



Messrs.
DRUMMOND LTD.
MATERIALS DEPARTMENT

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RE: IRREVOCABLE STATEMENT OF RECEIPT, UNDERSTANDING AND CONSENT TO THE SERVICE TERMS AND CONDITIONS OF DRUMMOND LTD., TRANSPORT SERVICES LLC AND AMERICAN PORT COMPANY INC.

The undersigned, bearer of id card No., acting on its own behalf/in representation of (hereinafter referred to as "the Contractor"), duly authorized for these effects as stated in [] good standing certificate; [] proxy; and in the capacity of contractor or vendor of DRUMMOND LTD., TRANSPORT SERVICES LLC, AMERICAN PORT COMPANY INC. or DRUMMOND COAL MINING LLC, I hereby expressly and irrevocably declare to have received and read, and expressly accept the following terms and conditions (hereinafter the "Terms and Conditions"):

TERMS AND CONDITIONS

Chapter I

GENERAL ASPECTS

1. **Application Field**: These Terms and Conditions shall apply to all service supplies, sales, purchases, supplies and further transactions the Contractor and Drummond Ltd., Transport Services LLC, *American Port Company Inc. or Drummond Coal Mining LLC (hereinafter, jointly, "DLTD")* perform or have performed, as well as all the corresponding purchase orders or master orders issued by DLTD. In the event there is an accepted commercial offer among the parties, a contract or any legal document that specifically regulates the relationships among the parties, all of them shall preferably be applied on these Terms and Conditions in the aspects that are contradictory, and in the remaining aspects they shall be supplementary and shall be construed in a harmonic way.

2. **Purchase Order or Master Order**: DLTD shall issue one or several purchase orders or master orders that will indicate the amounts and quality of the goods or services to be procured, as well as the specifications, delivery terms and conditions, etc. The Contractor binds itself to supply only those goods or services stated in a purchase order or under the indicated conditions.

3. Starting Date and term: The date of delivery of the goods or the starting date of the services and the maximum execution term shall be those mentioned in the corresponding purchase order or those that have been informed in a separate document by DLTD. The Contractor shall be accountable for the costs, expenses and damage resulting from non excusable delays and DLTD shall not assume at all overcharges due to causes ascribable to the Contractor. All extensions in the duration shall be expressly accepted in writing by DLTD.

4. Value: DLTD shall pay the Contractor for the satisfactory compliance with the delivery of the goods or services, the amount indicated in the corresponding purchase order(s). The value of the purchase order shall be the total, sole and exclusive value that DLTD shall pay the Contractor. Any variation in the term, the value, scope or specifications shall be approved by DLTD and shall be stated in a purchase order or order change issued by DLTD, otherwise it shall not be recognized or paid. Unless otherwise specified, DLTD shall only receive and payment for goods duly accepted and received or services thoroughly executed satisfactorily, and unless otherwise stipulated, no partial services or works advances shall be received or paid for.

5. Payment Terms and Billing:

5.1. The Contractor shall submit original invoices corresponding to the goods delivered satisfactorily or the services executed within the next thirty (30) days following the delivery or completion of the services, or if periodical payments have been agreed, within the first five (5) business days of each calendar month, unless the parties agree different terms.

5.2. The invoices submitted by the Contractor shall comply with all the legal requirements and in every case they shall specify: Invoice number; Purchase order number, name and Tax Identification Number (NIT as per the Spanish Acronym) of the Contractor; specific or generic description of the goods and services, date of the invoice; if the Contractor is responsible for the VAT under the Common Regime, it shall state so in the body of the invoice, mentioning the amount of the tax in a separate line; total amount invoiced. DLTD shall reject the invoices that do not comply with the former requirements.

5.3. The original invoice shall be sent to:

*Drummond Ltd.
Attention: ACCOUNTING/ACCOUNTS PAYABLE
Kilometro 10 via Santa Marta
Ciénaga, Magdalena*

5.4. The contractor shall invoice all applicable taxes according to the current tax legislation, including VAT when applicable.

5.5. The Contractor shall specify in each invoice the municipality (ies) where it undertakes its tasks.

5.6. Unless otherwise stated in the purchase order, payments shall be made thirty (30) days after the corresponding invoice and the minutes of delivery are received, the latter whenever it is necessary. In the event of delays in submitting the invoices under the established deadlines, ascribable to the Contractor, the corresponding payment shall be made in ninety (90) days.

5.7. When the Contractor and DLTD are debtors between them in virtue of the delivery of the goods or the supply of services or due to any other concept, offset of their debts can take place until the concurrence of their values, and both debts shall be reciprocally extinguished. The above, without prejudice of the terms of articles 1714 and subsequent articles of the Colombian Civil Code.

5.8. Invoices Negotiation or Endorsement:

(i) The Contractor recognizes that DLTD and its affiliates are branches of North American companies, subject to the regulations of the Secretary of Treasury and other United States agencies and that before doing payments to a third party they must perform internal verification procedures to assure that they are not recorded in the lists of persons or entities that have been blocked and that there are no restrictions to do businesses or transactions with it.

(ii) In the event the Contractor is interested in negotiating or endorsing in favor of third parties any invoice which payer is DLTD, and provided that there is a regulation that allows so, it will be liable to give notice to DLTD about its intention, no less than fifteen (15) days in advance, so that DLTD may do the corresponding verification referred to in the former literal or provide alternatives to such assignment or endorsement.

(iii) In any case, the Contractor recognizes that in some events DLTD could be reasonably impeded to pay third parties that have not been previously authorized, and in such case the parties recognize this as a force majeure event and shall jointly assess the corresponding solutions.

Chapter II

GUARANTEES AND INSURANCE

6. Quality and Good Functioning Guarantee:

6.1. The Contractor shall guarant DLTD that the goods and/or services supplied are free from defects of any nature and shall keep the conditions for their normal functioning.

6.2. Unless a different term is otherwise specified in writing, all goods or services and material lent or supplied by the Contractor shall have a guarantee period of two (2) years, counted as of the date it was satisfactorily received by DLTD.

6.3. In the event DLTD claims the guarantee, the Contractor shall give attention as soon as reasonably possible and shall replace the goods or reestablish the service quality or the materials used; for such purpose it shall supply on its own account everything necessary to make the guarantee effective, including the shipping, transportation, labor, parts, etc.

6.4. In the event the Contractor breaches its liability to keep the guarantee in the terms of this section and does not give timely attention to DLTD's claim, DLTD may do the repairs or replacement of the goods or materials, or supply the services, on its own account or through third parties and the Contractor shall be liable to reimburse all the costs incurred to DLTD.

6.5. All guarantees given by the Contractor shall be kept in spite of any inspection, delivery acceptance or payment made by DLTD.

7. Insurance:

7.1 Whenever DLTD delivers the Contractor any value as an advanced payment, the Contractor shall post on its own account an insurance policy for the sound management of the advanced payment, covering the total duration of the goods or services delivery and its insurance value will be the same as the value delivered as advanced payment.

7.2 The Contractor shall have at all times all risk insurance for the machinery and equipment and vehicles used in the execution of the delivery of the goods or services. All the vehicles shall have the "SOAT" in force and an all risk policy covering at least 80% of the value of the vehicle and coverage for damages to third parties in an amount of at least One Hundred Million Pesos (COP \$100.000.000).

7.3 Without prejudice of the above insurance, the Contractors shall post on their own account those insurance policies indicated in the purchase order or which are required in a separate document by an employee duly authorized by DLTD.

7.4 The insurance policy shall meet the particular conditions regarding duration, amount, deductibles and further conditions mentioned in every case by DLTD. In the event DLTD requests a policy but no particular conditions are specified, the following will apply:

Name of Policy	Purpose	Duration	Insured Amount
Performance bond	To cover the correct compliance of all and every liability established in the corresponding bid, contract or purchase order	The total duration of the services plus thirty (30) additional days	Twenty per cent (20%) of the total value, definite or estimated, of the services
Policy for salaries and Fringe Benefits	To cover the payment of salaries, fringe benefits, indemnifications and further labor liabilities in favor of the persons hired by the contractor	The total duration of the services plus three (3) more years.	Twenty percent (20%) of the total value of the services, whether definite or estimated.
Civil liability Policy	To cover the injuries and material damage caused to DLTD or to third parties by the Contractor, its employees or subcontractors.	The total duration of the services plus thirty (30) additional days	Five hundred thousand dollars from the United States of America (US\$500,000)
Policy for the Stability of the Works	To cover the stability, integrity and correct operation of the real estate goods	Two years starting the date DLTD receives the works	Ten per cent (10%) of the total, definite or estimated value of the services
Quality of the equipment and repairs	To cover the quality of the services or proper functioning and operation of the goods or equipment	One (1) year counted as of the date DLTD receives the services or equipment	Ten per cent (10%) of the total, definite or estimated value of the services

7.5 All applicable policies shall be sent to DLTD as a previous requirement for the delivery of the goods or the start of the services, in original, in the name of the employee that sends the purchase order.

7.6. In the event that according to the next numeral 8, amendments or additions to the supply of the goods or the supply of the services increasing or reducing their value or term agreed, the Contractor shall proportionally modify all the insurance policies. In the event of reduction of the premium value, the returned value shall be reflected in the next billing of the Contractor.

7.7. All policies shall be posted with an insurance company legally established in Colombia. In all cases DLTD shall be mentioned as the insured party, except for extra contractual civil liability policies, where the insured party shall be the Contractor and the beneficiary the third parties and/or DLTD.

7.8. The Contractor shall be liable to give immediate notice to DLTD and to the insurance company Upon the occurrence of any incident, loss, demand or claim by third parties and shall gather all the required documentation.

7.9. DLTD may, at its own decision contract on its own account the above policies. In such case, the Contractor shall provide its best collaboration and supply all the information and documents DLTD or the corresponding insurance company requests and shall do the corresponding adjustments to the costs of the good or service.

8. Exchanges Modifications and Suspension of the Service

8.1. DLTD may order changes to the conditions and specifications of any good or service, provided that it is stated in an order change or in an additional purchase order. In this case, the Contractor shall give notice to DLTD about any change in the costs, should there be any, and for such purpose it shall supply: (i) a detailed discrimination of the additional costs and (ii) the required adjustments as of the termination date. If in fact, an increase or reduction of the costs or the term of the service is established, then the parties shall negotiate in due time the applicable conditions.

8.2. When the conditions that make it necessary or advisable arise, DLTD may decree the suspension of the goods supply or the development of the service. During the suspension term the Contractor shall be exempt from supplying goods and from the supply of the service, until the time it receives instructions from DLTD to deliver or resume. In this event the provisions of the above numeral shall be applied on the adjustments of costs or execution term.

8.3. DLTD shall not recognize any adjustment to the value of the supply of the goods or services due to difficulties or problems regarding the conditions of the area and surroundings of the work site, including those conditions resulting from the geology, climate, meteorology, access roads, availability of the labor force, land and sub-surface conditions, safety conditions, machinery and equipment required.

9. Materials

9.1 All materials supplied or used by the Contractor in the execution of the supply of the goods or the supply of the services shall be of first quality, according to the best commercial practices, free from defects, with the corresponding patents, shall be correctly functioning and shall comply with the technical specifications, drawings or descriptions established by DLTD or, else, by the standard in the market. The Contractor, if so required by DLTD shall deliver evidence regarding the type, quality or origin of the materials or goods used, which in any case shall be new (unless the parties agree otherwise). Likewise, the Contractor shall use its own materials or with the due authorization to dispose of them and shall deliver them to DLTD free from taxes or constraints to the property, and in such regard it binds itself to defend and keep DLTD harmless from demands or judicial or extrajudicial claims from third parties.

9.2 The Contractor assumes on its own account all the risks for loss or destruction of materials or raw materials until the time they have been used in the service in favor of DLTD, or satisfactorily received by DLTD. The Contractor is free to cover such risks by means of insurance to its account, without prejudice of what is agreed by the parties on the matter.

9.3 The title on the completed work or which construction, assembly or installation is in course, and all the materials paid by DLTD, shall be owned by DLTD.

10. Inspection: DLTD shall have access and right, when it deems it convenient, to inspect the goods or services before their final acceptance, in order to supervise its quality, progress and to guarantee they shall be subject to the corresponding plans and specifications. DLTD's supervision shall not imply or guarantee the acceptance, approval or receipt of the goods and services.

Chapter III

STAFF

11. Independent Contractor:

11.1. The relationship between DLTD and the Contractor in virtue of the supply of goods or services is independent, has commercial nature, is ruled by the civil and commercial law and does not imply in any case an agent, mandator or employee relationship. The Contractor shall have exclusive control on its employees, organization and operations.

11.2. Each of the employees, directors, officials, technicians and further staff assigned by the Contractor to supply the goods or services shall have a sole and exclusive subordination and dependency relationship with the Contractor. Labor liabilities such as salaries, fringe benefits, additional payments, insurance and indemnifications, among others, resulting from or related to the workers it hires, shall be totally under the account of the Contractor.

11.3. The indications, claims or corrective actions that require the supply of the goods or the execution of the services shall be given by DLTD directly to the directors or supervisors of the Contractor by any knowledgeable means, which shall be in charge of doing the corresponding corrections.

11.4. The Contractor shall, according to the current legislation, guarantee the coverage in health, pensions, professional risks and further social security aspects to all its workers and in such regard it will affiliate them to a Health Promoting Company, a Mandatory Pensions Fund, a Severance Payment Fund and to a Professional Risk Insurance Company, and shall pay in a timely manner the payroll contributions that may apply.

11.5. Upon delivery of the goods or the completion of the service, the Contractor shall submit the corresponding information to DLTD, evidencing that there are no liabilities pending for labor payments or payments to the social security system of its workers, subordinates or sub-contractors, or pending payments to its subcontractors or vendors.

11.6. If as a result of breach or violation by the Contractor to its legal and contractual liabilities foreseen in this section or in the Colombian labor regulations, DLTD shall do the payments or indemnifications in favor of the employees or subordinates of the Contractor, it will reimburse such amounts to DLTD. DLTD may exercise the withholding right over amounts pending for payment to the Contractor for up to the amount paid or claimed judicially or extra-judicially.

11.7. If anyone who is or has been an employee, dependent, director or contractor of the Contractor starts any type of judicial or extrajudicial labor claim against DLTD, the Contractor shall assume the defense of DLTD, whether through its own proxy or if it is not accepted by DLTD, it shall reimburse DLTD the fees and costs in which DLTD incurs in its own defense. The above, pursuant to the previous numeral, without prejudice of the Contractor's liability to reimburse DLTD all costs, sentences against, interests, sanctions, fines, fees and agencies in law against it.

12. Coverage and Affiliation to the Social Security System:

12.1. The Contractor shall be responsible to provide the proper insurance coverage to its staff, regarding health, professional risks and pensions and accordingly it shall affiliate and timely pay the contributions to Health Promoting Companies (EPS, as per the acronym in Spanish), Pension Funds (AFP), Professional Risks Administrators (ARP), the payroll contributions and contributions to Family Compensation and Benefit Funds, whenever applicable. DLTD shall not be responsible for the payment or sanctions accrued for non compliance of the Contractor in this regard.

12.2 In those cases mandatory by law or by request of DLTD, the Contractor shall send every month to DLTD a list of all the staff hired for the supply of goods and services, and shall send evidence of the affiliation and payment for each of them to the EPS, AFP, ARP and Payroll Contributions.

12.3. The Contractor shall pay all the contributions to social security within the terms established by law, specially Decree 1670 of 2007 or whichever regulation amends or replaces it.

12.4. Upon termination of the services the Contractor shall submit evidence of having paid as of that date the above payments for all the staff it has hired.

12.5. Not complying with these liabilities shall authorize partial or total withholdings in the invoices and shall be considered non compliance to the Contractor's liabilities.

13. **Local Hand Labor:** The Contractor shall do everything possible to hire local hand labor, from the human settlements located within the area of influence of DLTD's project.

14. **Qualified Staff:** The Contractor shall use duly trained and qualified staff, and it shall specially know the industrial security warnings applicable to their task. The above shall apply specially to those tasks considered high risk.

Chapter IV

SAFETY AND DLTD'S RULES

15. **Works at DLTD's Facilities:** Whenever the Contractor requires to enter or perform any task at the Pribbenow Mine, El Descanso mine, Drummond's Port or any DLTD facility, it shall comply with all the security, industrial safety, occupational health regulations and environmental policies indicated by DLTD, including the provisions regarding entrance authorization, uniforms, identification, use of safety implements, driving and vehicles specifications, routes and authorized unloading points, safety courses or inductions, etc. Specially, it binds itself to comply with the provisions of the current "Control Procedure and Follow Up to the Contractors" manual and the fines policy derived from infractions to industrial safety and environmental measures, which shall be understood as an integral part of these Terms and Conditions.

16. Protection to goods and Individuals and Indemnification:

16.1. The Contractor shall take all the precautions necessary against accidents or fire at DLTD properties and shall keep proper protection to the work, the neighboring and public property and shall be liable for damage or injuries to DLTD's goods or individuals or those owned by third parties resulting from their acts or negligence or the acts or negligence of their agents, employees, subcontractors and suppliers.

16.2. The Contractor shall be familiar with all the safety dangers due to the physical or political environment, insurrection, rebellion, civil strike, extortion, crime, assaults, kidnapping or acts of the public enemy, shall take all the necessary precautions and shall be the only one responsible for the physical safety of its employees, subcontractors and other individuals directly or indirectly linked with it.

16.3. The Contractor shall act at all times in a diligent and responsible way, shall comply with all the laws, regulations, rules and further provisions applicable to the execution of its liabilities and shall obtain and maintain in force the permits and authorizations demanded by the law to undertake its activities. Consequently, the Contractor shall protect, defend, indemnify and keep DLTD harmless, as well as its employees and affiliated companies and against any damage, expense, fine, loss, claim or judicial or extrajudicial demand, violation of express or implicit guarantee, and against any special, indirect, incidental or consequential damage, including loss of profit of any type derived from or resulting or in any way connected with its acts, facts, accidents, damage to goods or injury or death of any person, including the goods owned by the Contractor or by DLTD or its own employees or those of DLTD, occurred during, after or derived from the supply of goods or services, due to or as a total or partial result of the action, omission or negligence of the Contractor or of a person directly or indirectly hired or contracted by the Contractor, or derived from the design, preparation, manufacturing, construction or termination of the service or the delivery or non delivery of the goods or materials, including those supplied by the Contractor or its subcontractors. Immediately upon receiving notice from DLTD or from third parties about any demand or claim related to the risks herein described, the Contractor shall assume on its own account, DLTD's defense, whether through its own proxy or if it is not accepted by DLTD, it shall reimburse DLTD the fees and costs it incurs for its own defense. In any case, the Contractor shall reimburse DLTD all the damages, costs, sentences against, fines or expenses, including lawyer's fees incurred derived from any demand or claim derived from the guilt or activity of the Contractor.

