

## Terms and Conditions

If it is not possible to comply with the specified delivery date, provide timely notification to the BHP Billiton contact person. The contact person is shown on the first page of this document. All values quoted do not include GST. In cases where GST is applied, this value will be added when the supplier's invoice is paid. This amount should be paid to the supplier, unless the contact person designated by BHP Billiton is notified of any error.

This order is issued by Minera Escondida Ltda () in accordance with the applicable terms and conditions mentioned below:

(i) in the event there is a written and current agreement between the Supplier and BHP Billiton, in relation to goods and services in this Order, this Order will be issued in accordance to the terms and conditions of the agreement in question;

(ii) where there is no other current, written agreement between the Supplier and BHP Billiton, this Order is issued in accordance with the BHP Billiton Purchase Order Terms and Conditions current at the time of this Order.

The BHP Billiton Purchase Order Terms and Conditions are available on the BHP Billiton web page:

<http://www.bhpbilliton.com/bb/bhpBillitonSuppliers.jsp>

[http://www.bhpbilliton.com/home/info/suppliers/Documents/2014/140903\\_StandardBHPBillitonPurchaseOrderTermsandConditions\(Spanish\).pdf](http://www.bhpbilliton.com/home/info/suppliers/Documents/2014/140903_StandardBHPBillitonPurchaseOrderTermsandConditions(Spanish).pdf)

[http://www.bhpbilliton.com/home/info/suppliers/Documents/2014/140725\\_StandardBHPBillitonPurchaseOrderTermsAndConditions\(English\).pdf](http://www.bhpbilliton.com/home/info/suppliers/Documents/2014/140725_StandardBHPBillitonPurchaseOrderTermsAndConditions(English).pdf)

o alternatively, these may be obtained by contacting the BHP Billiton specialist mentioned in this document.

By accepting this Order, the Supplier accepts the stipulated terms and conditions, the Purchase and Services Terms and Conditions, and if applicable, the terms and conditions of any additional agreement with the Supplier relevant to this Order.

Point of delivery and delivery instructions:

### **NATIONAL PURCHASES**

#### **Programming**

- Suppliers should use the programming platform to plan their deliveries <http://bd.linsa.cl/Linsa/agenda/login.php>.
- Contact: [antofagasta@linsa.cl](mailto:antofagasta@linsa.cl) ó [santiago@linsa.cl](mailto:santiago@linsa.cl)
- Merchandise is not received without an active Purchase Order;
- A Consignment Note should be attached for each Purchase Order;
- Non-compliance with programming should be reported in a timely manner;

- In the programming, the characteristics of the cargo (weight, volume, data of the transport company that arrives to deliver, among others) should be specified and it should be indicated whether there are special conditions to be considered;
- The transport should arrive with their printed programming number and consignment note with details of the load.
- In the event of dispatching goods with multiple Purchase Orders, the Supplier should pack and label all of the good separately per Purchase Order.

Delivery Addresses:

- Antofagasta: Ruta 5 Norte Km. 1.358,5 Manzana N, Sitio 2 La Negra.
- Santiago: El Quillay 412 Ruta 5 Norte Km. 16 Centro Empresarial Valle Grande., Lampa

Contact Numbers:

- Santiago: (02) 25999735
- Antofagasta: (55) 2359100

Conditions of cargo and general securing:

**CORRECT LOAD CONDITIONS**

- To transport loads safely, the following characteristics shall be complied with:
- The cargo must be correctly mounted on American type pallets with 4 entries, of 1.20 x 1.00 metres.
- To fasten the load to the pallet, plastic film should be used, with precaution that the start of it is tied to the pallet and the end is sealed with tape or heat-sealed.
- To fasten the load to the base of the pallet, after applying plastic film, it must be strapped, with precaution that it passes over the load, ensuring that they are not left loose (son 4 straps, 2 per side)
- Loads that, due to their weight and characteristics (steel, nails, bolts, among others) should not be packed in cardboard cartons, as with the movement of the transport, these will come apart on route.
- If the load is a component, this should be positioned on a rack, which should be fastened to the load with anchor bolts and straps.
- Rubber should be placed between the load and the rack to prevent the load from sliding in the event of the straps loosening.
- Packaging that has been used previously for transporting hazardous substances should not be re-used.
- It should be verified that the pallet is suitable for each type of load and two pallets per structure shall not be used. These components should use a timber rack designed exclusively for their transport.
- The cargo should not extend beyond the structure of the pallet, and should be contained within the structure.

Load conditions and Special Fastenings for supplies detailed below:

Material

**CORRECT LOAD CONDITIONS, FASTENING CONDITIONS**

#### Fibre Sele

- The cargo should be loaded with timber separators (a board with separator blocks in the centre), which prevents it from being damaged on route.
- A maximum of 4 seles should be loaded per semi-trailer. They should be loaded over timber to increase the adherence of the load bed.
- Chocks should be placed between the trailer parapet and the load, to prevent it from sliding forward
- A strap should be placed in the area where the separating timber is to be able to tighten the strap without damaging the load.
- The strap shall be at an angle of 90°, as in this position, the angle is more favourable for supporting the load. This is in addition to the anti-slip material applied between the load bed and the load (timber or rubber)).
- At least 5 ratchet straps shall be used to tie down the load.

