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## **1. PURPOSE AND EXTENT**

The purchasing policy of EXSA S.A. aims to establish the guidelines and recommendations under the procurement of goods and/or services must be executed, allowing the management in each one of them, to comply with the so-called "best practices of world class" to ensure objectivity, transparency and excellence in the management of purchases.

- The Purchasing and Planning area main objective is to ensure the sourcing from suppliers, providing the tools to manage from a global perspective all the resources involved in the availability of the materials and services by the best value and is expected to create value by taking into consideration other factors that goes beyond to just consider the price in a negotiation.

## **2. RESPONSIBILITIES**

The Purchasing and Planning area is the only one authorized to perform the functions of procurement such as: maintain contact with suppliers, request formal quotations, negotiate prices and acquisitions of goods and/or services, among others. The Purchasing and Planning area is the responsible in company to the management with the supplier to get the solution to any partial or total breach of what is specified on the purchase order.

The Purchasing and planning area will not receive proof of payment, such as: invoices, notes of credit, debit notes or anyone else under any circumstances, these must be sent directly by the supplier to EXSA s.a. authorized for that purpose.


## **3. SUPPLIER RELATIONS**

### **3.1. Extent**

This policy applies to all current and potential suppliers of goods and/or services.

### **3.2. Search and Sourcing**

The area must maintained an optimum amount of suppliers for each category of purchase that ensure healthy competition, diversification of risk to the continuity of operation and make sure to get the maximum value available in the market of goods and services.

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### **3.3. Supplier Registration**

- The database called "Registro de Proveedores" contains as minimum the information referred to Annex 1
- Is a responsibility of the Purchasing area to review and update the register of suppliers at least annually.

### **3.4. Bidders Evaluation of suppliers**

It's essential to evaluate bidders to suppliers before their incorporation to the register of suppliers. This allows to contain only suppliers that comply with the requirements set by EXSA.

It is necessary to use the COP-F-003 format to collect the data from the supplier and to evaluate the supplier by Purchasing, Finance, and Management Systems areas

### **3.5. Comply Requirements for Suppliers**

- **Formalization :**

Law enforcement including local and departmental regulations as well as treaties in cases where applicable.

- **Occupational Health and Safety:**


They must comply with all applicable occupational health and safety laws, including local laws relating to working hours, compensation, right of employees to decide whether they want to be represented by a third party during the negotiation of the collective agreement of labour, working conditions or other workplace practices

- **Environment :**

It's recommended, to similar conditions economic, technical, favourably consider suppliers that use environmentally rational and/or sustainable business practices looking for their production to minimize negative impacts on the environment (noise, pollution, odors, energy, waste, etc.) and/or raw materials involved in the good that they produce and market has methods for agriculture and sustainable forestry.

### **3.6. Assessment Suppliers**

At the beginning of each year, there will be the Annual Evaluation Plan of active suppliers on the basis of quantitative criteria with the OTIF indicator that measures its performance in the

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year and on the basis of qualitative criteria which the evaluator will be. It is necessary to use the COP-F-04 format.

Monthly, the suppliers performance will be evaluated and classified within the Purchase Matrix with the OTIF indicator and the results will be send to them so that they know their performance.

### **3.7. Written agreements**

Confirm in writing the agreements to the supplier (purchase orders physical for both materials and services). Initial changes to the terms and conditions of purchase be also documented properly.

## **4. BUSINESS PRINCIPLES AND CONDUCT**

They are directed to all collaborating strict compliance with this policy.


Relationship with Suppliers:

All partner involved in the management of purchases must respect the rights of suppliers and negotiate with them in a way that is clean and honest, looking for competitive advantages through ethical and legal practices. Thats why is prohibited using practices such as abuse of privileged information, not the confidentiality of terms and pricing, obtain secret information without the consent of the owner of the company, induce current or former employees of suppliers to these actions, among others

- **Gifts and Hospitality :**

To preserve the image and integrity of purchasers, as a general rule, gifts and/or attention of suppliers cannot be accepted, with exceptions such as

- Gifts that usually suppliers used as promotional material (example: diaries, briefcases, t-shirts, etc.)
- Gifts for one amount less than USD 120.00 and also become part of common customs associated with the practices of business, especially in religious festivities, and that by their nature they do not endanger the integrity and ethics of the buyer.
- Only Those gestures of professional courtesy that conform to reasonable and ethical practices in the market and that do not create a conflict of interest or a case of true divided allegiance, nor the appearance of an improper attempt to influence commercial decisions should be accepted.

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Where a supplier sends a gift or care that is not in the exceptions listed above, contributor must report this fact to the chain management of supplies, which will proceed to the refund attaching a letter politely explaining the reasons. If the callback for some reason is not possible, it is suggested to donate to any social support non-profit institution, explaining to the supplier in writing the destination and reason for the donation.

It is necessary to recognize that the majority of professional courtesy gestures offered during the work offered by since one deals with an EXSA; as such, are the property of EXSA, and you should not feel entitled to accept them and keep them for personal use

Proposals for travel expenses paid for pleasure are completely prohibited and in the case of business trips, it is recommended not to accept them, and in doing so, requires the written approval of the Management of Supply Chain.

- Government entity:

Complying with all laws and regulations relevant to prohibit granting payment or anything of value, it either directly or indirectly, to a government official or a relative of a government official, a particular person, or employees of companies belonging total or partially to a governmental entity.

Keep in mind that the EXSA policy prohibits payments of simplification. Don't make any payment to ensure or accelerate administrative on the part of government officials or ministerial duties.


- Conflict of Interest:

A conflict of interest situation arises when a partner that has the power to influence the award of a purchase of an asset I service, has any financial relationship with the company supplier or kinship up to the second degree with one of its main partners and executives.

Any collaborator of the Purchasing areas can't provide direction, management or consulting services, paid or not, vendors or competitors of the same.

The purchase some goods and services to any company which is owned, administered either directly or indirectly, or belong to relatives up to second grade, of a worker of EXSA, is not awarded, except written authorization by the management of supply chain using the format COP-F-006 affidavit - conflict of interest policy

All employees should be ruled by the conflict of interest policy (POL - conflict of interests).

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- Privacy

In general, all the information relating to the procurement of goods and services process is considered as confidential, including the information provided by suppliers, therefore, this information will be maintained and guarded in restricted file access, only the authorized personal have access to this file.


Review the support document : Confidentiality Agreement .

#### **5. SUPPORT DOCUMENTATION**

- COP -F -04 Annual Supplier Evaluation .
- COP -F -03 Suppliers' qualification.
- COP -F -06 Affidavit - Conflict of Interest Policy .
- COP - F-07 Confidentiality Agreement .
- POL - Conflict of Interest .

#### **6. APPROVALS**

<b>Elaborado por:</b>	<b>Practicante de Compras y Planeamiento</b>	<b>Rolando Landa</b>
<b>Validado por:</b>	<b>Jefe de Sistemas Integrados de Gestión</b>	<b>Juan Carlos Herrera</b>
<b>Revisado por:</b>	<b>Comprador Senior</b>	<b>Johanna Pacheco</b>
<b>Aprobado por:</b>	<b>Jefe de Compras y Planeamiento</b>	<b>Alfredo Salazar</b>

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## **ANNEX 1**

### **Minimum Data in Supplier Registration**

- Corporate
- Business Name
- Type of business : (manufacturer, distributor, dealer , etc.)
- heading
- Tax Identification Number (RUC)
- General Manager
- Commercial Manager
- Street / Av. / Jr. / Other
- Number / Interior
- District
- State / Region / State
- Postal Code
- Country
- Main Office Phone
- Annex
- Phone Office Alternative
- Fax
- Website
- Language

### **Name of contact person**

- Office Phone
- Mobile
- Fax
- E- mail

### **Payment Information**

- Terms of Payment
- Way of payment (wire transfer , office, etc.)
- Currency
- Bank
- Bank Account Number
- Type of Account
- City Bank
- Swift Code Bank
- Other information (ABA , IBAN)