

STANDARD CONDITIONS

1. THE CONTRACTOR'S OBLIGATIONS

The **Contractor** shall, in addition to the other obligations provided in or arising from the documentation that comprises the tender specifications:

- a) Submit a proposal to **Somincor's** Purchasing and Materials Management Department together with all necessary documentation i.e. provided in clause 3.1 below;
- b) Within five (5) working days of receipt of notice of the award, submit the documentation referred to in clause 3.2 below to **Somincor's** Contractor Management Department ("DGE");
- c) Keep in force all authorisations, licenses and insurance necessary for the completion of the order;
- d) Send to **Somincor** updated copies of all documents that it is required to submit together with the proposal, or after receipt of notice of the award, at all times in accordance with the process flowchart (PF);
- e) Obtain **Somincor's** authorisation to have personnel on site one (1) week prior to the planned date for the commencement of the works and not permit any workers on site who have not been authorised by **Somincor** in advance;
- f) Obtain **Somincor's** authorisation for the work regime adopted;
- g) Comply with the legal limits with regard to hours worked and minimum rest irrespective of the work regime adopted;
- h) Obtain the formal approval of the Health and Safety Plan (HSP) for the works to be carried out;
- i) Reformulate the plan referred to in the preceding paragraph if the DGE so requires;
- j) Submit an undertaking signed by the contractor's official representative, which ensures that the health and safety levels proposed in the approved HSP, are in accordance with the provisions of said document and that same has been distributed to the employees involved;
- k) Submit the list of its employees to the DGE for its approval;
- l) Train its employees with regard to safety and quality of the performance of the work, either on its own initiative and/or in accordance with instructions given by the DGE;
- m) Provide its employees with working clothes, which clearly identify the **Contractor** and the employee himself/herself;
- n) Provide its employees with appropriate individual protection equipment, with the exception of individual lamp and mask, which will be provided by **Somincor** when necessary;
- o) Organise its work teams so that they work solely under the direction of its Constructions Supervisor;
- p) Inform the DGE of the authorisation to use subcontractors;
- q) Prepare a quality, environment and safety report (QESR) and submit it to the DGE by the 3rd working day of each month;
- r) Immediately inform the DGE of all alterations of tasks, or alterations of its personnel, even if temporary, (because of absences by reason of ill-health/return to work after ill-health, dismissals, hirings, holidays or other reasons);
- s) To assign a health and safety officer on a fulltime basis, whenever its workforce at **Somincor** facilities, or at other facilities for which **Somincor** is responsible, exceeds 30 employees/month, or when the DGE so requests;
- t) Submit to a final works performance assessment;
- u) Comply and ensure compliance by its employees and subcontractors with **Somincor's** internal rules and procedures and with all alterations thereof and/or other rules which **Somincor** notifies and makes available to the **Contractor** in writing or via digital platforms;
- v) Comply with **Somincor's** procedures and with the legislation in force with regard to environment, health, hygiene and safety at work;
- w) Comply with the applicable legislation with regard to the entry, stay, exit and expulsion of foreigners into, in and from Portugal;
- x) Comply with the provisions of the agreement for the installation of the **Contractor** at Neves-Corvo with regard to the Contractors Area (if applicable);

- y) Licence the premises it erects in the Contractors Area (if applicable);
- z) Draft, submit and revise the site yard plan. The plan shall be revised only if required as a consequence of a legislative change;
- aa) To mark off the areas where works are on-going, in an appropriate manner, e.g. with warning tape;
- bb) Affix a “Contractor’s Identification Notice” in accordance with the standard notice provided by **Somincor**.