#### Fitting

- The cargo should be loaded on timber racks and strapped down with metallic straps. To prevent packages of fittings from falling apart.
- A maximum of 4 packages of fittings may be loaded per trailer.
- Locks should be placed at both ends of the rack, to prevent the pipes from sliding forwards or backwards.
- They should be secured with each of the trailer's side gates.
- The strap will be at an angle of 70°. In this position, the angle is favourable for securing a load. Added to this is the anti-slip treatment applied between the truck bed and the load (timber or rubber).
- At least 5 ratchet straps should be used to tie the load down.

#### Road Separation Barriers

- The load should be on a timber base (beams or sheets), to minimise the probability of it sliding forward.
- Approximate weight 2 tons.
- The use of domatt, is not viable as the base of the barriers can be easily broken.
- A maximum of 10 barriers should be loaded onto the semi-trailer bed.
- For correct load distribution on the semi-trailer, the load should be placed as follows:
  - \* 3 barriers over the front axles.
  - \* 4 barriers in the centre of the trailer bed.
  - \* 3 barriers over the rear axles.
- They should be tied down with straps, use of load stock per unit.

#### Shells

- The pallet should be in good condition.
- The load should be secured with 19 mm metallic straps.
- The load should not be stacked.
- Tie-down should be in accordance with the weight of the load, approximate weight 2000 —3000 kg.
- Two straps should be used per pack of shells.
- Tie down inboard of the side gates.

- Distribute the weight over the load bed.
- Ties down all side gates.

#### Pipe Reels

- Each reel should be mounted on a timber rack to give support during storage and/or transport to the site. They should surround the structure, forming a base that prevents unexpected movement.
- The load should be fastened to the rack with 19 mm metallic straps.
- To tie down the reels, the following elements should be used: 2 chains and 6 straps per reel, domatt or rubber
- 4 of the straps should be placed diagonally (photo attached) and 2 through the reel.
- 2 chains (through the reel).
- The reels should only be transported by semi-trailer.
- Distribute the weight on the load bed.
- Distribute the weight on the load bed.
- Tie down all side rails.

#### Channels

- Channel transport racks should have a protective screen at each end.
- Each section of the structure should be correctly welded or fastened with nuts and bolts and the structure should be checked at least once a month.
- The channels to be transported should be clean and should not contain residues that contaminate the semi-trailer structure.
- Up to two racks should be placed per semi-trailer, rack weight approximately 500 Kg. Weight of channels 350 kg each.
- Each rack should contain up to 12 channels, with a total weight of 4700 kg.
- Tie-downs should consist of at least 2 ratchet straps per transport rack.
- When distributing the load, rubber, domatt or other elements should be installed to prevent the load from slipping.

#### Drip Piping

- Drip piping should be on pallets, with a maximum height of 4 rolls and one on one side.
- The rolls should be tied separately and then tied to the pallet with a plastic strap.
- They should be tied down with a total of 4 plastic straps to fasten the whole load (two per side).
- The drip piping pack should be inside the area of the pallet.
- Once palletised and strapped, the load should be sealed with a number of layers of plastic film, the end of which should be tied to the pallet to avoid causing problems during transport.
- It should be ensured that the pallets to be used have firm bases and are in good condition
- At least 1 ratchet strap should be used per drip piping pallet to secure them.

#### Conveyor Belts

- **Belts should be on a metallic rack, resistant to the respective lifting manoeuvres for transport.**
- The belts should have 0.8 mm metallic straps (as a minimum), and should be wrapped in plastic to prevent the belt from opening up.
- The belt should be loaded onto a low loader to lower its centre of gravity and give better balance during transport.
- They should be loaded in the frontal area leaning against the trailer goose neck.
- Blocks should always be placed at the rear of the load to prevent it from moving.

- They should be tied down with 3 chains through the centre of the belt and tensioned forward, rearward and downwards (the use of friction tied for these loads is the exception.)
- When using this tie-down, the movement of the belt will be limited.
- The chains should not be tightened to the maximum, but rather with a normal tension.

#### Glass and/or Windscreens

- Glass and/or windscreens should be protected through the use of timber structures with Masonite covers.
- Inside these structures, they should be surrounded with material that prevents friction with the timber structure itself (plastic, corrugated cardboard and/or polystyrene foam).
- At the top should be clearly marked the position of the glass and that it is fragile.
- Transport of these materials should be in racks specially prepared for the purpose (see attached photo), which in turn should have a cable or chain to secure the glass during transport.
- In the event the load is transported on an open semi-trailer, 2 ratchet straps per rack shall be used to tie-down the load.
- Up to two of these racks may be transported per semi-trailer.
- Domatt or rubber should be used on the legs of the racks when placed on the trailer.

#### Drums

- Drums should be palletised with a total of 8 drums per pallet.
- The load should be secured with plastic film with at least 6 wraps at the base (applying the film from the pallet), 6 wraps in the middle and 6 wraps at the top, taking the precaution of ensuring (once the film has been cut) to tie the end of the film to the pallet to prevent it from coming free during the trip.
- