



CONTRACTING HANDBOOK

WHAT DOES THIS HANDBOOK INCLUDE?

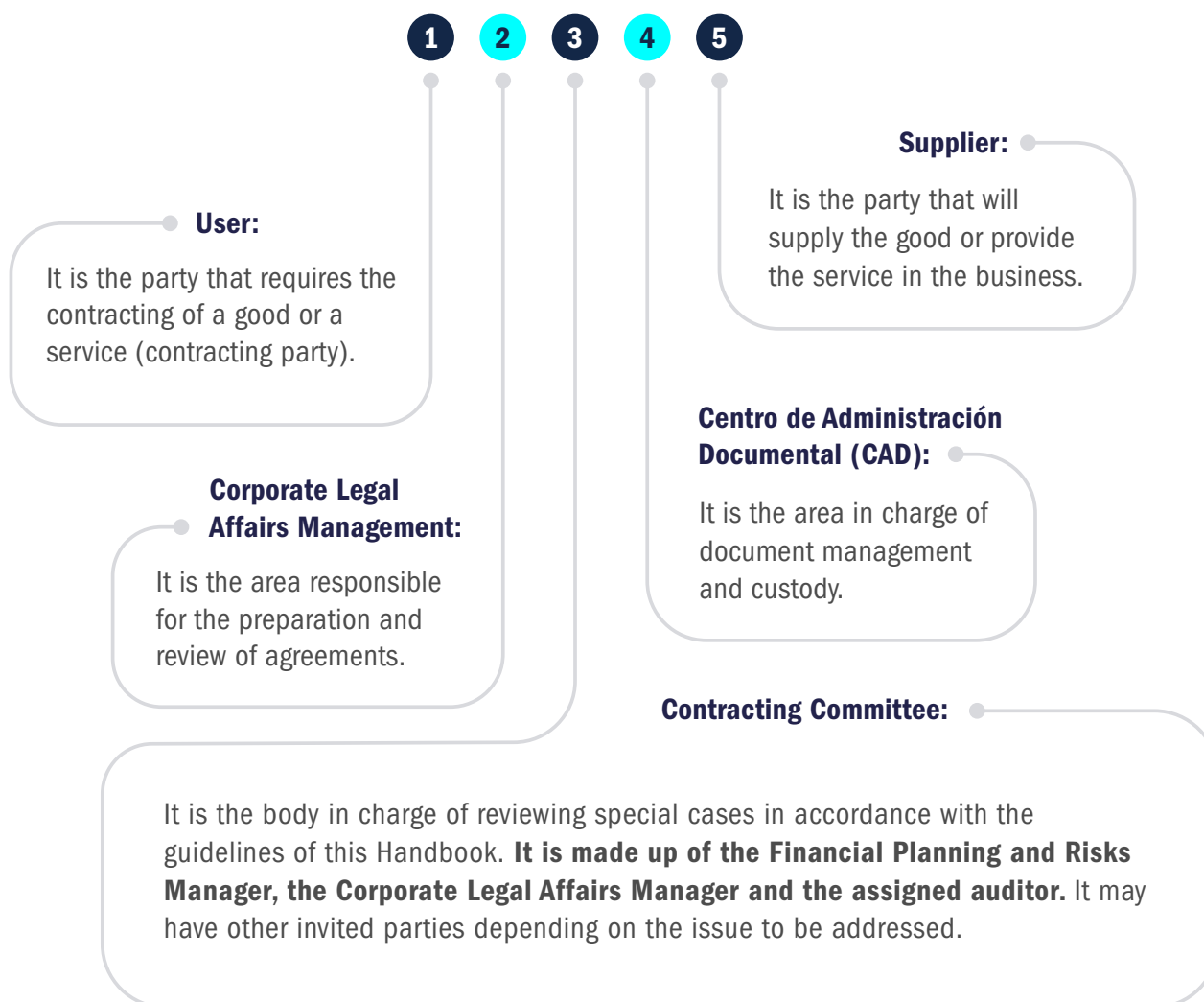
Mandatory guidelines for all contracting processes of goods or services for **Grupo Argos S.A., Sator S.A.S., Fundación Grupo Argos, Tekia S.A.S.** and the Livestock Business. Take into account that this Handbook will be applicable for contracting processes of the Urban Development Business; however, both the review and drafting of contracts in this business will be the responsibility of its legal area.