16.4. All the Contractor's liabilities under these Terms and Conditions regarding exonerating, indemnifying and keeping DLTD harmless shall be applied in the same terms to the officials, agents, subcontractors and employees of the Contractor.

17. Industrial Safety and Occupational Health:

17.1. The Contractor, at its own cost, binds itself to comply with all the instructions and recommendations provided by DLTD and specially the current labor, industrial safety and occupational health regulations, as well as the tax, mining and environmental and further regulations and technical applicable rules.

17.2. Additionally, the Contractor shall:

(i) Comply with the provisions of the Control Procedure and Contractors Follow Up" manual in force.

(ii) Have an Occupational Health program according to Resolution 1016 of 1989 issued by the Ministry of Labor and Social Security.

(iii) Provide and guarantee the use of the personal protection elements by all its employees, which will be at all times the helmet, boots, goggles and safety gloves, and as the case may be, protection against dust, chemical substances, high levels of noise and further risk situations.

(iv) Report all work accidents or incidents, verbally and immediately to the industrial safety and occupational health departments of DLTD, with preliminary written report within the next 24 hours, including copy of the report delivered to the corresponding ARP. All work incidents complying with the parameters of decree 1295 of 1994, whereby the organization and administration of the professional risks general system is determined, should be reported to the corresponding ARP within the next two business days, submitting a copy of the stamped report from the industrial safety area. The definite report, including the results of the corresponding investigation shall be delivered to the contract administrator, with copy to Industrial safety, within a term of two (2) to seven (7) days following the fact, depending on the complexity of the case.

(v) Send reports on death or labor accidents to the authorities or to the Professional risks Administrator, pursuant to the law.

(vi) Keep daily records of accidents (first aid and disability events), as well as the cases of damage to property.

(vii) Keep the best levels of order and cleanliness in the work areas and living quarters.

(viii) Permanently guarantee the goods condition and use of all the tools, equipment or facilities used in any way for the compliance with the service.

(ix) Provide training and assure that the staff attends DLTD's training on Industrial Safety, Occupational Health and Environmental Protection.

(x) To appoint a duly trained employee to conduct and supervise the compliance with the Industrial Safety, Occupational Health and Environmental Protection of the program. This employee shall do frequent inspections and leave evidence in writing, of the conditions found and the corrections applied.

(xi) To have a first aid kit in the site where the service takes place.

(xii) Comply with the sanitary regulations in the work sites, issued by the Ministry of Health or the Ministry of Social Protection.

(xiii) If applicable, comply with the regulations to build camps at DLTD's facilities, specially with Decree 2222 of 1993 issued by the Ministry of Mines and Energy or the regulation amending or substituting it.

18. **Special or hazardous substances or materials:** The Contractor shall comply with the regulations regarding packaging, handling, transportation, labeling, safety precautions, expiration dates or further risks applied for the hazardous goods or materials it supplies, and shall deliver DLTD a copy of the Material Safety Data Sheet (MSDS) and previously inform the details of all the above to DLTD and at the time of its delivery.

19. **Cleaning and Delivery of the Work Areas:** The Contractor shall keep at all times DLTD's facilities free from waste materials, residues, debris and trash derived from the delivery of the goods or the performance of the service or by the activity and stay of its employees at DLTD's property. At the delivery of the goods or the termination of the service, the Contractor shall remove all the equipment, vehicle and temporary installation and shall deliver the area clean and free from obstacles. DLTD may inspect at all times the work area to verify the compliance with these provisions.

20. **Lack of guarantee for the facilities:** The Contractor recognizes and accepts that DLTD refrains from granting any guarantee regarding the security of its facilities and property for any purpose, and the Contractor and sub-contractors, should there be any, and all the remaining persons entering or using such facilities shall do it under their own risk.

The Contractor expressly waives DLTD, its agents and employees and assumes total responsibility for the losses or damage to the property or injury to persons, including death, resulting from the condition of such facilities and the use of such facilities, by its subcontractors, agents or employees.

Chapter V

ENVIRONMENTAL ASPECTS

21. Environmental Liabilities:

2.1.1. The Contractor shall comply with all legal regulations, rules and instructions of DLTD, requirements or orders from the authorities, related to the proper environmental management. The Contractor shall pay special attention to obtaining and to the treatment of water, atmospheric pollution, handling, transportation and disposal of solid, special or hazardous waste, and residual water.

21.2. DLTD may, at all times, by itself or through third parties, to monitor or in any way inspect the emissions levels of substances to the air or the water or any activity related with the supply of the goods or services that might have an environmental impact; for such purpose the Contractor is bound to cooperate and supply the data and information that may be necessary. In the event that conducts that might have a negative environmental impact be found, DLTD may do recommendations that the Contractor is bound to abide by as soon as possible, otherwise it will incur in the termination of the supply or service due to breach thereto.

21.3. If due to the activity of the Contractor, DLTD is in need to apply cleaning, mitigating, rehabilitating or compensating measures, these tasks shall be to the account of the Contractor. Therefore the Contractor expressly authorizes DLTD to deduct from its payments the costs incurred in such cleaning, mitigation, rehabilitation or compensation tasks. If the waste and debris are caused by the Contractor, it shall undertake an integral management (storage, handling, transportation and disposal) of same, pursuant to the correspondent sanitary and environmental regulations.

22. **Environmental Indemnification:** The Contractor shall be exclusively responsible for its actions or omissions that might produce contamination, pollution, or deterioration of the environment or the renewable natural resources or may introduce considerable modifications to the landscape and agrees to defend DLTD if it results linked in virtue of the supply of the goods or services and to keep it harmless against any loss, responsibility, claim, damage, expense, penalty, fine, as a result of the violation to the environmental conservation or protection regulations by its dependants or subcontractors. The Contractor's indemnification liability shall include costs, legal fees, administrative costs and sanctions, statutory fines and sanctions, costs derived from the demolition or reconstruction or relocation of the improvements in the project area and any other direct or indirect damage that may arise and affects DLTD.

23. Disposal of trash and debris:

23.1. The Contractor shall have the liability to properly dispose on its own account of the waste derived from its activity and to immediately give notice to DLTD's Environmental Department when it detects or suspects the presence of hazardous or polluting waste.

23.2. When the supply of the goods or the services is done within DLTD's facilities, the Contractor shall comply with DLTD's guidelines regarding separation and disposal of waste. Additionally, whenever the Contractor has a work zone assigned from within DLTD's facilities, it shall be liable to develop an integral management of the waste, pursuant to the current environmental regulations.

Chapter VI

PERMITS, LICENSES AND ADDITIONAL STATEMENTS

24. Permits, Licenses and additional statements:

24.1. The Contractor represents that it has all the licenses, permits and legal authorizations necessary to supply the goods and service and binds itself to keep them in force throughout their duration. The Contractor shall send a copy of all the updated permits and licenses to DLTD when it requires them.

24.2. The Contractor represents to be a company dedicated to the supply of goods or services in a professional manner and that it has previous experience and in this regard, (i) it shall perform its activities with the same diligence and skills of a professional expert on the matter, and (ii) it knows the risks and characteristics of its activity and shall apply safety measures and the necessary provisions for its safe performance.

24.3. The Contractor hereby represents that it knows, has been informed and has visited the area where its liabilities shall be performed and the region where it is located, and knows the geographic, climate and safety conditions and the risks inherent to the activity it performs, and in such regard it waives any claim for any type of damages related to such pre-existent conditions.

24.4. The Contractor represents it knows the meaning of the liabilities acquired with DLTD within the global execution of the project, and that it knows the regulations, work policies and DLTD's corporate ethical conduct.

24.5. **Compliance with the law:** The Contractor binds itself to strictly comply with all the laws, regulations and rules of any kind and nature in force or approved by the national, state, local and municipal authorities, applicable to the service, but specially and in all cases, those referring to industrial safety and hygiene, occupational health and environment protection. If the Contractor undertakes a work contrary to such laws, regulations, rules or if it does not implement or keep the precautions and supervision necessary at the beginning or during the execution of the service, it shall assume all the responsibility and resulting costs.

Chapter VII

TAXES

25. Taxes:

25.1 The Contractor hereby represents that, unless otherwise specified, the value of all goods or services include all the applicable taxes. The Contractor agrees also to accept and use, if possible, before the fiscal authorities the tax exemption certificates whenever provided by DLTD.

25.2 The Contractor and DLTD are autonomous and independent regarding the handling and timely payment of the corresponding taxes and in no case shall they be accountable for evasion or incorrect payments of any tax under the responsibility of the other party.

25.3 In the event of determining that a tax included in the value of the goods or service supplied should not have been paid by the Contractor, it shall give notice to DLTD and shall proceed with the reimbursement request before the corresponding authorities, taking all the necessary measures to obtain it and reimburse it to DLTD.

25.4 All the taxes, fees and contributions, whether direct or indirect, national, state or municipal resulting from the execution, compliance and legalization of the supply of goods or services that according to the current regulation should be withheld by DLTD shall not be subject to reimbursement by DLTD.

25.5 DLTD shall adjust and apply the withholdings according to the law and may rectify the eventual wrong application of the fees or undue advance payments; for such purpose it may deduct the differences resulting from such adjustments from the amounts pending to be paid to the Contractor. The delayed payments and sanctions that may result for DLTD as a result of the incorrect application of the tax withholding and which are not possible to deduct from payments owed to the Contractor, shall be paid by the latter immediately after receipt of the notice sent by DLTD, otherwise it shall have to pay interests every month for late payment, equivalent to the maximum interest for delayed payment permitted by the Financial Superintendence during the months in which the delay is applied.

