purchase Order (PO), the purchase commitments and contracting of services with the defined suppliers.
- l. Payments of invoices for purchases of items, goods or services will have 30 days of credit, which may vary in exceptional cases subject to validation by the director.
- m. The purchase request must be made through a request form which will be sent to finance by the requesting area management.
- n. To initiate the **purchasing process**, the purchase request must be made to the AFF coordination through the mailed institutional form with the need for the expense and to initiate the process.
 - i. Request for Estimates: at least 3 estimates will be required as a reference in which price, quality, service, and lead time are detailed, to thus make a comparison and get the best market option to optimize our resources.
 - ii. These estimates can be in hard copy or sent via mail to the area in charge of purchases and acquisitions for it to evaluate the best option.
 - iii. Issuance of Purchase Orders: Purchase Orders constitute the authorization to the supplier of the acquisition of a good or service, which will have to contain the supplier information, invoicing conditions and the approved estimate number. In addition, the supplier will have to fill a form for them to be entered to our database.
 - iv. The criteria for defining to whom purchase orders are issued will be based primarily on quality, prices, discounts, transportation and timely delivery.
 - v. Purchase orders must be linked to projects in order to deduct and update the amount available for the item in question.
 - vi. Invoice receipt: once the purchase order has been sent to the supplier, the formal request for invoicing is made in order to support the expense incurred.
 - vii. The supplier's invoice must state the following information of SUMMA: company name, taxpayer number, address, business line. The invoice description must contain the purchase order number we issued and a description of the purchase.
 - viii. Payments will only be deposited to the bank account under the taxpayer number belonging to the invoice/bill. That is, if it is an invoice, deposited is made only to the company account and not to personal accounts.

- o. SUMMA does not make advances to suppliers. Any exception must be authorized by the Directorate of Strategic Development (DE).
- p. The requirements of goods and services that the areas make will give rise to a purchase order only if they have sufficient budget.

2.1. Exceptions considered in the Policy:

- a. Vendor selection: the area director must support in writing (email addressed to AFF, with a copy to the DE address to authorize the exception) the choice of a supplier other than the one defined by AFF.
- b. Sole vendor: The carrying out of a process of acquisition or direct contracting with a sole supplier shall be considered when (a) there is only one supplier in the market; (b) due to strategic reasons, operability must be ensured; or (c) due to unforeseen circumstances it were impossible to carry out a bid or estimate process. This should be substantiated by the area director, via email addressed to AFF, with a copy to the DE address to authorize the exception.
- c. Bids: any exception required in a bidding process, as a result of specific conditions of the good or service being purchased, must be authorized by the Directorate of DE.

The AFF Coordination will issue a quarterly report of exceptions, which after review with the Directorate of DE, will allow improvements to the operation of the process and policy if necessary.

3. Recruitment policies:

The purpose of this document is to define SUMMA's policies and to explain the procedures for the selection and hiring of its work team.

3.1. Principles

Equal opportunities

SUMMA is an equal-opportunity employer and promotes non-discrimination on the basis of race, sex, nationality, religion, age, marital status, political preferences, associations or any other personal, physical or social condition of applicants. The selection is based solely on professional and objective criteria.

Meritocracy

SUMMA assures that the selection will be carried out exclusively on the basis of merit and professional capacity, guaranteeing that all candidates receive the same treatment during the selection process.

Objectivity

SUMMA assures that the candidates will be qualified by means of objective criteria that will be defined in the "Job Profile", which will be published in the platform through which the announcement is made.

Conflicts of interest

Candidates with whom there is a conflict of interest will not be considered at SUMMA.

Confidentiality

SUMMA will guarantee all candidates the maximum confidentiality of their data and results within the selection procedure.

3.2. Selection Procedure

Receipt of Resumes

Resumes will be received through contacts of the organization, publication of the opening on SUMMA's website, Twitter and other electronic means. Interested parties should send their resume, additional documents if required and names and contact details of their references, to the e-mail address specified in the announcement.

Procedure

Resumes received will be analyzed according to the requested profile and criteria. References of pre-selected candidates will be checked. Subsequently, a minimum of three pre-selected applicants will be invited to an interview. Interviews will be carried out by a Selection Committee integrated by the Management of the requesting area and at least one additional person from SUMMA's team (preferably with the participation of SUMMA's Strategic Development Management, who in case of not being able to participate, will designate another SUMMA professional to replace them). Applicants who achieve the best assessments will be interviewed later by SUMMA's Executive Board.

Notice

SUMMA shall notify by email and telephone the selected applicant for the job opening. The selected person must express their acceptance in writing within three working days of the personal notice. If they do not accept the position or do not give written notice within the term, the person who has obtained the next best score will be selected or, failing that, SUMMA's Executive Directorate may decide to issue a new call.

Likewise, at the end of the process and once the selected candidate has accepted the position in writing, the other candidates will be notified of the contest results.

Contract

The selected person will be hired for a period of three months, and if their performance is well evaluated, they will be hired for an indefinite term or for the project, as the case may be. Alternatively, an additional evaluation period of three months may be defined, after which SUMMA will make the decision on whether the person is to remain in the organization under indefinite term contract, or whether they will leave.