This Handbook will not be applicable to those negotiation processes that are led by **SUMMA S.A.S.**, which mainly consist of agreements for the provision of corporate services, professional services, telecommunications (IT) or administrative contracts.

[For more information, click here](#)



ROLES IN THE CONTRACTING PROCESS



1. BEFORE STARTING, PLEASE NOTE

1 2 3 4



NEED

Identify the quantity, quality, possible Suppliers and other necessary specifications of the goods or services.



REQUIREMENTS OF THE PROCESS ACCORDING TO THE AMOUNT

The amount is the value for which the contracting will be carried out. Some details to be considered according to the amount of the process are described in Annex I.



BUDGET

Check the expense budget of the area or project to which the User belongs.



CAN THE PARTY WITH WHOM YOU ARE CONTRACTING ENTER INTO AGREEMENTS?

Verify the powers of the legal representative in the Supplier's Certificate of Existence and Legal Representation, if it is a legal entity.

[Click here to see Annex I](#)



The contracting process has variations in terms of its stages, depending on the amount of the operation, so it is important that you review **Annex I** carefully.

2. FORMALIZATION OF THE BUSINESS

First, make sure that you have completed the Supplier creation process in the system.

[Click here to see Annex II and learn more about the Supplier creation process.](#)



Then, obtain the purchase order.

The purchase order is required for any type of process, regardless of whether it also requires a written agreement. Depending on the company to which the User belongs, he/she must contact the Purchasing Area of SUMMA S.A.S. to generate the purchase order. Each business has a different manager:

Grupo Argos S.A : squintero@summa-sci.com

Fundación Grupo Argos; Sator S.A.S. and Tekia S.A.S. : felipe.hernandez@summa-sci.com

Livestock business: ycardona@summa-sci.com

The User must identify the person in his/her area who has access to SAP so that he/she can instruct him/her on the purchase requisition process and the generation of incoming orders (this is part of the billing process, not of the contracting process).

Take into account Annex I to find out if in addition to the purchase order, you must conclude the business through a written agreement.

Include the conditions agreed in the negotiation with the Supplier, if considered relevant.

The User must obtain the signatures of the required documentation by physical or electronic means.

The User must carry out the document management and transfer of documents before the CAD.

[Click here to see Annex I](#)



Finally, request the preparation of a written agreement if the amount of your process requires it.

Please take into account Annex I, which mentions the amounts and procedures to be followed in each case.

Complete and send to the Corporate Legal Affairs Management the agreement request form found in Annex III.

The preparation of the written agreement and the negotiation of its legal terms with the Supplier will be led by the Corporate Legal Affairs Management, but requires the active participation of the User.

Once the negotiation of the written agreement with the Supplier has been completed, the User must arrange the signing of the document by physical or electronic means, as well as carry out the document management and transfer of documents before the CAD.

[Click here to see Annex III and the request form to Corporate Legal Affairs Management.](#)



[Click here to see Annex V and to see the CAD Transfer Form.](#)



3. REQUEST THE PREPARATION OF THE AGREEMENT TAKING INTO ACCOUNT

Policies that the User must demand from the Supplier in accordance with the amount of the agreement:

Please refer to Annex I to know what type of policies should be required according to the amount of your agreement.

The Supplier may contract the policies with the insurance companies instructed by the broker AON Colombia S.A.

In the case of Supplier abroad, the User should request from the Supplier the Policies approved by the Financial Planning and Risks Management.

In case of doubts, consult with the Financial Planning and Risks Management.

[Click here for Annex IV and identify the types of Policies and their minimum amounts](#)



Service Level Agreement (SLA)

Remember that SLAs are covenants on availability, service and performance levels that are agreed upon in an agreement to establish criteria for the performance of the Supplier's obligations.

They will be agreed upon when the User deems it convenient.

They will include:

Type of reports to be submitted by the Supplier and due dates.

Indicators that allow measuring service quality.

Schedule for the development of activities or the project to be executed.

Does the law set forth any specific requirement to formalize your agreement?



Depending on the agreement you are going to enter into or the type of good involved in the business, the law may require a special formalization for it to exist and be valid. Please take into account the following table and if you have any doubts, please contact the Corporate Legal Affairs Management.

