



Suppliers Manual

For suppliers of Entel S.A. y subsidiaries



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1. Scope:

This document sets out general guidelines for Suppliers and Contractors to know the process to provide services to Entel within a uniform and transparent framework.

It applies to all procurement processes, requirements and selection of Entel Suppliers and Contractors, whether they are goods or services.

2. Definitions

For purposes of this instrument, the terms provided for below have the meanings given to them in each case, for the proper drafting and understanding of this instrument.

The defined terms have the meanings attributed to them, regardless of the part of this document in which they are used, whether before or after having been defined.

ENTEL, the Company, the Undertaking: Corresponds to ENTEL S.A. and its subsidiaries, which currently or in the future purchases goods or contracts the services of a Supplier.

Parties: ENTEL and each of the Suppliers.

Arrangements, Contracts, Agreements, Letters, Commitments: Particular arrangements entered into between Suppliers and ENTEL, which regulate the particular and specific commercial conditions of the contracting with each one of them.

Business Day: It shall be understood that all days of the year are business days except Saturdays, Sundays and holidays.

Platforms: Corresponds to the computer systems enabled by the Company that support the different processes and records, as detailed in Annex 1.

Supplier Qualification: Evaluation process for the entry of all Suppliers that are or will participate in a negotiation process. The result may be "Recommended" or "Not Recommended". The Supplier will be created in the system enabled by the Company only with a recommended result, and it is a requirement for any purchase formalization.

Supplier Creation: Incorporation of the Supplier with all its background (general data of the company, contact data, bank data, others) to the Company's ERP and enabled purchasing platform. The creation of the Supplier can be "Potential", which enables it to participate in a qualification and/or negotiation, or "Enabled for expenses", which also enables it to make purchases and payments.

Purchase Order or Purchase Orders (PO): Order issued digitally by ENTEL in pdf format, in which ENTEL's unequivocal intention to acquire from the Supplier the products or services indicated in the respective Purchase Orders is recorded. Therefore, any other format will not be considered a Purchase Order validly issued by ENTEL, for all legal and contractual purposes.

Contracting or requesting area: User of the Company, responsible for contracting a good or service, hereinafter "Requestor".

Acceptance: Approval of the delivery of a good or service by the Requestor (individualized in the PO), through the purchasing platform enabled by the Company.

Invoice: Tax document issued digitally by the Supplier detailing the goods or services purchased, along with their quantity and amount equal to that provided for in the acceptance.

Supplier(s): Any individual or legal entity, as well as its partners or shareholders, executives, direct or subcontracted employees, external advisors or agents, who sell products or provide services to ENTEL, whether on an occasional, sporadic, periodic or permanent basis.

Contractor: Legal entities that perform work for ENTEL under the subcontracting law.

Subcontractor: Legal entity that is subcontracted by the contractor company for a specific service entrusted by the main company, in this case Entel.

3. Roles and Responsibilities

Requestor:

- Supplier's counterpart, responsible for the purchase of a good or service. Its role is to coordinate and request in a timely manner to the Procurement Department any purchase need, renewal of commercial conditions and/or contracting.
- Specify the purchase need, clearly describing the characteristics of the good and/or service requested.
- Immediately inform the Procurement Department of any change in the scope of the good or service as soon as it becomes known.
- Formalize with the Supplier through a Purchase Order prior to the provision of the service and/or good.
- Once the service has been rendered, it must validate and approve, if applicable, the acceptance in the platform of the Procurement Department enabled by the Company so that the Supplier can issue the corresponding invoice.

Procurement Department:

- Commercial counterpart of the Supplier, which must verify compliance with the entry requirements, negotiations and economic guarantees.
- Leading the procurement process, focusing on efficiency and quality, building strategic and valuable relationships with our suppliers. Searching and recommending the most suitable for each process from the commercial and technical point of view.
- Manage and execute the Company's negotiations, as provided for in this document, emphasizing transparency in each process.

Development and Procurement Management Sub-department:

- Belonging to the Procurement Department. Its role is to lead the Qualification of Suppliers coming from the Procurement Sub-department, coordinate with the areas participating in the process and deliver a timely result of the Suppliers.
- Maintain the correct administration of the Suppliers and make available information for decision making.

Supplier:

- All quotations must be sent to the Procurement Department, either directly or in copy
- Provide goods and/or services, which are duly formalized by Entel, through a Purchase Order, according to the conditions set between Entel and the Supplier.
- Must communicate in writing to the Procurement Department, through the buyer, any potential conflict of interest situation. The existence of a conflict does not necessarily imply that you cannot provide services to Entel, but that such situation is known and managed by Entel. Including false information in the Supplier Conflict of Interest Statement will constitute a violation of the Code of Ethics and the Company's Procurement Policy.

Outsourcing Area:

- Belongs to the People, Remuneration and Outsourcing Sub-Department. Its role is to participate and evaluate Contractors and Subcontractors. Once they are recommended and qualified, they are informed of the processes of Accreditation of their workers and Labor Certification that must be met to work with Entel.
- The responsibility of the area is to ensure compliance with labor and social security obligations of contractors and subcontractors with their workers.

Risk Prevention Sub-Department:

- Belonging to the Department of People Administration and Labor Relations. Its role is to participate and evaluate contractors and subcontractors. Once they have been recommended and qualified, monthly follow-up is carried out on matters of legal compliance with Occupational Health and Safety.

Information Security Sub-Department:

- Belongs to the Office of the Vice President of Technology and Operations (CTIO). It is responsible for defining guidelines, policies, regulations and monitoring to mitigate risks and protect the physical or digital information assets and ENTEL's technological infrastructure accessible to Suppliers through the information security review process

Data Governance Sub-Department:

- Belonging to the Planning and New Business Department. It is responsible for defining policies and executing second line of defense controls that allow mitigating risks in the field of data privacy.

Compliance Department:

- Responsible for the implementation of free competition, crime prevention and consumer protection compliance models. Additionally, it manages the Company's Complaints and Inquiries Channel.

Financial Operations and Insurance Sub-Department:

- Belongs to the Office of the Vice President of Finance. This area is responsible for defining guidelines, policies and monitoring of those Providers who are contractors in order to mitigate the risk of civil liability with third parties.

Expense Management Sub-Department:

- Belonging to the Accounting Department, responsible for the validation and planning of the payment of invoices. The validation includes accreditation of delivery of goods or services performed and legal certifications for contractors. The payment terms are those stipulated in Law No. 21,131 for SMEs and the term set forth by mutual agreement with the Supplier in the PO or Contract for large companies.

4. Commercial Relationship

A) Requirements to provide services to Entel

- **Admission**

Qualification Process: Aquellas Those companies that provide goods or services, proposed by the requesting Area or invited by the Procurement Department must be qualified with a recommended result.

Since this is a requirement to participate in a negotiation.

All national Suppliers shall be requested and qualified in accordance with the following list, which is not exhaustive:

- Company data
 - Service details
 - Datos Payment / Withholding / VAT details

- Signing of representations and duties
 - Adherence to Code of Ethics
 - Conflict of Interest
 - Crime Prevention Model (CPM)
 - Data privacy and security policy
 - Confidentiality Agreement (NDA)

Additionally for Suppliers under subcontracting regime it is requested and qualified:

- Company validity
- Dicom (In Chile Dicom is a database that shows the commercial behavior and debts of individuals and/or companies).
- Compliance with workers
- Compliance with risk prevention (accident rates, courses, among others).

Purchases and/or payments to Suppliers that have not gone through the Qualification and/or negotiation process described in this document will not be accepted.

- **During the Commercial relationship with Entel**

Entel may evaluate the performance of its Suppliers during or after the delivery of services or goods, generating corrective or restrictive measures if necessary.

Cybersecurity and data privacy:

For those cases in which the Supplier intervenes in internal applications of technology and business information and/or those Suppliers that access personal data over which Entel is responsible, must comply with the [Security and Privacy Policy for Suppliers](#) and the clauses agreed in the relevant contract, in addition, a process defined as “Review of security posture to critical Suppliers” will be applied to them in accordance with Entel’s internal policies.

In the case of contractors, it must permanently comply with the following:

- Outsourcing: Compliance with labor obligations and accreditation of workers.
- Risk prevention: Compliance with the Occupational Health and Safety Preventive Management System (SGP-SSO).
- Contract: Possess a contract in force with Entel.
- Guarantee bond: Have a guarantee bond (after coordination and request from Entel).
- Third-party liability insurance: Have an insurance policy in force in case of personal accidents in accordance with the limits and coverage stipulated by Entel.

Additionally, the following actions or shortcomings identified in the monitoring and/or evaluations are considered serious misconduct:

- Conflict of interest in case it has not been declared or approved according to current procedure.
- Non-compliance with the Code of Ethics and/or Supplier Code of Conduct.
- Providing false information.
- Non-compliance with NDA (confidentiality agreement).
- Non-compliance with labor legislation (underage workers).
- Improper charges.
- Fraud.

B) Contracting and delivery of goods and services:

Process where the Buyer decides the way to face the purchase process, being able to be through quotation, auction, bidding or other as a result of the analysis and strategy of the Buyer according to the characteristics of the service.

All new purchases or renewals must go through a negotiation process executed by the Procurement Department, unless otherwise specified in the Procurement Policy and must be correctly applied by the internal areas of the Company.