25.6 The Contractor hereby states it knows the fiscal, currency exchange and customs regulations, specially those related to tax withholding, whatever its nature may be, and those specifically referring with the entrance and sending of remittances.

25.7 In the event of disagreements regarding subjects, taxable bases, accrual facts, tariffs and/or any other tax or fiscal matter, applied to the Offer or corresponding purchase order, the Contractor and DLTD agree to resolve the difference following the "official Concept" of the National Tax and Customs Direction (DIAN for its acronym in Spanish), or whoever takes its place. However, DLTD reserves the right to apply its own criterion until an official concept is not issued.

25.8 The Contractor shall comply with all its territorial fiscal liabilities, particularly those corresponding to the municipality or municipalities where it undertakes the supply of the goods or services. Specially, it shall keep the records required by the Treasury Department in each municipality. DLTD may withhold the payment of the final invoice until the Contractor submits authentic evidence of payment of such mentioned tax.

CHAPTER VIII

NON-COMPLIANCE AND EARLY TERMINATION

26. Non-compliance or delay:

26.1 In the event the Contractor incurs in delays or non compliance with its liabilities, DLTD shall give notice and the Contractor shall have two (2) business days to remedy the non compliance or to submit DLTD a plan including the corresponding remedies.

26.2 If at the end of such term the Contractor has not repaired the delay or the non compliance, or if the plan including the correctives is not satisfactory as per DLTD's judgment or if the idea is to avoid problems in DLTD's operation, or if greater prejudices are caused, DLTD may provide the service on its own account or may outsource it, and may claim to the Contractor all the additional costs in which it incurs, including administrative expenses.

26.3 In the event of serious breach, DLTD may declare immediate termination of the services, or interrupt the delivery of goods, without accruing indemnity or payment in favour of the Contractor.

26.4 In all previous cases, the Contractor shall indemnify DLTD for the damages caused by the non compliance, pursuant to the law; therefore it shall be authorized to deduct any pending payment and to file effective juridical or extra juridical actions. The Contractor expressly waives to set itself up in delay as a previous requisite to start any juridical or extra juridical action.

26.5 This document together with the breach evidence shall have executive merit to claim damages by the legal way.

27. Delay in the Delivery or completion:

27.1 Without prejudice of the previous section, in case the Contractor does not complete or deliver the service or goods on the agreed date, DLTD may charge a fine for each day of delay equivalent to zero point five (0.5%) of the value of the service, up to a maximum limit of fifteen per cent (15%) of the total value of the service, which will not extinguish the Contractor's responsibility to comply with its liabilities, and without prejudice of DLTD faculties to cancel or terminate the service, the purchase order or the master order or to demand indemnification for the damages.

27.2 DLTD may charge such fine through partial or total compensation, for any amount owed by the Contractor, without legal intervention, or through juristic means if such balances were insufficient, in which case the parties agree that setting up in delay shall not be required.

28. Early Termination:

28.1 Without prejudice of other remedies established in this document the service supply shall terminate early and immediately in the event the following cases occur:

- (i) By mutual agreement of the parties
- (ii) The termination or cancellation of permits or licenses, due to any reason, necessary for the Contractor's services supply.
- (iii) The unjustified delay or setback in the service supply.
- (iv) Serious breach by the Contractor to the liabilities established hereto or in the purchase order.
- (v) Execution of the works requested to the Contractor in such manner that they do not comply with the tendered specifications or conditions.
- (vi) The non compliance by the Contractor with its payment liabilities in favor of its employees, goods and service suppliers.
- (vii) Breach by the Contractor of any applicable regulation regarding service supply.
- (viii) The Contractor's financial incapacity which affects or impedes the effective compliance with its liabilities, as well as the seizure or sequestration of a substantial part of the Contractor's assets during a term exceeding three (3) months.

28.2. Immediately after receiving the termination notice due to the previous reasons and unless there are instructions to the contrary, the Contractor shall:

- (i) Suspend the service supply.

(ii) Restore to DLTD or whoever it designates any raw material, material equipment, part or component which DLTD may have provided in order to comply with the service without being the Contractor able to claim withholding rights, to which it expressly hereby waives.

(iii) In the event DLTD had provided an advanced payment, restore immediately to DLTD the proportion not used, or if it were the case, deliver to DLTD any work, raw material, material, equipment part or component acquired by the Contractor with such advanced payment, regarding which it is understood that there is a pledge in favor of DLTD to guarantee the reimbursement of the advanced payment that was not deducted.

(iv) Immediately restore to DLTD all payments or amounts received as payment for goods or services which have not been yet delivered or supplied.

28.3. Whenever DLTD terminates the service supply, it may withhold from the amounts pending to be paid to the Contractor, as a payment guarantee for the damages caused to DLTD, and pay itself, as a fine or any other concept, those amounts that the Contractor owes.

28.4. Unilateral Termination: In addition to the provisions in this numeral, DLTD shall have the right to terminate the service without a justified cause giving written notice to the Contractor, but in such event DLTD shall pay the Contractor the expenses in which it might have incurred and are pending for reimbursement, plus fifteen per cent (15%) of such costs as operative costs and profit. DLTD shall have the right to audit such costs.

CHAPTER IX

ASSIGNMENT AND SUBCONTRACTING

29. **Assignment:** The Contractor may not assign or be substituted by a third party as to the service supply or any of its responsibilities, without previous written authorization by DLTD.

30. **Subcontracting:**

30.1 The Contractor shall inform DLTD about its intention to use subcontractors for service supply and shall provide all the information about them which DLTD may require, including corporate information, its conformation and social capital, experience, etc. DLTD may at any time, oppose to any subcontractor's participation, in which case such subcontractor shall leave DLTD facilities within the indicated term.

30.2 All subcontractors shall be subject to the terms and conditions of this document and other DLTD regulations; in this regard the Contractor shall be exclusively responsible to give the necessary information and guarantee their compliance.

30.3 In any case, the Contractor is exclusively responsible for the works, for the compliance or any non-compliance of its subcontractors or employees and in any case may claim the guilt of the subcontractors or employees before claims coming from DLTD or the authorities.

CHAPTER X OTHER PROVISIONS

31. **Confidentiality:** The Contractor commits itself to keep confidential, not disclosing or divulging to third parties and not to use it for operations different from the execution of its liabilities with DLTD, any technical, commercial, administrative, organizational or further information obtained from DLTD or to which it has access, as well as any information regarding the facilities, staff, operations, methods, systems and procedures of DLTD. Likewise the Contractor shall use all the necessary means for its employees and sub-contractors to keep the proper confidentiality about such information.

32. Intellectual Property:

32.1 Unless otherwise agreed, all the information obtained during the supply of the services including drawings, designs, inventions performed by the Contractor shall be the property of DLTD.

32.2 Those intellectual rights previously existing in the name of the Contractor, such as patents or industrial procedures shall continue being the property of the Contractor; nevertheless it shall be understood that the execution of the service grants DLTD, without additional charges, the sufficient authorization and right for its indefinite operation and utilization.

32.3 All the drawings, specifications and other documents, either reproductions or originals submitted by DLTD to the Contractor shall have a confidential nature and therefore they shall not be reproduced except with express authorization, and shall only be used for the execution of the works. Upon completion of the service, all the information and documents provided shall be returned to DLTD as owner of this material.

32.4 The Contractor is bound to defend, hold harmless and indemnify DLTD from any claim, action or pleading due to infringement of brand rights, patents or intellectual property rights derived from the use by DLTD of the goods, products or services supplied by the Contractor.

33. **Audit:** The Contractor agrees to avail, if required, the books, records, payment vouchers and all other information to carry out the Audit of the Service executed.

34. Conflict of Interests and Business Ethics:

34.1 The Contractor previously and in writing shall state before DLTD that among the directors, associates or any DLTD employee that it does not exist or shall not exist, at the time of quoting or offering any service or while there is a purchase order or pending master order to be performed, any family relationship by blood or marriage including parents, children, grand parents, grand children, siblings, nieces, nephews, uncles, aunts, first cousins, spouses, step children or uncles or brothers and sisters in law.

34.2 The Contractor shall refrain from receiving or offering valuable gifts, fees, commissions or benefits to DLTD's employees, and to reject deals, proposals or operations known to directly or indirectly benefit any employee of DLTD.

35. **Findings:**

35.1 If during the service execution the Contractor finds or suspects the existence of exploitable natural resource deposits, it shall immediately give notice to DLTD that shall proceed according to the applicable law. The Contractor shall not claim any right or pleading over such resources.

35.2 If during the execution of the Service the Contractor discovers any object having or that may have any archaeological, historical, cultural or economic value it shall immediately give notice to DLTD to custody it and apply the current regulations on the matter.

36. **NOTICES:** Notices or written announcements addressed to one of the parties shall be considered received on the date in which they are delivered personally to an employee or officer of the party to which it is submitted, or the following day after they are sent, when sent to the e-mail address or fax number recorded by the Contractor or DLTD, provided that there is receipt evidence by the other party.

37. The omission of any of the parties in demanding the compliance with any of the provisions contained in these Terms and Conditions shall not be considered a waive of such provision by it, or waiving the right to insist in further compliance with such provision.

38. All rights and resources foreseen in this contract in favor of DLTD are accumulative unless otherwise stated in the text, without prejudice of the legal applicable actions by law.

39. If any or part of the provisions in these terms and conditions are considered totally or partially void by a judge or by the competent jurisdiction, the other parts and other provisions hereto shall continue in force.

40. **Duration:** The Terms and Conditions shall be in force during an indefinite term and shall only be revoked until the parties so agree.

Sincerely yours

LEGAL REPRESENTATIVE

Name:

Id. Card:

Date: