



**DRUMMOND LTD.**  
COLOMBIA

**INTEGRATED MANAGEMENT SYSTEM**

**CONTRACTORS' MANUAL**

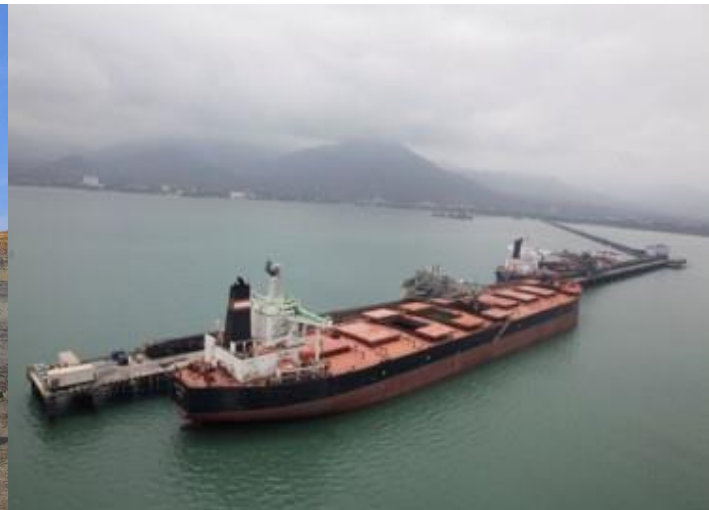
SIG-075


Version 5

May 2020

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# CONTRACTORS' MANUAL



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## 1. DEFINITIONS

**Annex:** Document that is an integral part of this Manual and therefore applies to it in its entirety.

**Area of Influence:** The area that is under the influence of the mining and port projects developed by Drummond Ltd. in the departments of Cesar and Magdalena.

**ARL:** Spanish acronym for Occupational Risk Manager.

**CCS:** Colombian Safety Council. Legal entity responsible for the evaluation and issuance of the UCR certification.

**COFACE:** Entity responsible for conducting evaluations and financial studies, issuing a qualification for Contractors to mitigate the risk of non-payment of their financial obligations.

**Computer Equipment:** A programmable machine with two main characteristics – (1) Responds to a specific set of instructions in a well-defined way; and (2) Can execute a list of predetermined instructions (programs).

**Contract/Procurement Purchaser:** Drummond Ltd. Materials employee responsible for handling administrative procedures with the Contractor.

**Contractor:** Any individual or company that, by virtue of a Contract, Commercial Bid or Purchase Order, contracts the obligation to provide a Good and/or Service for Drummond Ltd., with administrative and technical autonomy. For purposes of this document, Subcontractors will also be referred to as Contractors.


**CSR:** Corporate Social Responsibility.

**Day:** It will be understood to mean calendar day when it is not expressly specified that it is a business day.

**DCCA:** Spanish acronym for the Department of Arms Trade Control.

**DLTD:** Drummond Ltd., branch of a foreign company duly incorporated in the country and beneficiary of the Goods and/or Services provided by the Contractors. DLTD may also be used to refer to the following companies: American Port Company Inc. (APCI), Transport Services LLC, Drummond Energy Inc. (DEI), Drummond Coal Mining LLC.

**Drone:** Unmanned aerial vehicle that can be controlled remotely.

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**Equipment:** Machinery or vehicle used by Contractors to provide the Goods and/or Services.

**GHS:** Globally Harmonized System, used by the Colombian government for the classification and labeling of chemical products.

**Goods:** Material objects whose usefulness makes it possible to satisfy a need.

**HSE:** Health, Safety and Environmental.

**ISOH:** Industrial Safety and Occupational Health.

**JSA:** Job Safety Analysis.

**Mine(s):** Corresponds to the Pribbenow, El Descanso, Sororia, Rincón Hondo and other mines owned by Drummond Ltd. located in the municipalities of La Jagua de Ibirico, Chiriguaná, El Paso, Becerril and Codazzi in the department of Cesar.

**ML/FT: Money Laundering and Financing of Terrorism.**

**MSDS:** Material Safety Data Sheet. SDS: Safety data sheet, according to the new applicable requirement from the Globally Harmonized System.

**OFAC:** Office of Foreign Assets Control, which issues a list of companies and people (known as the Clinton List) tied to money from drug trafficking and/or money laundering.

**OHS-MS:** Occupational Health and Safety Management System.

**OHS:** Occupational Health and Safety.


**ONAC:** Spanish acronym for the National Accreditation Agency of Colombia.

**Party(ies):** Participants in a Contract, Commercial Bid or Purchase Order, which for purposes of this document will be understood as Drummond Ltd. and the person responsible for executing the work or providing the Goods and/or Services.

**PDVA:** Management system improvement cycle (Plan - Do - Verify - Act).

**PeopleSoft (Oracle):** Central information system for the Supply Chain and Maintenance.

**Personal Protective Equipment:** Personal Protective Equipment that must be work by the Contractors' personnel every time a task or job is carried out at Drummond Ltd.'s facilities.

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**PIP-6:** Entry permit for foreign citizens who wish to enter Colombian territory to attend or participate, without an employment relationship, academic, scientific, artistic, cultural or sporting events, an interview in a recruitment process for public or private entities, business training, commercial or business contacts or negotiations and journalistic assignments. This permit is issued by Colombian Migration – Special Administrative Unit for ninety (90) calendar days.

**PIP-7:** Entry permit for foreign citizens who do not need a visa and wish to enter Colombian territory urgently in order to provide specialized technical assistance to public or private entities. This permit is issued by Colombian Migration – Special Administrative Unit for thirty (30) calendar days. If the special technical assistance requires additional time and the foreigner has already received this permit during the previous twelve (12) months, they must apply for the appropriate visa.

**PIP-8:** Entry permit for foreign citizens who may or may not need a visa who wish to enter Colombian territory as a crew member or employee of an international transport company. This permit is issued by Colombian Migration – Special Administrative Unit for (72) hours.

**PIP-9:** Entry permit for foreign citizens who, regardless of their nationality, wish to enter Colombian territory to transit to a country other than the Republic of Colombia. This permit is issued by Colombian Migration – Special Administrative Unit for twelve (12) hours.

**Port:** Corresponds to Drummond Ltd.'s port (Puerto Drummond) located in the municipality of Ciénaga, department of Magdalena.


**Pouch:** Type of bag with a large front pocket that can be worn around the waist.

**Purchase Order:** Legal document through which Drummond Ltd. confirms to another person or company that it will enter into a transaction, such as a sale or the provision of Goods and/or Services. It must contain the basic elements of the purchase and be communicated to the recipient, who in turn must confirm its receipt and acceptance in writing.

**Service User and Contract Manager:** Drummond Ltd. employee selected to oversee and monitor the provision of the Good and/or Service in accordance with the terms of a Contract, Commercial Bid or Purchase Order.

**Services:** Activities to be performed by the Contractor in accordance with the Terms and Conditions contained either in a Contract, Commercial Bid or a Purchase Order, whose execution is essential for the satisfactory fulfillment of the purpose of the contract.



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**Side guard:** A device designed to protect users on the roads who are at risk of going under the side of the vehicle and getting trapped under the wheels.

**SRSP:** Strategic Road Safety Plan.

**Stakeholders:** Group of people, organizations and institutions with which Drummond Ltd. shares common interests that may be directly or indirectly affected by the development of Drummond Ltd.'s activities and, therefore, may also directly or indirectly affect their development.

**Tools:** Objects with a technical function that are used to carry out a certain activity.

**UCR:** Uniform Contractor Registry. Certification issued by the Colombian Safety Council that evaluates the implementation of the contractors' Occupational Health and Safety Management System.


**UN Plate:** Plate that makes it possible to identify the hazardous chemical being transported, regardless of its country of origin. It indicates the United Nations number (UN number) corresponding to that substance.