2. SAFETY AND ENVIRONMENT

- 2.1 All safety provisions in the Health and Safety Plan (“HSP”) shall be complied with.
- 2.2 The Contractor’s employees are subject to the **Somincor** regulation regarding the use of alcohol and drugs and may therefore be subjected to the tests provided therein.
- 2.3 All employees shall be given a safety and environment induction in **Somincor**’s premises before going on site.
- 2.4 Once it has received the employee documentation referred to in Clause 3.3 below, **Somincor** shall fix the date and time of the training.
- 2.5 The absence of the employees indicated by **Somincor** for safety and environment induction, without prior explanation, shall result in the imposition of a fine up to €100.00.
- 2.6 The safety and environment induction shall be valid for one year.
- 2.7 Safety induction shall not release the **Contractor** from its obligation to provide its employees with Health and Safety at Work training.
- 2.8 The Contractor shall conduct the following activities in accordance with the legislation in force:
 - a) Evaluate the risks associated with the execution of the works, define appropriate preventive measures and propose the development and adaptations of the HSP to **Somincor**;
 - b) Mobilise appropriate resources from its prevention services;
 - c) Prepare safety procedure sheets for works that involve special risks and ensure that subcontractors and self-employed personnel and the employees’ health, hygiene and safety at work representatives, who work in the site yard are also aware thereof - if applicable;
 - d) Ensure the application of the health and safety plan, or the safety procedures sheet by its employees, subcontractors and self-employed workers;
 - e) Take the necessary measures in order to ensure the proper organisation and management of the site yard, including the organisation of the emergency system - if applicable;
 - f) Take the necessary measures to ensure that access to the site yard is limited to authorised persons - if applicable.
- 2.9 The Contractor shall do as follows with regard to the provision of relevant information regarding the prevention of occupational risks:
 - a) Take due note of all emergency procedures defined by **Somincor** and communicate same to its employees;
 - b) Disseminate the HSP and/or Risk Evaluation for the execution of the order and the updates thereof to the subcontractors and self-employed workers, or at least the part thereof that they need to be aware of for reasons of prevention;
 - c) Affix notices of the contract between the client and the safety co-ordinators for the project and on site, in the site yard, plus the Acceptance Notice signed by the corresponding co-ordinators;
 - d) Organise an updated register of subcontractors and self-employed workers hired by it in connection with the order.

2.10 The Contractor shall, in its relations with others on site:

- a) Ensure that sub-contractors and self-employed workers comply with their health, safety and hygiene at work obligations;
- b) Collaborate with the safety co-ordinators and comply with their directives and ensure that sub-contractors and self-employed workers also do so.

2.11 The Contractor shall, in its capacity as an employer, comply with all aspects related to the planning of the prevention of occupational risks and ensure that its employees have conditions of health, hygiene and safety in all respects related to work.

2.12 The use of any chemical product shall be subject to the prior authorisation of **Somincor's** Environment Unit in accordance with Environment Procedure AMB-10 – Management of Hazardous Substances.

2.13 **Contractors** shall either manage the waste produced within the context of the works independently or join **Somincor's** waste management system, in which case it shall comply with Environment Procedure AMB-11 – Management of non-mineral waste.

2.14 In case of companies that have an accredited Environmental and/or Safety Management system, they must evidence this in their proposals.

3. DOCUMENTATION TO BE SUBMITTED BY THE CONTRACTOR

3.1 The **Contractor** shall submit the following with its proposal:

- a) A declaration stating the company name, registered office and subsidiaries relevant to the order, the names of the members of corporate bodies and other representatives with powers to bind it, the single taxpayer and company registration number and the Registry where the company is registered;
- b) A declaration issued by the relevant Regional Social Security Centre to the effect that the **Contractor** is not indebted to the Social Security Authorities;
- c) A declaration issued by the Tax Authorities that proves that the Contractor's tax situation is in order;
- d) A document stating the structure and workings of its health, hygiene and safety at work activities;
- e) A list of the sub-contractors to be engaged;
- f) The email address to which **Somincor** should send any correspondence;
- g) A duly signed and completed declaration of recognition of **Somincor's** internal procedures;
- h) A duly signed declaration that the proposal is valid for 90 days from the final proposal submission date - if applicable;
- i) A declaration by the **Contractor** that it has visited and inspected the locations related to the supply of services, that it has noted the corresponding execution conditions and that it took local contingencies into consideration when it prepared its proposal - if applicable;
- j) A photocopy of the licence(s) that prove that it is authorised to carry on its business - if applicable;
- k) Evidence that external service used is authorised to conduct high-risk activities and what sectors of activity are covered - if applicable.

3.2 The **Contractor** must submit the following documentation five working days after receipt of notice of the award of the order:

- a) Copies of insurance policies and proof of premium payments with regard to (i) work accidents for all employees selected (ii) extracontractual civil liability insurance and (iii) civil liability insurance with regard to the use or ownership of vehicles, machinery and light or heavy motor vehicles that are used in connection with the execution or delivery of the services;
- b) Copies of the identification documents of those in charge of safety at the locations where the works are executed and copies of their professional qualification certificates.

- 3.3** Ten days prior to the commencement of the works, the **Contractor** shall submit the following documentation:
- a) A health and safety plan (HSP);
 - b) A quality plan - if applicable;
 - c) A site yard plan, containing plans for i) internal emergency, ii) site yard signing and traffic, iii) collective protection, iv) individual protection, v) site yard equipment use and control; and vi) inspection and prevention - if applicable;
 - d) Copies of the following documents with regard to each of the employees involved in the order:
 - i. Identity Card, taxpayer card and user's card or citizen's card;
 - ii. Medical Fitness Sheet;
 - iii. Individual Protection Equipment Distribution Sheet;
 - iv. Criminal record certificate;
 - v. Employment visa or residence authorisation plus a declaration of submission of the Employment Contract to the ACT - only in case of non-EU employees.
 - e) Certificates of compliance with regard to the equipment to be used in connection with the order, or certificates issued by a proper body, in the event that the equipment is second-hand;
 - f) Proof of the vocational training of the employees - if applicable;
 - g) Proof of the existence of fire fighting equipment - if applicable (for all equipment to be used inside the mine).
- 3.4** Before hiring a foreign worker, the **Contractor** shall send to **Somincor** a declaration of compliance with the applicable law with regard to terms of entry into, stay in, and exit and expulsion from Portugal, of foreigners.

4. PENALTIES

- 4.1** A penalty of no more than € 500.00 shall be imposed in the event of failure to comply with the time limit for the preparation of the quality report.
- 4.2** A penalty of 1.5% of the total value of the order per week of delay in relation to the delivery date stipulated in the order shall be imposed in the event of failure to comply with the delivery time limits.
- 4.3** A penalty of 2% of the total value of the order per day of delay in relation to the delivery date stipulated in the order shall be imposed in the event of failure to comply with the delivery time limits with regard to annual stoppage works for maintenance, which threaten the commissioning of the facilities within the time limits stipulated.
- 4.4** If the Tender Specifications expressly provide other penalties, the provisions of points 4.2 and 4.3 shall not apply.
- 4.5** The following fines shall be imposed in the event that the Contractor, its employees or subcontractors fail to comply with the safety rules:
- a) A penalty of 1% of the total value of the order, on the first invoice issued after the occurrence of a very serious breach;
 - b) A penalty of 0.5% of the total value of the order, on the first invoice issued after the occurrence of a serious breach;
 - c) A penalty of 0.25% of the total value of the order, on the first invoice issued after the occurrence of a normal breach;
- 4.6** The following shall be deemed to be very serious breaches:
- a) Failure to comply with the procedures regarding the handover of equipment in force at **Somincor**;
 - b) Failure to comply with the procedures regarding the execution of hazardous works in force at **Somincor**;
 - c) Execution of works at a height in excess of 2 metres without the use of Collective Protection Equipment (CPE);
 - d) Use of unauthorised work equipment;

- e) Use of tools and/or work equipment without the obligatory safety devices, or when in a poor state of repair;
 - f) Working while under the influence of drugs/alcohol;
 - g) Failure to report accidents and/or serious incidents;
 - h) Assault and insults between employees.
- 4.7** The following shall be deemed to be serious breaches:
- a) Failure to use Individual Protection Equipment (IPE);
 - b) Driving over the speed limit within the minelease area;
 - c) Failure to comply with the instructions issued by **Somincor's** supervision;
 - d) Failure to comply with best practices with regard to the mechanical handling of loads;
 - e) Failure to comply with the minimum safety in the workplace requirements prescribed by Portuguese/EU legislation;
 - f) Driving or being driven while not wearing a seat belt;
 - g) Smoking within the mine;
 - h) Delay in exiting the mine, which delays firing;
 - i) Failing to remove the battery cards from the firing board after exiting the mine.
- 4.8** Normal breaches are all circumstances detected by the **Somincor's** supervision, which are not described in the previous paragraphs and which, in some way, place the physical safety of the workers, the normal working of the Neves-Corvo facilities and/or the environment, at risk, e.g. as a consequence of disorder and lack of cleanliness in workplaces, improper use of the radio network, poor state of repair of machinery, operation with a machinery check-list that is not in accordance with the inspection, or leaving machinery at the bottom of ventilation shafts.
- 4.9** **Somincor** may suspend the works and/or personnel whenever it considers that the existing safety conditions and the conduct of the personnel, for which the **Contractor** is responsible, does not permit the normal progress of the works.
- 4.10** Time limits that are terminated for the reasons stated above shall not be extended.

5. INDUSTRIAL WASTE

- 5.1** The **Contractor** shall comply with the waste management legislation in force with regard to waste handling and transport.
- 5.2** Construction and demolition waste (if not hazardous) shall be deposited in the **Somincor** waste tip, by the **Contractor**, at a location to be decided by the waste tip management department.
- 5.3** The Contractor may opt to manage all other waste not included in the preceding paragraph either via **Somincor's** internal company or hiring an external company.
- 5.4** In case a company other than **Somincor** is hired, the **Contractor** shall submit a waste management plan for approval by **Somincor's** Environment Department.
- 5.5** If the **Contractor** uses **Somincor's** internal company, it shall:
- a) Place at least 3 waste containers (plastic, metal and paper) in the site yard;
 - b) Transport and deposit the waste at one of the existing ecopoints within the Neves-Corvo mine lease area;
 - c) Separate the waste in accordance with the rules of the existing ecopoints within the Neves-Corvo mine lease area.
- 5.6** The Contractor shall contact **Somincor's** Environment Department:
- a) Whenever waste is generated for which there are no containers within the mine lease area;
 - b) If the quantities of waste generated are extraordinarily high and cannot be dealt with by the containers referred to in the preceding paragraph;
 - c) Whenever there are doubts with regard to correct waste management.
- 5.7** On conclusion of the works and on the closure of the site yard, the Contractor shall remove all waste, in accordance with the methodologies referred to above.

6. ASSIGNMENT AND SUBCONTRACTING

- 6.1 The **Contractor** shall neither assign its contractual position nor subcontract all or part of the services to be provided without the prior agreement in writing of **Somincor**.
- 6.2 The **Contractor** shall continue to be solely liable for compliance with the exact terms of the order, even when **Somincor** authorises it in writing to subcontract the services to be provided.
- 6.3 The **Contractor** shall ensure that subcontractors are selected via an evaluation of their ability to provide the services.

7. SOMINCOR CONTACTS

The **Contractor** shall use the following contacts of **Somincor**, or such others as are given to it:

Contractor Management Department:

Telephone: 286 689 105

Fax: 286 689 244

Email: carla.guerreiro@lundinmining.com
helder.marques@lundinmining.com
andre.alves@lundinmining.com

Purchasing and Materials Management Department:

Telephone: 286 689 036

Fax: 286 683 011

Environment Department:

Telephone: 286 689 049

Fax: 286 689 229

Email: henrique.gama@lundinmining.com

8. ALTERATIONS

All alterations and/or corrections of the commercial and/or technical conditions of the order shall only be binding once confirmed in writing by **Somincor**. Notice in writing of all modifications and/or corrections shall be given to **Somincor** stating any implications with regard to the performance of this order, in terms of time limits or costs.

9. RESCISSION OF THE ORDER

Somincor reserves the right to rescind this order unilaterally in the event of breach of any of the obligations stipulated herein.

10. FORCE MAJEURE

- 10.1 Force majeure shall mean any event that is foreign to or beyond the parties' control, which, wholly or partially prevents the performance of the obligations in this order.
- 10.2 The following shall namely be deemed to amount to force majeure: natural disasters, civil war, insurrection, mutiny, blockade, civil unrest and strikes that negatively affect or prevent compliance with the contractual obligations, and other circumstances that affect the free and safe movement of people and goods.

- 10.3** The occurrence and declaration of force majeure shall suspend the parties' contractual obligations for such time as the force majeure continues and shall render them exempt from contractual liability. In the event of circumstances amounting to force majeure, the party affected thereby shall give notice thereof to the other party, in writing and within the maximum time limit of 48 hours as from the occurrence thereof and of any measures taken or to be taken, if any. Once the circumstance of force majeure is at an end, the party that invoked shall give notice of said termination within no more than 48 hours.
- 10.4** If the circumstances of force majeure continue for more than three weeks the other party shall be entitled to cancel this order by giving notice in writing thereof to the party that has declared force majeure. In said circumstances no payments shall be due pursuant to this order, other than payments due in respect of works done prior to the occurrence of the circumstances of force majeure.

11. APPLICABLE LAW AND PROPER COURT

- 11.1** Portuguese law shall apply to the tender procedure, the proposals, the award and the order.
- 11.2** All disputes arising from the tender and/or order shall be decided by the courts of the Lisbon judicial district, which shall have exclusive jurisdiction.