

SDA GROUP	PURCHASE POLICY	Date	Edition
		10/28/19	ED-01

The objective of the Purchasing Policy of the SDA Group, Advanced Digital Systems: SILVEREME, SL, and LIBNOVA, SL, is to establish rules that guarantee objectivity, transparency and excellence in the purchasing process.

1st.- Supplier Selection: The SDA GROUP has established the following selection criteria for its suppliers:

- Exclusive Suppliers:** They are those that stand out in the market for their exclusivity in providing certain services for which there is hardly any competition.
- Certification:** Those suppliers who demonstrate that their organization has a Quality Management System are automatically approved.
- Testing Supplies or Services:** A trial supply/service/s is requested from the supplier and the Quality Manager evaluates it after the trial period.
- Trust:** They are those suppliers that are recommended by the General Directorate's circle of trust.
- Price quality:** They are those providers that offer the best relationship between quality of service and price.

In all contracts, the following ethical principles must be met by SDA GROUP personnel who request the services of a third party:

- **Transparency:** Consider first and foremost the interest of the SDA GROUP, especially the commitment to ensuring the quality of the products and services that you want to supply, information security, R&D, corporate social responsibility, as well as the benefit to SDA GROUP employees and clients
- **Independence:** Do not accept gifts or perks from any type of people or entities outside the SDA GROUP, especially favored treatment or gifts that are unusual in the market and sector, and that are aimed at influencing professional relationships of all kinds in those who participate.
- **Impartiality:** Be impartial in the development of professional activity, especially in those situations that may involve **interest conflict**, which implies a possible personal benefit or a confrontation with one's own interests and those of the SDA GROUP.
- **Compliance with internal regulations and legality:** Always act in accordance with the procedures and corporate purchasing policy approved by the organization, as well as current regulations. Any purchase or agreement with Suppliers must be expressly authorized by the entity with purchasing powers or attributions designated by the senior management of the SDA GROUP. The practice of buying first and asking for authorization later is not acceptable.

2nd.- Approval of Suppliers: SDA GROUP requires its suppliers to demonstrate impeccable ethical and legal behavior, particularly in compliance with regulations that apply to the supplier in their activity, labor matters (PRL), ability to deliver products and services under the required conditions, comply with agreements, agreed quality of service, maintain commercial morality and an adequate financial situation, with full compliance with its obligations with banks, suppliers, legal, tax and with personnel.

3°.- Evaluation of Suppliers: SDA GROUP Suppliers are evaluated on their performance according to the following evaluation criteria:

- ✓ Deadlines:
- ✓ Service/Product Quality
- ✓ Recorded Incidents

In addition, the favorable and unfavorable aspects in each case will be taken into account as part of the selection criteria. Those suppliers who obtain an insufficient or negative rating must take action to regularize or terminate their respective contracts as appropriate.

4°.- Relations with Suppliers: The commercial relationship with Suppliers must always be formal and the agreements must be in writing. Suppliers must be responded to promptly and courteously. Suppliers must be paid promptly according to the conditions agreed in the respective contracts, without distinction of Supplier to expedite and prioritize the payment process that must be known by the supplier. Finally, the practice of listening systematically and professionally to suppliers must be established, with the purpose of addressing their concerns, suggestions and complaints that allow for continuous improvement of the relationship with them. For these purposes, formal communication channels will be established.