The award decision will be made jointly by the Requesting Area and the Buyer. The Procurement Department will inform the requestor of the awarded negotiation in order to continue the process of formalizing the purchase.

In the event of non-compliance or if the processes are not followed, the Procurement Department has full authority to reject the purchase requests.

- **Purchase Orders**

- All procurement of goods or services must be formalized through a Purchase Order.
- The PO must be received by the Supplier prior to the provision of services.
- The supplier must be created and active.
- The PO contains the details of the goods and/or services contracted, quantity, price, incoterms, date and place of delivery.

The Purchase Order shall be nominative and the Supplier may not assign or transfer it. They will be issued through Entel's procurement portal, which can be downloaded in pdf format and will be sent via email as an attachment and not as part of the body of said email, by an ENTEL employee expressly authorized to do so.

The Purchase Order shall be deemed to be accepted by the Supplier expressly if so indicated in writing to Entel via email or registered letter or tacitly from the time it makes the delivery of the goods or provision of the service, on the date and place provided for in the Purchase Order. The Supplier may reject a Purchase Order by informing through an email or by registered letter of the causes of non-acceptance.

- **Acceptances:**

Once the good and/or service has been delivered in compliance, the Requestor user (set forth for in the PO) must issue the Acceptance. Said Acceptance enables the invoicing process to begin.

In case of doubts, the Supplier must contact the requestor of the PO (indicated in the PO).

- The delivery of the good or service must be made at the place provided for in the Purchase Order In the case of goods, the Waybill, which is the support of the delivery requested in the Purchase Order.
- For services, it must be coordinated with the requestor, provided for in the PO, who is responsible for validating the quality of the service delivered and its correct execution, to make the Acceptance that enables the payment of the invoice.

In the event that there is a change in the place of delivery, the Supplier must request through the “Procurement Support” channel, available on the procurement platform enabled by the Company, the change of the place of delivery before making the delivery.

- For goods, once the Acceptance is issued, it will be available immediately.
- For services, the Acceptance will be available on the Monday following the day of approval.

- **Invoicing**

The Supplier is responsible for issuing an invoice for the goods or services delivered, for the exact amount provided for in the acceptance. Payment will be made upon approval of the invoice entered in the platform available by the Company, in accordance with the commercial conditions stipulated in the Purchase Order and in compliance with Law No. 19,983 (Chile).

To start the invoicing process, the Requesting Area must have the following documents:

- Purchase Order and Acceptance received.
- In case of goods (waybill)
- If you are a contractor, you must have Certilap in force for each invoice entered into the platform (Certilap is a certificate that allows an employer to prove that it has complied with the labor and social security obligations it has with its workers).

In the event that the invoices do not comply with the aforementioned conditions, show differences regarding the conditions set forth in the Purchase Orders and/or Acceptance and/or Agreement, or lack documentation or the goods have not been delivered or the services effectively rendered to ENTEL’s satisfaction, they may be claimed to the Supplier, for a justified reason, within the legal term forth in accordance with Law No. 19,983.

Cases of rejection of an invoice:

- Charging the invoice to e)CLiC after 48hrs of issuance.
- CERTILAP expired
- Invoicing without authorized Acceptance

- Invoice has an amount different from the Acceptance.
- Invoice with an amount higher than the Purchase Order
- Error in data entry to e)CLiC
- Issuing error: Document amount differs from the authorized one.
- Issuing error: Invoiced company is different from the Purchase Order company.
- Error in document tax

Given the above, the following is recommended:

- I. Validate in the IRS page the status of your invoices entered.
- II. Validate all the data before entering the invoice.
- III. Upload the invoice within a maximum period of 48hrs.
- IV. The amount of the invoice must be equal to the total of the Acceptance received.

- **Payment**

For the invoice to be authorized for payment, it must be linked to a Purchase Order previously issued by the requestor, have an acceptance and the good must have been materially delivered or the service effectively rendered.

It is a fundamental requirement for the settlement of the Supplier's invoices, that there are no inconsistencies in these documents.

The Supplier may elect for payment by means of a demand voucher available at a bank designated by ENTEL, or by direct deposit in its designated current account. The payment mechanism to be used shall be communicated by the Supplier in writing in a timely manner.

The Supplier, in accordance with the law, may freely assign to third parties the credits expressed in its sales invoices. For such purposes, it must assign the credit electronically, through the website of the Internal Revenue Service, and ensure that such assignment is effectively notified to ENTEL. Payments issued both to the third party Factoring and to the Supplier performing Factoring, will be made by ENTEL by check to be delivered at its head office, upon delivery of the certificate of notation evidencing the assignment of electronic invoices, in accordance with current regulations.

The payment terms of the invoices shall be those agreed by the parties and shall be in accordance with the provisions of Laws No. 19,983 and No. 21,131.

It is strictly forbidden for any Supplier to request payment of an invoice whose goods have not been materially delivered or services have not been effectively rendered, as well as ENTEL is strictly forbidden to make payments to Suppliers who have not materially delivered the goods or have not effectively rendered the services.

- **Platforms**

e)CLiC Supplier Portal, which allows to obtain:

- Visibility: Review POs issued to the company (PDF viewing and downloading). To provide a service and/or good to Entel, you must always have a PO, which can be viewed in e)CLiC.
- Follow-up: Review the Acceptance of goods and services (issued by the Entel requestor).
- Once the service and/or good has been delivered, you must wait for the Acceptance issued by Entel, which can be viewed from the portal. If you do not have the Acceptance, you will not be able to invoice.
- Invoicing: Entering invoices and payment tracking.
Once the PO has one or more acceptances, it can be invoiced and uploaded to the portal. Invoicing must be done on the Monday following the acceptance and for the exact amount received.
- Self-management of the platform: Supplier data such as Corporate name, address, bank details and contact details can be updated. Additionally, more users can be added to have access to the portal. All these changes must be requested by the contact validated by the supplier.
- Training: In case of doubts, a training can be requested within the same platform, from the “Procurement Support” button.
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Procurement Support: Ticket consultation channel, in which you can consult regarding:

- Platform functionality
- Portal data update (users / bank details / payment method, among others).
- Purchase order
- Acceptance
- Invoicing
- Payment

C) Termination of commercial relationship:

This instrument, as well as any requirement that the Supplier has previously received or will receive in the future through the issuance of Purchase Orders, regardless of their number, amount or periodicity, shall not constitute an obligation on the part of ENTEL to acquire or maintain the acquisition of products or services from the Supplier.

In the event of a decrease in the number of Purchase Orders for Services, Entel reserves the right to terminate the commercial relationship without incurring any payment obligation. Any decrease in services

must be communicated at least 30 days in advance and billing will cease in the nearest month. ENTEL always has the right to assign work and/or services to the Supplier, however, this shall not imply any obligation on the part of ENTEL for a minimum number, volume, or quantity of work or services.

In the event that the termination of the business relationship is final and is subject to subcontracting law, all employees must be settled and both parties must comply with all outstanding obligations as appropriate.

Annex - Platform

Platform Name	Scope	What should you log in for?	How often should you log in?	Do you attach documentation or complete data?	Responsible Area	Consultation Channel
E)CLIC	National suppliers issuing POs	- View and download POs - Acceptance review - Invoice Entry and Payment Tracking - Data update	Permanent	Both	Procurement	Procurement Support
SISCCOL	National – Contractors	Accreditation of workers who provide services to Entel	According to documents renewal	Both	Outsourcing	Main landline 222 248 477 acreditacion.entel@irconsulting.cl Francisca Flores Frost: Annex 106 francisca.flores@irconsulting.cl María Teresa Quirino: Annex 124 mariateresa.quirino@irconsulting.cl Claudio Garrido: Annex 104 claudio.garrido@irconsulting.cl Juan Pablo Garrido juanpablo.garrido@irconsulting.cl
CERTILAP/IRC VERIFICADORA	National – Contractors	Certification of Compliance with Labor and Social Security Obligations of the workers who provide services to us.	Monthly	Both	Outsourcing	CERTILAP: mesadeayuda@certilapchile.cl IRC: karen.maudier@irconsulting.cl Scheduling video call or training through the web site www.certilapchile.cl , Helpdesk menu , Scheduling Access scheduling tutorial : https://www.youtube.com/watch?v=-6vnl9vpv_kc
CCM - ARTIKOS	National – Contractors	Provide documentation such as F30 Labor and Social Security Certificates and mutual fee.	Monthly	Attach Documentation	Outsourcing	Email: registroentel@artikos.cl Phone : 56223955430
Workplace	National – Contractors	Platform for dissemination of information on the processes to be carried out, contact information and various news (SISCCOL- CERTILAP- ARTIKOS)	Monthly	Download Documentation	Outsourcing	LOG-IN LINK https://work.me/g/2FcJH6ap3/CmP_1p2g9 Herbert Becerra - hbecerra@entel.cl Francisca Acuña - fpacuna@entel.cl Claudia Paez - cpaez@entel.cl Marcia Gutierrez - magutierrez@entel.cl Marlys Orellana - marorellana@entel.cl Maricela Jofre - mvjofre@entel.cl Outsourcing@entel.cl
Security Scorecard	Providers complying with the admission criteria	- Comply with public risk >=90 - Complete security form	Permanent	Attach Documentation	Cybersecurity	Communication with Senior Engineer in Third Party Management and Compliance.