Type of good or service	Requirement
Establishment of rights in rem on real estate.	Granting of a public deed duly registered in the Registry Office of Public Instruments.
Disposal of commercial establishment.	Commercial Registration
Disposal of vessels.	Port Authority Registration
Disposal of motor vehicles.	Delivery and registration at the National Automobile Registry.
Granting of general power of attorney or power of attorney to enter into legal businesses that must be recorded in a public deed.	The power of attorney must be conferred by public deed or by private document duly authenticated.

Financial Aspects:

Tax Regime

Each party will bear the taxes that correspond according to the law.

In no case will the company bear the taxes of third parties or carry out the so-called gross up, that is, the assumption of the payment of the taxes responsibility of the Supplier and the transfer of the total value that would have been received by the Supplier if no withholding had been applied.

Exchange Regime

Obligations between Colombian residents must be paid in Colombian legal tender.

In the event that the price is agreed in a foreign currency, the reference rate to be used to calculate the cash value payable must be established.

Advance Payments

General rule:

No advance payment is agreed.

Exceptionally, it may be agreed in those negotiations that are greater than 45 SMLMV, for an amount that will not exceed 30% of the value of the business or agreement, provided that its need is justified, prior authorization from the Contracting Committee.

Deadline for Payment

General rule:

The deadline to make payments is 60 days.

If the User considers that the agreement of another term is pertinent, it should consult with the Financial Planning and Risks Management.

4. IN THE EVENT THAT AN EXCEPTIONAL SITUATION ARISES IN YOUR PROCESS, GO TO THE CONTRACTING COMMITTEE

When, without the need for a written agreement, the User prefers to do so in order to mitigate risks.

When there are compliance warnings.

When an advance payment greater than 30% of the value of the business or agreement must be agreed upon.

When the Supplier requests a limitation of its liability.

When the contracting with a natural person is intended.

When advice or decision making is required regarding the eventual payment of taxes abroad or taxes arising in business with foreign companies.

When it is required to delete any material clause of the agreement.

When an "urgent purchase" is intended, i.e., to cover urgent needs of the operation.

When specific aspects of the foreign exchange regime must be dealt with.



Validity

This Handbook is effective as from January 1, 2021.

Agreements entered into force before January 1, 2021 that are completed during the term of this Handbook may not be renewed without following the established procedure.

Obligatory Nature



Failure, by action or omission, to comply with any of the standards or guidelines set forth in this Manual by an employee of **Grupo Argos S.A., Sator S.A.S., Fundación Grupo Argos, Tekia S.A.S., the Livestock Business and the Urban Development Business** shall be considered a serious breach of the employment agreement and may result in the consequences established for such purpose.

We suggest you check the following list to identify any aspect that you have not taken into account in your process:



You have made a conscious reading of this Handbook and have consulted the relevant Annexes.

You are clear on who to turn to in case you have doubts about any particular issue.



You are able to define the amount of your process and the type of procedure to be carried out, as well as the requirements according to the amount of the business.

You are clear on whether your business requires formalization through a written agreement or whether the preparation of a purchase order is sufficient.



Remember to always formalize the process before CAD to ensure the custody of your documents.

DIRECTORY

In case you are not sure who to contact to complete any of the stages of your process, check this directory:

Type of Information or Request	Contact
Request for the preparation and review of written agreements.	Corporate Legal Affairs Management: gerenciaalc@grupoargos.com
Issuance of policies required by reason of the amount.	Financial Planning and Risks Management: gerenciapfr@grupoargos.com
Contracting of Policies offered to Suppliers.	AON Colombia (authorized broker): monica.erazo@aon.com
Exceptional situations that arise in the contracting process.	Contracting Committee: contratación@grupoargos.com
Support for the document management and document transfer process.	CAD gerenciaalc@grupoargos.com

ANNEXES

Click here for **Annex I**



Click here for **Annex I.1**



Click here for **Annex II**



Click here for **Annex III**



Click here for **Annex IV**



Click here for **Annex V**



Click here to access the **National Supplier Engagement Form**



Click here to access the **Enhanced Due Diligence Form**



Click here to access the **Foreign Supplier Engagement Form**



Click here to access the **W9 Form**



Click here to access the **W8 Form**



Click here to access the **Enhanced
Due Diligence Form for Foreign Suppliers**



Click here for the **SUMMA S.A.S. contracting handbook**