## 2. FRAMEWORK

### 2.1. CONTRACTOR CREATION AND REGISTRATION

As an initial part of the contracting process, when a need arises and if Drummond Ltd. deems it appropriate, market research will be conducted for the purpose of identifying potential Contractors, which, once they have been pre-selected, will be analyzed and studied by Drummond Ltd., in order to confirm whether they meet the necessary requirements to be invited to participate in a possible contracting process.

The creation and registration of a third party as a Drummond Ltd. Contractor is an essential requirement and the first one that any individual or entity must meet to provide Goods and/or Services. For this reason, the future Contractor must demonstrate that they have, among others, the technical and organization capacity, the experience and the financial strength to perform the activity that is the subject of the contracting process. For legal entities, they must be legally established. In any event, they must comply with existing laws on Money Laundering and Terrorism Financing ML/TF and under no circumstances may a Contractor have a commercial relationship with Drummond Ltd. without having previously been created and registered.

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Any person and/or company interested in becoming a Drummond Ltd. Contractor must meet all of the requirements established by Drummond Ltd., in accordance with the internal procedures defined by the Materials Department for selecting Contractors.

The creation and registration of a Contractor will be subject to validation by Drummond Ltd. of aspects, among others, such as an assessment of its financial situation, a security study, verification of its tax domicile, validation of its experience, conflicts of interest and OFAC review. This process will also include a visit to the Contractor's facilities by Drummond Ltd. representatives.

If the Contractor creation and registration process is satisfactory, the third party may be added and it will be created in PeopleSoft. Foreign Contractors will be registered only by Drummond Ltd.'s parent company.

## **2.2. CONTRACTOR SELECTION**

As a result of the bidding or quoting processes conducted by Drummond Ltd.'s Purchasing and Contracts Areas of the Materials Department, the Contractor(s) that is/are selected once the Bid evaluation process is completed will send the requested documents to Drummond Ltd.'s Purchasing or Contracts Areas for its formal acceptance as a Drummond Ltd. Contractor.


The corresponding Purchaser must prepare the Contract, Commercial Bid or Purchase Order with the corresponding Terms and Conditions, and any other document that is deemed to be an integral part of the agreement that regulates the relationship between the Parties.

After these stages have been completed, and once Drummond Ltd. issues and approves the respective Purchase Order, the person and/or company that must provide the Goods and/or Services in accordance with it acquires the status of Contractor, from which time they will be required to be aware of, understand, communicate and comply with all of the obligations established in this document.

The Purchaser will be the sole person responsible for the issuance of Purchase Orders, which must match the terms of the Contract or Commercial Bid.

## **2.3. ESTABLISHING POLICIES AND/OR GUARANTEES**

Before providing the Goods and/or Services, Contractors must send the policies or guarantees that have been agreed to in the contractual agreement to the corresponding Purchaser for their review and approval. The policies must comply with all of the requirements established by Drummond Ltd. regarding aspects such as named insured, beneficiary, period of validity, insured amount, coverages, exclusions, etc. The specific

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requirements for each requested Policy will be determined by the corresponding Purchaser and Drummond Ltd.'s Contracts Attorney.

Some of the policies that may be required from Contractors by Drummond Ltd. are: Advance Payment Bond, Performance Bond, Payment of Wages and Benefits and Compensation, Civil Liability (cross), Guarantee of the Stability of the Work and Quality of the Goods or Proper Functioning of the Equipment. In this regard, it is important to note that the above list of policies is informational, not exhaustive.

Execution of the Contract cannot begin unless the policies required by Drummond Ltd. have been issued and accepted.


#### **2.4. MONITORING**

In accordance with the provisions of this Manual, in those case in which, before providing the Goods and/or Services, the Contractor must provide Drummond Ltd. with some type of document or information, it must be submitted through the Contract/Procurement Purchaser who is the main point of contact with Contractors. However, once the information is received, the Purchaser will send it to the representatives for each of Drummond Ltd.'s Areas, as applicable, and they will be the ones required to review and monitor it during the course of the contractual relationship. Similarly, each Drummond Ltd. Area is responsible for ensuring that Contractors do comply with the requirements set by the respective Area (Corporate Social Responsibility, Occupational Health and Safety, Environmental, Security, etc.).

During execution of the contracted work, in order to protect Drummond Ltd.'s interests and ensure fulfillment of the contractual obligations, Drummond Ltd. will conduct the activities that it considers pertinent to ensure that the provision of Goods and/or Services takes place properly and according to the conditions agreed to by the Parties. In turn, the Contract/Procurement Purchasers will follow up on the administrative and documentation aspects. The operational aspects will be the responsibility of the Service User and Contract Manager, who will be responsible for monitoring them. The latter will keep the corresponding Purchaser informed, so that the Contractor's file is up-to-date.

In terms of the follow-up tasks that the Purchaser needs to complete, they include the following: responding to requests, complaints and claims by Contractors, issuing Purchase Orders, readjusting rates, updating databases, monitoring jurisdiction for Purchase Orders, monitoring policies, Social Security and Payroll Tax payments, communications, audits, modifying and finalizing Contracts.



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For matters related to any of the topics described above regarding monitoring Contracts, Commercial Bids or Purchase Orders, the Contractor may contact the corresponding Purchaser.

## **2.5. EVALUATION**


Drummond Ltd. has implemented a quantitative system that aims to measure, rate and reflect the behavior of its Contractors as a result of the activities for which they were contracted by Drummond Ltd. They will be rated upon termination of the Contract, Commercial Bid or Purchase Order or when Drummond Ltd. deems it appropriate. All Contractors that execute Contracts, Commercial Bids or Purchase Orders for a period equal to or greater than one (1) year will be evaluated every 12 months (calendar year) and upon their expiration.

The methodology defined by Drummond Ltd. to carry out the Evaluation process includes a series of criteria such as quality, capacity, compliance, supervision, administration, industrial safety, occupational health and the environment, among others, which each have different weightings and are also sub-divided into other specific criteria. Drummond Ltd.'s Service User and Contract Manager, Environmental Department, Occupational Safety Department and Contract/Procurement Purchaser are involved in the evaluation process. The latter is the one responsible for leading it and ensuring that the respective evaluations are carried out within the corresponding periods, consolidating the information from the different evaluators, registering it using the tool established for that purpose and generating the final score for each Contractor.

For Drummond Ltd., the performance evaluation is a critical factor in making decisions related to providing Goods and/or Services, making it an objective tool to measure different aspects of a third party's performance and promote compliance with the aspects that are important to Drummond Ltd.

## **2.6. LIQUIDATION**

Once the provision of the Goods and/or Services is complete and/or the termination date of a Contract or Commercial Bid arrives, the Contract Purchaser will be responsible for carrying out the corresponding process for closure and preparation of the Certificate of Completion and Liquidation of the Contract. The objective is for the Parties to declare each other to be in good standing and to establish that the obligations agreed to were fully met.

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### **3. PURPOSE**

The purpose of this document is to make Drummond Ltd.'s Contractors aware of their main responsibilities related to Safety, Environmental Corporate Social Responsibility and Occupational Health and Safety aspects while they provide Goods and/or Services to Drummond Ltd., according to the provisions of the legal rules governing the matter.

### **4. SCOPE OF APPLICATION**

This document will be an integral part of the Purchase Orders that Drummond Ltd. issues to provide Goods and/or Services and/or as a sign of acceptance of a Commercial Bid, and the Agreements and Contracts that Drummond Ltd. signs with third parties to provide Goods and/or Services within its facilities.

The provisions of this document are applicable to all Contractors that provide Goods and/or Services in the locations where Drummond Ltd. conducts its coal exploration, mining and transportation operations.

### **5. LEGAL REQUIREMENTS**


Colombian law provides that any employer, including Contractors, are required to ensure fulfillment of their legal responsibilities regarding Industrial Health and Occupational Safety (considering the guidelines from Single Decree 1072 of 2015) and the Environment (Single Decree 1076 of 2015).

Contractors must ensure that all personnel under their responsibility comply with all legal requirements, implement strategies that allow for regular compliance assessments and meet any legal and regulatory changes that may be made.

### **6. DRUMMOND LTD. POLICIES**

Through its corporate policies, Drummond Ltd. seeks to establish clear standards and guidelines that are aimed at conducting its operations within the legal framework, respecting and ensuring the welfare of its Employees, Contractors, Communities, Stakeholders and the Environment.

For this reason, all policies adopted by Drummond Ltd. in conducting its activities will be an integral part of this Manual and will be mandatory for Contractors. They can be consulted

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on Drummond Ltd.'s website at the following link: <http://www.drummondLtd.com/quienes-somos/politicas-y-compromiso/>

## 7. ORDER OF PRECEDENCE


In the event that there is a conflict or discrepancy between the contents of this Manual and a Commercial Bid or Contract, the order of precedence shall be as follows: (i) Legal Requirements; (ii) Drummond Ltd. Policies; (iii) The Commercial Bid or Contract; (iv) the Terms and Conditions Annex; (v) all Purchase Orders or work orders issued by Drummond Ltd.; and (vi) the CONTRACTORS' MANUAL.

## 8. SAFETY

### 8.1. "AGENDAMIENTO," CHECKING REFERENCES AND ISSUING ACCESS ID CARDS FOR PEOPLE AND VEHICLES

Any person or vehicle that needs to enter Drummond Ltd.'s facilities must comply with and take into account the following requirements:

- a. Designate a liaison to carry out these processes with Drummond Ltd.'s Security Department.
- b. An "*Agendamiento*" is a temporary entry permit for a period of five (5) days, extendable to a maximum of 10 days in one year, during which time the process of issuing an access ID card must take place for subsequent entry to Drummond Ltd.'s facilities. The request for an "*Agendamiento*" can be made by the Service User and Contract Manager and/or the corresponding Purchaser a minimum of 24 hours before entry and it must be for a specific period. If the person and/or vehicle needs to enter for a longer period, they must go through the process of requesting an access ID card, or they will not be able to enter.
- c. To enter using an "*Agendamiento*," the person must go to the Front Gate and request access, presenting the following documents: identification (citizenship ID card, foreigner ID card, passport, etc.), ARL and defensive driving card (only if they are going to drive inside the facilities). For vehicles, the respective ownership card, SOAT and technical and mechanical checks must be presented (if applicable).
- d. To receive an access ID card, any person and/or vehicle must have already completed the reference (security study) process, which takes 24 hours, is completed directly by Drummond Ltd.'s Control Center upon request by the Contractor, and its cost must be covered by the Contractor.
- e. If, once the reference process is complete, its results are satisfactory to Drummond Ltd., its Security Department will proceed with the issuance of the respective access ID card for

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the person and/or vehicle, which can be claimed by the Contractor by showing the respective deposit slip for the cost of the card.

## **8.2. SCHEDULING AND ENTRY PROCEDURES**

Any Contractor that, in carrying out its duties, needs to have its employees enter Drummond Ltd.'s facilities on a frequent basis must, once it has complied with the requirements established in the previous section, complete the following steps:

- a. Send an email between the 22nd and 28th of each month to: [c comunicaciones\\_mine@drummondltd.com](mailto:c comunicaciones_mine@drummondltd.com) and [vigimina.cont@drummondltd.com](mailto:vigimina.cont@drummondltd.com) (for the Mines) and [asisvigi.cont@drummondltd.com](mailto:asisvigi.cont@drummondltd.com) (for the Port) with a list of the people scheduled to enter in the following month, in order to authorize access for the people included on the list, completing the form created for that purpose by Drummond Ltd.'s Security Department, which must be duly approved by the Service User and the Contract Manager.
- b. If this information is not sent within the specific period, the Contractor's employees will not have access to Drummond Ltd.'s facilities. The same will be true if employees arrive at a time other than what was scheduled. Last-minute changes must also be reported in writing to Drummond Ltd.'s Security Department, which will process the requests on a one-time basis after consulting with the Service User and Contract Manager.


## **8.3. ENTRY BY FOREIGN CONTRACTORS AND VISITORS**

Any foreign Contractor and/or Visitor who needs to enter Drummond Ltd.'s facilities must have an Entry Permit issued by the corresponding authority, according to the activity or task that is the subject of their entry to the operations, in accordance with the current legal requirements.

All foreign visitors must have an Entry Permit. For technical visitors, commercial representatives and technical consultants, they must present a PIP-6 or PIP-7 Permit in their passports. At Puerto Drummond, foreign personnel may enter with the above-referenced permits and PIP-8 and PIP-9 Permits, due to the operational activities carried out there.

Any foreign visitor who must perform a repair on any equipment must have a PIP-7 Permit. If the work is carried out during a period that will exceed three (3) months, the foreigner must request a visa that allows them to work legally in Colombia.

Expatriate staff must demonstrate payment of payroll taxes and/or an international medical assistance card, where applicable.

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The process of issuing access ID cards for these people must be carried out in accordance with the requirements established by Drummond Ltd.


#### **8.4. PROCEDURES FOR CONTROLLING ACCESS TO DRUMMOND LTD.'S FACILITIES**

All Drummond Ltd. Contractors that enter its facilities must meet, among others, the following guidelines:

- a.** Entry by any person or goods into Drummond Ltd.'s facilities must be approved in advance by Drummond Ltd.'s Security Department.
- b.** Any person who enters Drummond Ltd.'s facilities must carry their access ID card in a visible place and present it at the front gate, where it will be checked by the security guard on duty, as well as any packages they are carrying, and they must ensure proper handling of the card, which is personal and non-transferrable.
- c.** When entering and exiting Drummond Ltd.'s facilities, all people must consent to a physical inspection using a metal detector (manual or "walk through").
- d.** Only vehicles properly authorized by Drummond Ltd. can enter its facilities. Vehicles must park in the location indicated by the security guard every time they enter to be checked.
- e.** When errors or irregularities are observed in compliance with the rules established by Drummond Ltd., the validity of the access ID card can be revoked by Drummond Ltd. Additionally, Drummond Ltd. reserves the right to deactivate any access ID card without having to explain the reasons for doing so.
- f.** Any terminations must be reported immediately in writing to Drummond Ltd.'s Security Department at the following email addresses: [ccomunicaciones\\_mine@drummondLtd.com](mailto:ccomunicaciones_mine@drummondLtd.com) (for the Mine) and [asisvigi.cont@drummondLtd.com](mailto:asisvigi.cont@drummondLtd.com) (for the Port), for the respective deactivation of the access ID card. When the worker leaves, their access ID card must be kept and returned to Drummond Ltd.'s Security Department.
- g.** All suspensions or leaves must be reported to Drummond Ltd.'s Control Center to deactivate the cards during the period reported.
- h.** The annual renewal of the access ID card will be linked to prerequisites such as a Judicial Background Check and Annual Re-Training on Occupational Health and Safety and the Environment.

#### **8.5. ENTRY AND EXIT OF PARTS, EQUIPMENT AND MATERIALS**

- a.** At Drummond Ltd. the entry of parts, briefcases, backpacks, etc. is restricted except when the person sleeps at the facilities. Female employees are allowed to wear pouches to carry personal hygiene items.
- b.** At Drummond Ltd., the entry of food and beverages is restricted, except when authorized by the Administrative Department and Drummond Ltd.'s Security Department. In any event,

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all food services Contractors must comply with the current legal provisions for their preparation and transportation.

c. All parts, tools, computer equipment, furniture, machinery and other materials required for the work to be performed must be properly listed when entering Drummond Ltd.'s facilities.

d. The entry of drones is restricted and requires prior authorization from Drummond Ltd.'s Aviation Department and notice to the Security Department, the Service User and the Contract Manager and the Contract/Procurement Purchaser.

e. F. The entry of any type of weapons is prohibited. If their presence is reported or any of them are found, the protocols established by Drummond Ltd.'s Security Department for safe-keeping of the weapon must be applied.

f. Regarding chemical products, the Contractor must submit in advance a list of the products that it needs to enter using the SIG-2075 form and the Material Safety Data Sheets (MSDS) to Drummond Ltd.'s Department of Health and Hygiene and the Service User and Contract Manager, who together will verify the respective list of products, the consistency with the information contained in the Material Safety Data Sheets (MSDS) that were submitted and the danger associated with Health, Safety and the Environment to authorize their entry. The request and the respective authorization must be made in writing.

g. If the Contractor needs to bring, use and maintain compressed gas cylinders, they must have the corresponding protective cap for the valve in place, even during use. The Contractor must comply with Drummond Ltd.'s safety rules established for the safe use of compressed gas cylinders and national regulations (Decree 1609 of 2002 and Resolution 4410 of 2010, or any rules that modify or replace it)) and international standards (Standard NTC 4975, or any rules that modify or replace it).

h. The Contractor responsible for providing the Goods and/or Services must ensure that its employees do not engage in practices such as the unauthorized use, distribution and sale of Drummond Ltd.'s equipment, tools and materials or supplies.

## **8.6. VEHICLE ENTRY AND EXIT**


Entry by any vehicle to Drummond Ltd.'s facilities must have prior authorization, considering compliance with all the requirements established by Drummond Ltd. to do so. Additionally, the Contractor must take into account the following aspects:

a. Anyone who needs to enter Drummond Ltd.'s facilities driving any type of vehicle must have completed and passed Drummond Ltd.'s defensive driving class, which is mandatory. The same will apply when the person's driving class has expired.

b. All vehicles must have the respective access ID card when entering Drummond Ltd.'s facilities. This card, which contains the vehicle's identification information, must be carried in a visible place.

c. The schedule established for bringing cargo into Drummond Ltd.'s facilities is from 06:00 until 14:00. If the driver is entering for the first time and does not know the route to their



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destination, they must tell the Drummond Ltd. personnel at the front gate so they can ask the person who prepared the “*Agendamiento*” to arrange for an escort vehicle to take them to their destination. The same will apply for their return to the exit from Drummond Ltd.’s facilities.

**d.** When the vehicle is going to be removed from the facilities permanently, the Security Department (Front Gate) must be informed so that it can retain the access cards (ID cards).

## **9. ADMINISTRATIVE PROVISIONS AND GENERAL ASPECTS**

While providing the Services, Contractors must comply with the provisions, regulations, guidelines and instructions that Drummond Ltd. gives to maintain order and the best working conditions for all people within its facilities. For this reason, a series of requirements are listed below that are mandatory to ensure a working environment with the best conditions for everyone:

**a.** Adopt the appropriate measures to prevent any type of conflict of interest, child labor or exploitation, force labor, human trafficking and workplace harassment in the performance of the activities; also, allow workers to exercise their right to freedom of association and respect labor rights by ensuring equal opportunities without any type of discrimination and respecting human rights.

**b.** Request with Drummond Ltd.’s Administrative Manager, through the Service User and Contract Manager, the corresponding authorization to assign a space or land within Drummond Ltd.’s facilities when needed to carry out the purpose of the contract. This request must be made by completing the “Contractor Location Authorization” form.

**c.** Once the authorization referred to in the previous section has been obtained, the Contractor must sign a Precarious Loan Contract with Drummond Ltd. for the use of the land or area that has been assigned and obtain the policies required as a result. The preparation of the Precarious Loan Contract will be the responsibility of the corresponding Purchaser.


**d.** Identify with a sign with the characteristics established in the model in Annex No. 2 - SAMPLE NOTICE IDENTIFYING CONTRACTORS’ AREA, and enclose the area or land that has been assigned to the Contractor inside Drummond Ltd. with a living, wire or mesh fence.

**e.** Obtain prior written authorization from the Contract/Procurement Purchaser every time it is necessary to subcontract the provision of Goods and/or Services.

**f.** The Contractor is responsible to Drummond Ltd. for all actions taken by its employees inside Drummond Ltd. and for requiring that they comply with the requirements established in this document.

**g.** Keep the worksites, facilities and camps clean and orderly.

**h.** It is the Contractor’s obligation to provide the food and hydrating drinks that its employees need during their work shift, according to their functions and the conditions of the location where they perform them.

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- i. Anyone who contracts food services outside of Drummond Ltd.'s facilities must inspect and monitor the company that provides this service and ensure that the company complies with the legal standards on hygiene.
- j. Food may only be consumed in the dining rooms authorized for this purpose by Drummond Ltd. Food may not be eaten outdoors, in the workshops or in the areas of the operation.
- k. The Contractor is required to collect food waste, water bottles, disposable items, etc. and dispose of them at the sites authorized by Drummond Ltd. For no reason should waste be abandoned in the authorized dining rooms or in any other area.
- l. Drummond Ltd. may conduct, with or without prior warning, internal audits or inspections of the worksites, facilities, warehouses, storage areas and any other facility used or intended by the Contractor to provide the Goods and/or Services, in order to verify strict compliance with its obligations. If possible non-conformities are found, a review of the event should be initiated to define the corrective actions that the Contractor must take.
- m. Those local Contractors that, in performing their contractual work for Drummond Ltd., hire foreign workers, must apply withholding when payments are made. This withholding must be made in accordance with the terms of the legal provisions on tax matters in Colombia, whether or not they are a tax resident that qualifies as an employee for tax purposes (those that spend more than 183 days in Colombian territory in a 365-day period).
- n. Comply with the labor obligations, including wages, benefits, enrollments and payments to the social security system, payroll taxes and other contributions required by law. The Materials Department will be responsible for verifying enrollment in and payments to the social security system and payroll taxes, and that the workers are enrolled according to the appropriate level of risk for the activity they perform.
- o. Distribute and communicate to its workers the contents of this Manual and Drummond Ltd.'s Policies. A copy of the attendance records signed by each worker must be sent to the corresponding Purchaser before executing the purpose of the contract. This requirement must be met one time for each worker.
- p. Provide the Goods and/or Services with full technical, financial and administrative autonomy, following its own procedures and methodologies.

## **10. OCCUPATIONAL HEALTH AND SAFETY (OHS)**

### **10.1. GENERAL OBLIGATIONS**

Regarding Occupational Health and Safety, Contractors agree to:

- a. Understand and comply with the current legal provisions on Occupational Health and Safety (OHS) applicable to their activity, including the obligation to enroll in and make payments to the Social Security System. Enrollment in the General Occupational Risk System must be done in the risk class required by the Contractor's activity (as established in Decree

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1607 of 2002 or the regulation that modifies it) and the work center where the activity will be performed.

**b.** Maintain an Occupational Health and Safety Management System (OHS-MS) that complies with the applicable legal requirements, specifically Title 4, Chapter 6 of Decree 1072 of 2015 and the minimum standards in Resolution 0312 of 2019 or the regulations that modify or replace it, which includes the OHS work plan to be developed while the activities derived from the Service are performed. The person who designs and manages this plan must meet the training requirements established in the SG-SST minimum standards.

**c.** Understand, maintain an updated legal matrix and comply with the legal obligations and those established in this document.

**d.** Ensure a healthy, safe work environment that protects its personnel, Drummond Ltd.'s personnel, other Contractors and the infrastructure in general.

**e.** The personnel that performs the activities must have the necessary skills and valid certifications required to perform the Services.

**f.** Circulate through and remain only in the areas designated for providing the Goods and/or Services, ensuring that its workers do not circulate or wander through other areas.

**g.** Provide and install all preventive, informative and regulator signage necessary for the Service before the start of each activity and during its performance.

**h.** Ensure that the work site is always clean and orderly.


**i.** Provide workers with the appropriate personal protective equipment (PPE) and work clothes to perform their work and in accordance with the risks to which they could be exposed, in accordance with the current legal regulations and Drummond Ltd.'s requirements. Basic PPE is the following:

- Safety helmet: Must be yellow and comply with the ANSI Z89.1 standard or any rule that modifies or replaces it. Electricians must use dielectric safety helmets.
- Safety boots: must comply with the ANSI Z89.1 standard or any rule that modifies or replaces it. Electricians must use dielectric safety boots.
- Safety glasses: must comply with the ANSI Z89.1 standard or any rule that modifies or replaces it. Employees who require prescription glasses must use safety frames.

The list of PPE described above may be supplemented with other elements such as: gloves, visual, respiratory or hearing protection, among others depending on the type of activity and the place where it is performed, and the risk assessment conducted by each Contractor.

The Contractor must ensure the quality, proper use, maintenance and timely replacement of the PPE.

To ensure that a worker is visible to other people, especially those who operate equipment, the Contractor must provide its workers with reflective items that can be incorporated into their uniforms.

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**j.** Immediately notify Drummond Ltd. (Industrial Safety and Occupational Health Departments and Service User and Contract Manager) of the occurrence of incidents, workplace accidents, property damage events or occupational diseases and submit the report from the investigation into that event no later than 15 calendar days after its occurrence. Additionally, it must submit the reports and investigations to the authorities in a timely manner according to the applicable legal requirements, to define the basic causes and ensure the implementation and monitoring of the actions needed to prevent a recurrence. All personal injuries by the Contractor's workers must first be cared for at the Drummond Ltd. Health Clinic for each site.

**k.** Provide specific communication channels for managing Occupational Health and Safety while performing the Service.

**l.** Comply with the terms of Resolution 1409 of 2012 or any regulation that replaces, modifies or adds to it when performing work at heights.

**m.** Present, when Drummond Ltd. requests, the calibration certificates for the measuring equipment provided by the Contractor to perform a specific activity. These certificates must be valid and issued by laboratories accredited by the National Accreditation Body of Colombia (ONAC, in Spanish).

**n.** Keep and make available to Drummond Ltd. the registrations and documents that support the implementation of the Occupational Health and Safety Management System (OHS-MS).

**o.** Drummond Ltd. has the authority to verify, at any time it deems appropriate and through the mechanism that it chooses, compliance with the obligations and requirements related to OHS.


## **10.2. SPECIFIC OBLIGATIONS**

In addition to the Contractors' responsibilities listed above, they must also comply with the following requirements related to Occupational Health and Safety (OHS), as applicable.

**10.2.1.** Contractors that do not have a Contract or Commercial Bid and provide Goods and/or Services through any other contractual instrument must also complete document SIG-2152 Identification of Risk and Environmental Aspects Associated with the Services to be Contracted. This form must be sent to the corresponding Purchaser, who will send it for review and evaluation by Drummond Ltd.'s Occupational Safety Department.

**10.2.2.** Contractors that provide Goods and/or Services through a Contract or Commercial Bid must comply with the following obligations:


**10.2.2.1.** Apply the planning phase of the Occupational Health and Safety Management System (OHS-MS). To do so, the Contractor must:

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- a. Be familiar with Drummond Ltd.'s Environmental and Occupational Health and Safety Policy and other related policies (such as the drug- and alcohol-free workplace) and associated objectives, to coordinate the activities to be performed.
- b. The Contractor must have an OHS Policy, which must be distributed and read by all workers; this distribution and reading process must be documented.
- c. Know the applicable OHS legal requirements, both to the Contractor's activity and to the Drummond Ltd. site where the Service will be performed.
- d. Receive information from Drummond Ltd. on the general and specific risks and hazards for its work area and, in general, the site where the contracted Service will be performed, including high-risk, routine and non-routine activities or tasks, as well as a way to control them and the preventive measures and emergency responses.
- e. Have a system for identifying and evaluating OHS risks and preventive actions to control those risks that are related to the activities that the Contractor will perform in complying with the Contract, Commercial Bid or Purchase Order. This information must be taken into account to create the Contractor's risk and hazard matrices, which must be available to Drummond Ltd. when required.
- f. Implement plans of action based on the results of the UCR by the Colombian Safety Council and the audits conducted by Drummond Ltd. of its OHS-related activities.
- g. Based on the above items, establish the OHS objectives, goals, indicators, programs and work plan to be developed during the execution of the Contract, Commercial Bid or Purchase Order.
- h. Define the roles and responsibilities of the different levels and the resources needed to develop the OHS work plan that is established, which must be sufficient and adequate, as defined in the minimum standards in effect.
- i. Appoint the person in charge of the OHS-MS, who must have the necessary skills and comply with the requirements under Resolution 0312 of 2019 or any regulation that modifies or replace it, considering the type of risk and criticality of the activity to be performed at Drummond Ltd.

**10.2.2.2.** Apply the execution phase of the Occupational Health and Safety Management System (OHS-MS). To do so, the Contractor must:

- a. Conduct orientation and training activities, considering its own OHS-MS needs and the current versions of Drummond Ltd. documents (general safety rules, procedures for high-risk activities, driving rules inside the facilities and others that Drummond Ltd. deems appropriate).
- b. Ensure that all workers have the technical skills necessary to provide the Service and the OHS. If Drummond Ltd. requires it, the Contractor must present evidence of these skills through certifications or experience.
- c. Have a special identification system for the workers who perform high-risk tasks (heights, confined spaces, etc.) in the field. This system must make it possible to easily identify the workers who perform work at heights, in confined spaces, lifting, locking and tagging,

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operating heavy machinery, forklifts, vehicles, etc. To do so, these people must carry a document that identifies them as workers who are trained to perform that work; it may be an ID badge, sticker or card.

**d.** Attend, through its Manager or Representative in the Contract with Drummond Ltd., the meetings regarding OHS organized by Drummond Ltd.'s Occupational Safety Department.

**e.** The Manager or Representative in the Contract or Commercial Bid with Drummond Ltd. will conduct quarterly safety walks to visit the areas, review its workers OHS conditions and listen to and address their concerns.

**f.** Conduct activities to ensure that its workers are consulted, participate in and communicate aspects relevant to OHS.

**g.** Maintain and disseminate documents that support the handling of the hazards identified and risks assessed by the Contractor, and the corresponding records, which must be available at all times for consultation by Drummond Ltd.

**h.** Maintain a documented behavioral observation program and send reports to Drummond Ltd. at the intervals established by mutual agreement by the Parties.

**i.** Apply the controls required and in accordance with the principles of the hierarchy of control, to maintain healthy work environments and prevent workplace accidents and occupational diseases.

**j.** Carry out occupational evaluations following the criteria defined in the SG-SST and the epidemiological monitoring systems established base on the risk assessment, which must be conducted with medical specialists with a current license in HSE.

**k.** Conduct health promotion and prevention activities, based on demographic profiles and the health condition diagnosis.

**l.** Ensure that its equipment, tools and vehicles are kept in optimal condition before use. In the case of tools that it owns, it must use an identification system (sticker, label, etc.) that indicates the latest revision and document the applicable maintenance plan.

**m.** Provide and install all preventive, informative and regulator signage necessary for the provision of the Goods and/or Services, before the start of each activity and during its performance.


**n.** Maintain appropriate basic sanitation conditions, according to the requirements of the minimum SG-SST standards.

**o.** Ensure that all areas where its workers perform activities are clean and orderly, as well as the implementation of controls, such as signaling, enclosures, etc. to prevent accidents, warning other workers, including Drummond Ltd. employees, of the risks present in the area.

**p.** Apply its strategic road safety plan (SRSP) according to the provisions of the law and in coordination with Drummond Ltd.'s program.

**q.** Maintain a plan for emergency prevention, preparation and response based on the analysis of threats identified specifically for executing the Contract at Drummond Ltd. The plan must be autonomous and include the necessary resources for its application, but it must be aligned with Drummond Ltd.'s plan.



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**10.2.2.3.** Apply the verification phase of the Occupational Health and Safety Management System (OHS-MS), whose results must be kept available for consultation by Drummond Ltd. To do so, the Contractor must:

- a. Define and execute periodic inspection and observation plans to verify the effectiveness of the controls that were defined, with the participation of the various levels of the Contractor's company.
- b. Implement an internal audit plan including high-risk tasks and the strategic road safety plan. The plan and its results must be communicated to Drummond Ltd.
- c. Comply with the annual UCR visit, inform Drummond Ltd.'s Occupational Safety Department of the visit and its results, and present quarterly follow-up on the plans of action that are defined.
- d. Conduct, within the established deadlines and document the self-assessment on the minimum standards under Resolution 0312 of 2019 or any regulation that modifies or replaces it and the structure, process and results indicators.
- e. Constantly measure, monitor and analyze the results of the different elements and indicators from the annual SG-SST plan and make this information available to Drummond Ltd.
- f. In the event of a serious or fatal workplace accident or a high-potential incident, the Contractor's Manger must submit, within the period established for that purpose, the final report from the investigation to Drummond Ltd.


**10.2.2.4.** Apply the improvement phase of the Occupational Health and Safety Management System (OHS-MS). To do so, the Contractor must:

- a. Consolidate the results of the verification phase, defining the findings or non-conformities, conduct the analysis to establish their causes and plans of action. It must ensure monitoring of the fulfillment and effectiveness of the measures taken.
- b. Prepare the improvement plan in accordance with the results of the self-assessment on the minimum standards, submit it to the ARL within the established deadlines and prepare a report on its progress in the month of July each year, taking into account the ARL's recommendations.

**10.2.3. COMPLEMENTARY MEASURES TO IMPLEMENT AND VERIFY THE ANNUAL OHS WORK PLAN**

Those Contractors referred to in Section 10.2.2. must meet the following requirements before the start of the Contract and Commercial Bid and during its performance:

- a. Attend and actively participate in the meeting that is intended for Drummond Ltd.'s Occupational Safety Department to review the OHS plan proposed by the Contractor. To do so, the Contract/Procurement Purchaser will be responsible for organizing this meeting,

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which must be attended by the Manager, the person in charge of the project and the OHS Professional for the new Contractor, as well as a Representative from the Service User's Area, a Representative from Drummond Ltd.'s Occupational Safety Department and Drummond Ltd.'s Contract/Procurement Purchaser. At this meeting, the Contractor's Manager will formalize its commitment to OHS and present its OHS-MS, the risk matrix and its controls, and the OHS work plan that it will carry out at Drummond Ltd. This documentation must be signed and delivered by the Contractor's Manager to Drummond Ltd.'s Occupational Safety Department through Drummond Ltd.'s Contract/Procurement Purchaser.

**b.** Attend and participate (Contractor's Manager, its representative for the Contract or Commercial Bid and their supervisors) in the presentation and orientation that will be conducted by a representative from Drummond Ltd.'s Occupational Safety Department, where Drummond Ltd.'s OHS rules and regulations, the priority risks and their controls, among other topics of interest, will be discussed. The defensive driving class will also be presented for this group of the Contractor's representatives.

**c.** Provide, before the start of its work at Drummond Ltd., the same presentation and orientation referred to in the previous section to all of the workers who will be assigned by the Contractor to Contract or Commercial Bid with Drummond Ltd., as well as its own OHS-MS, ensuring that its workers receive the pertinent instructions according to the risks inherent in the activity to be performed, the risk matrices and their controls, the high-risk tasks and the mechanisms established by the Contractor to identify hazards and identify the risks of the operations.

**d.** Submit to Drummond Ltd.'s Contract/Procurement Purchaser before the start of the Contract or Commercial Bid, the following documents for the people that will be performing the work:

- Social security enrollment records that meet the applicable legal requirements.
- All Contractor companies that are legally required to implement the Strategic Road Safety Plan (SRSP) must submit a copy of the current document. Likewise, it must keep the records of the controls required in the plan for the different components.
- ARL certification of the workplace accidents reported in the last three (3) years, identifying the lost-time and serious accidents established by Resolution 1401 of 2007 or the regulation that modifies or replaces it.
- Certificates of medical fitness for the job and, if applicable, for specific tasks (such as work at heights or in confined spaces), issued by medical specialists with a current license in HSE.
- Records of orientation on and dissemination of OHS policies and alcohol- and drug-free workplace policies.
- Records of the delivery of the PPE required for the work.
- Score from the audit by the Uniform Contractor Registry (UCR).
- The inventory of chemical substances to be used during execution of the Contract, along with the safety sheets and labels that comply with the applicable legal standards.

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e. Submit to Drummond Ltd.'s Contract/Procurement Purchaser the records verifying enrollment and timely payment for social security for workers, according to the criteria defined in the minimum standards in Resolution 0312 of 2019 or the regulation that modifies or replaces it.

f. Submit to Drummond Ltd.'s Occupational Safety Department the monthly safety report within the first three business days of each month, which must include the following:

- Number of workers broken down by gender and number of man hours worked.
- Number of workplace accidents and days lost due to accidents.
- Calculation of the accident frequency and severity indicators (according to the formula from Resolution 0312 of 2019 or the regulation that modifies or replaces it).
- Number of medical leaves and days lost broken down by source (general illness, occupational disease or occupational accident).
- Calculation of the general absenteeism rate (according to the formula from Resolution 0312 of 2019 or the regulation that modifies or replaces it).
- Number of occupational diseases diagnosed during the period, including their date of occurrence.
- Status of closure of findings and improvement plans.

g. Conduct an annual re-orientation for all workers including the elements described in section c above.


h. Hold, during the performance of the Contract or Commercial Bid, the periodic follow-up meetings at the intervals agreed to by the Parties, which must be attended by the Contractor's Representative, Drummond Ltd.'s Service User and Contract Manager and a member of the Drummond Ltd.'s Occupational Safety Department.

i. Submit the OHS documents agreed to by the Parties before the deadlines set and according to the established work plan to the representative from Drummond Ltd.'s Occupational Safety Department.

Drummond Ltd. has the authority to verify, through the mechanisms that it deems appropriate (inspections, audits or the like), at the time it chooses, the evidence and support for the development of the OSH work plan that was established.

## **11. ENVIRONMENTAL MANAGEMENT**

It is DLTD's policy to conduct its operations safely and protecting the environment. Therefore, it considers its care to be a priority in the performance of all of activities and ensures the compliance with current environmental legislation in the framework of the activities that it carries out. For this reason, all Drummond Ltd. Contractors must comply with the following requirements:

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### **11.1. ENVIRONMENTAL ORIENTATION**

To enter Drummond Ltd.'s port, all persons must first attend an Environmental orientation, which will be conducted on the dates, times and locations established by Drummond Ltd. This orientation will be valid for one year, after which time the Contractor must attend the orientation again.

### **11.2. ENVIRONMENTAL OBLIGATIONS**

In accordance with Drummond Ltd.'s policy, Contractors must act with the same sense of Environmental commitment and responsibility, complying with the Environmental rules that apply to the performance of their activities and those of Drummond Ltd. Therefore, they must comply with the obligations described in the document "SIG-2003 Environmental Guide for the Control of Suppliers and Contractors."

Any Contractors that consistently perform activities for Drummond Ltd. or execute special projects within its facilities must receive environmental monitoring and control inspections from the Environmental Department in accordance with the inspection schedule established by Drummond Ltd.


Additionally, any Contractors that provide Services related to waste collection, transportation and disposal, pest control, transportation of dangerous goods or harmful substances will be subject to audits of their facilities, which will be conducted jointly by the Environmental Department and Drummond Ltd.'s Materials Department, at the intervals established by Drummond Ltd.

## **12. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Based on Drummond Ltd.'s Corporate Social Responsibility Policy, Contractors should give preference to hiring local labor from the towns within the area of influence of Drummond Ltd.'s operations for the development of their activities. Likewise, Contractors will give preference to local Contractors that are part of the different stakeholder groups located in the areas where Drummond Ltd. operates to provide the Goods and/or Services that are required to execute the purpose of the Contract, with the aim of generating production chains, promoting local economic growth, contributing to the Contractors' development and strengthening the capacity of companies in the region.

### **12.1. HIRING LOCAL LABOR**

The Contractors agree to inform and communicate within the communities in Drummond Ltd.'s area of influence the employment opportunities that arise as a result of the performance of the activity for which they were contracted, giving priority to available skilled and non-skilled local labor, provided that they comply with the profiles required to

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perform the work. This process must be carried out without any discrimination and respecting all matters relating to human rights.

In fulfillment of this commitment, Contractors must:

- Submit to Drummond Ltd.'s Materials Department, before the start of the Contract, a procedure with a description of the process for announcing and selecting local labor, which includes the different mechanisms to be used to communicate the announcement, according to the culture and environment where the project will be performed.
- Implement an information channel that makes it possible to learn about the activities that will be performed and the requirements for participating in the selection processes.
- Once the personnel has been hired, submit to Drummond Ltd.'s Materials Department the statistical information, broken down by positions and areas of influence, for the local labor hired as a percentage of total hires. This information must be updated every six months during the execution of the Contract or Commercial Bid.

## **12.2. PURCHASING LOCAL GOODS AND SERVICES**


To perform the activities contracted by Drummond Ltd., the Contractors agree to give priority to available local Goods and/or Services, so long as they comply with the established standards and meet the necessary timeliness, quality, availability and quantity standards, in addition to being competitive in terms of regional prices.

In fulfillment of this commitment, Contractors must:

- Submit to Drummond Ltd.'s Materials Department, before the start of activities, a document with a matrix of Goods and/or Services to be acquire and an outline with a description of the search process and the criteria that will be used to make a selection.
- Submit to Drummond Ltd.'s Materials Department the statistical information, broken down by type of Contractor, place of origin, value of the contract/purchase and percentage of local participation in terms of the total Goods and/or Services contracted. This information must be updated every six months during the execution of the Contract or Commercial Bid.

## **12.3. RESPONSE TO REQUESTS, COMPLAINTS AND CLAIMS (RCC)**

The Contractor must establish the appropriate mechanisms to receive, record, monitor and respond in a timely and accurate manner to any requests, complaints or claims presented by Stakeholders related to the development of the purpose of the Contract. In fulfillment of this commitment, Contractors must:

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- Submit to Drummond Ltd.'s Materials Department before the start of its activities a procedure establishing the system for responding to requests, complaints or claims.
- Implement the proposed system as of the start date of the activities.
- Submit to Drummond Ltd.'s Materials Department statistical and detailed information on the responses on a monthly basis, including their response times and the commitments that may be assumed, to carry out the proper follow-up.

#### **12.4. VOLUNTARY SOCIAL INVESTMENTS**

In order to promote relationship-building processes with local Stakeholders, Contractors may freely design, finance and implement voluntary social investment projects in the implementation of their own Social Responsibility policies. These projects will be entirely their responsibility and the commitments that they may take on with any Stakeholder by virtue of these investments must be reported to Drummond Ltd. to ensure their fulfillment and consistency with its Corporate Social Responsibility Policy.

In fulfillment of this commitment, Contractors must:

Deliver to Drummond Ltd.'s Materials Department, for each initiative that it plans to carry out, a project profile with a description of the objective, beneficiaries, activities, goals, indicators and investments, and report on the results achieved at the end of the project.

These types of investments are not mandatory for Contractors; nonetheless, this aspect will be taken into account by Drummond Ltd. in selecting Contractors in future contracting processes.

### **13. VEHICLES AND TRANSPORTATION**


#### **13.1. VEHICLES**

All vehicles that enter and circulate within Drummond Ltd.'s facilities must meet the following requirements:


##### **13.1.1. GENERAL STANDARDS**

- a. **Seat belt:** All equipment and vehicles must have seat belts. They must be functioning and in good condition. In the case of buses, minibuses and vans, they must have seat belts for all passenger seats.
- b. All vehicles must have the current documentation required by Colombian law, such as: SOAT [mandatory insurance], ownership card, technical and mechanical and emissions checks (if applicable).



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- c. Keep the chassis, body, cabin, truck bed, etc. in general safe and operating condition.
- d. All equipment must have a policy covering damages to third parties, which includes Cross-Liability coverage.
- e. **Horn:** Keep the horn in operating condition, to be used from the operator's cab of the equipment or vehicle.
- f. **Vehicle Doors:** The mechanism to open/close the doors must be operational from the inside and the outside. No doors with mechanisms that are jammed or damaged will be allowed.
- g. **Door windows:** Tempered glass that is clean and in good condition must be used; vehicles may not circulate with tinted, cracked or missing windows. Power windows must also be in good operating condition.
- h. **Windshield:** Tempered (safety) glass with no cracks or stains or notices or stickers that impede or limit visibility. Windshield wipers (including the pump) must be in operating condition, functional and cover the entire view.
- i. **Rearview mirrors:** The three rearview mirrors (2 side and one in the cabin) may not have cracks, stains or defects that distort visibility.
- j. **Prevention and Safety Equipment:** All equipment or motor vehicles must carry a road kit equipped, at a minimum, with the items listed in the current laws.
- k. **Lights:** The main headlights, rear lights, turn signals, brake and backup lights must be operational with the required intensity and aligned according to the current regulations (colors, layout, etc.)
- l. **Tires:** Must be kept in good condition, with all-terrain design. The tires' bearing bands may not have more than 80% wear. They must be free of deformities and cuts and maintain the manufacturer recommended pressure. The spare tire must meet the same standards.
- m. **Fuel tank:** No leaks and with the corresponding cap.
- n. **Brakes:** All braking systems (service and parking) must be operational.
- o. **Steering:** The equipment or vehicle's steering system must not have any kind of mechanical, hydraulic or electrical problem.
- p. **Air conditioning:** All equipment or vehicles that enter Drummond Ltd.'s facilities must have an air conditioning system, which must be operational for the operator or driver's cab and the passengers.
- q. **Fire extinguisher:** Must use chemical powder and remain in good operating condition. The extinguisher must be firmly secured and be easy to access and release. Light vehicles, cars, pickups, SUVs and vans must carry at least one fire extinguisher with a minimum capacity of 10 lbs. Microbuses, buses and trucks must carry a fire extinguisher with a minimum capacity of 20 lbs. Tractor trailers must carry a minimum of two fire extinguishers of up to 20 lbs. Each; the first must be located in the cab and the second in the trailer.
- r. **Indicators and Gauges:** The following must be operational: speedometer, tachometer, fuel level, temperature, battery charge, engine oil pressure, among others.

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- s. **Visual and Sound Speed Device:** Applies to minibuses, buses and vans. They must have a device that allows passengers to see the speed of travel, and emit an audible alarm to alert both the vehicle operator or driver and its passengers of the possibility of a violation of the established speed limit.
- t. **Identification:** All Contractor vehicles that enter Drummond Ltd.'s facilities must have an identification tag with the name and logo of the company and numbering for internal control. This identification must be located on each side of the vehicle or equipment and on the top. The identification tag must be manufactured on a lemon yellow diamond-grade reflective background with a black border, and its measurements must be 50 cm x 25 cm. It must have 2-inch wide lemon yellow diamond-grade reflective tape on all visible sides of the vehicle or equipment (See Annex 2 – Contractor Vehicle Identification).

### 13.1.2. SPECIFIC STANDARDS FOR THE MINES

- a. The models of the light vehicles assigned to provide the Goods and/or Services must be vehicles that are no more than five years old, as of their registration date.
- b. **Jeeps and Pick-ups or SUVs:** Must have four-wheel drive (4x4 transmission).
- c. Automobiles (sedan-type or similar) are not allowed to enter the operating areas.
- d. Light vehicles<sup>1</sup> must have a Buggy Whip antenna with a minimum height of 4.2 meters from the ground, a functional light and a flag in good condition. Additionally, strobe lights must be used on top of the cabin. This requirement does not apply for mid-sized vehicles<sup>2</sup> unless they must enter and circulate within the pit.
- e. The vehicles for transporting personnel, other than buses, minibuses and/or vans, must have seat anchored to the floor and roof. Transporting personnel in the beds of light vehicles is not allowed.

### 13.1.3. SPECIFIC STANDARDS FOR THE PORT


For transit in the Port's operating areas (coal yards) where light equipment interacts with heavy equipment, light vehicles must meet the following requirements:

- a. The models of the light vehicles assigned to provide the Goods and/or Services must be vehicles that are no more than five years old, as of their registration date.
- b. **Jeeps and Pick-ups or SUVs:** Must have four-wheel drive (4x4 transmission).
- c. **Strobe light:** The mounting of the strobe light must ensure that it is visible from the front and the rear of the vehicle.

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<sup>1</sup>**LIGHT VEHICLE:** Motor vehicle used to transport people in the cabin and/or cargo in the bed, such as: cars, jeeps, pick ups and SUVs and minibuses.

<sup>2</sup>**MID-SIZED VEHICLE:** Motor vehicle used to transport cargo, vehicles consisting of a tractor unit and a semi-trailer or one or more trailers, articulated vehicles, rigid trucks, minibuses and buses.

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d. Automobiles (sedan-type or similar) or golf carts are not allowed to enter the coal yards.


## **13.2. TRANSPORTATION**

### **13.2.1. TRANSPORTATION OF PERSONNEL**

- a. The Contractor agrees to transport, at its own risk, all people that it assigns to the Contract Commercial Bid or Purchase Order, in light or mid-sized vehicles that are legally authorized, appropriate and safe. The light motor vehicles that the Contractor uses to transport its personnel must have all of the current licenses, policies and insurance required, and comply with all safety rules and standards established by law and this document.
- b. The Contractor may not transport, under any circumstances, passengers in the hopper or the area for hauling materials of its trucks or dump trucks, or exceed the design capacity of the vehicle.
- c. All passengers must be seated comfortably with their respective seat belt fastened. Passengers may not be transported outside of the cabin, or when standing.

### **13.2.2. TRANSPORTATION OF MATERIALS**

- a. The vehicles used to transport materials must be adequate to maintain safe conditions for the cargo and according to the type of material, complying with current legal regulations.
- b. The Contractor must comply with the specific applicable laws and regulations, according to the type of material that they need to transport.
- c. The Contractor must ensure that the transportation equipment has a system for securing cargo and also for protection in the cabin.
- d. When materials are being transported in light vehicles, the maximum load capacity according to the vehicle design must be taken into account and not exceeded.
- e. Cargo must be properly secured to the body of the vehicle. Cargo may not be loaded directly in the vehicle cabin (only use the vehicle bed).
- f. For transporting ladders, pipes (PVC or metal), metal cross-sections (angles, plates), or other items, the vehicle must have adequate structures to carry the cargo horizontally. The structures must protect the passenger cabin. Likewise, the cargo must not exceed (in the rear) one meter and a "Long Load" sign must be used, according to the provisions of the National Transit Code.
- g. When the Contractor needs to transport compressed gas cylinders, such as: oxygen, acetylene, argon, etc., they must be transported in storage racks designed for transport, keeping the valve protection cap on at all the times, and the cylinders must be in the vertical position and properly secured to prevent them from falling.
- h. For transporting re-exports, cargo vehicles with a satellite tracking system must be used, and the "Security Procedure for the Transportation of Re-exports" must be applied.


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- i. When transporting yellow machinery (mining equipment), it must have a global positioning system or other electronic monitoring and safety device permanently installed and in operation. Additionally, the Contractor must carry the machinery's documentation as established in the current legislation.
- j. When transporting explosives, the Contractor must comply with the requirements established in the current legislation, in addition to the "Procedure for the Use and Control of Explosive Materials" established by the Drummond Ltd.'s Security Department.
- k. Transporting materials in the same section of the vehicle assigned to passengers is prohibited. This guideline does not apply to the transportation of employees' hand tools or small items that, according to sound judgment, do not endanger the passengers' physical integrity.

### **13.2.3. TRANSPORTATION OF DANGEROUS GOODS**

The light or mid-sized vehicles that transport dangerous goods such as chemicals, ammunition, explosives controlled by the Department of Arms Trade Control (DCCA) and fuel must comply with the requirements established in Decree 1609 of 2002 or any law that modifies or replaces it. Additionally, they must have:

- a. Ownership card for the cab and trailer.
- b. Technical approval certificate for the equipment.
- c. Exhaust must be isolated, elevated and removed from tank.
- d. The container (tank) must have the tag required under Decree 1609 of 2002, or any law that may amend or replace it. It must have warning signs on the back, UN plates on all visible sides of the tank and the front of the cab. If transporting more than one type of dangerous goods, it must bear the UN number for the goods that pose the greatest risk to the environment and the population.
- e. Transporting fuel in small amounts must be done in safety cans, never in plastic cans or any other type of container
- f. The vehicle must have the appropriate PPE as stipulated in the Emergency Response Plan and the Emergency Card.
- g. The vehicle must have the Emergency Card and the Safety Sheet to be aware of the risks involved if the material being transported needs to be handled.
- h. Vehicles that transport chemical substances controlled by the Department of Arms Trade Control (DCCA) must be covered and have tires appropriate for the conditions.
- i. The transportation of fuel and controlled chemical substances must strictly comply with all provisions established by the Security Department regarding movements en-route, especially the following prohibitions: unauthorized stops, deviations from the route, carrying passengers and failure to report any changes.

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#### 13.2.4. TRANSPORTATION OF HYDROCARBONS


The equipment that transports hydrocarbons must have:

- a. Emergency Stop Switch:** The cab must have a central electrical switch that powers down the equipment and turns off the engine from outside the cab.
- b. Cleaning Collection Equipment:** It must include at least the following items: Pick and shovel in spark-proof material, buckets, barriers, absorbent material, wedges of different sizes, bags and marking tape.
- c.** The container (Tank) must have no fissures, seepage or leaks. The caps, gaskets and discharge valves must have a mechanism ensuring airtight closure.
- d. Bolts for Static Connection:** The trailer must have bronze bolts for a static connection. These bolts must be free of paint, dust and grease.
- e.** The vehicle must have protection that overhangs the rear of the tank and protects the discharge valves and devices.
- f. Side guard:** The tank must be equipped with a side guard, which must cover all spaces between the supports or tank's clamping rail and the tank's fenders, with at least three sections. It must have reflective tape.
- g. Walkway:** The footbridge (conduit) must have anti-slip surfaces along the circulation line and on the stairs. All of these surfaces must be free of obstacles and fuel spills. There must be a double lifeline on each side, which must be taut and certified.
- h.** The tank must have the tag required under Decree 1609 of 2002, or any law that modifies or replaces it. It must have warning signs on the back, the volumetric capacity of the compartments and the entire tank, a UN plate on all visible sides of the tank and in the front of the cab.

**Note:** Refueling vehicles within the facilities must follow the respective policies and guidelines established in the document "Controlling and Supplying Fuel to Authorized Contractor Equipment" prepared by Drummond Ltd.'s Materials Department.

#### 14. SPECIFIC PROHIBITIONS

- a.** Bearing and using weapons.
- b.** Use of uniforms and PPE belonging to Drummond Ltd. and other Contractors.
- c.** Removal of supplies, equipment, vehicles, parts and components without express authorization.
- d.** The non-authorized use of Drummond Ltd.'s employee transportation.
- e.** Bringing and distributing advertising material of any kind.
- f.** Working under the influence of alcohol and/or psychoactive substances, and their consumption within Drummond Ltd.'s facilities.

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- g.** Bringing alcohol, hallucinogenic drugs, weapons, explosive material or the like and animals.
- h.** Using or operating vehicle or equipment owned by Drummond Ltd. without prior written authorization by the Service User and Drummond Ltd.'s Security Department. Under no circumstances may vehicles or equipment be operated without the proper training.
- i.** Bringing goods or objects for commercial purposes (purchase or sale).
- j.** Performing construction or adjustments without authorization from Drummond Ltd.'s Construction Department. In particular, electrical installations and adjustments require authorization from Drummond Ltd.'s Electrical Department.



**15. ANNEXES**

**ANNEX No. 1  
CONTRACTOR VEHICLE IDENTIFICATION**



**Contractor Company  
Vehicle Identification**



**Black outline**

**Lemon yellow  
diamond-grade  
reflective background**

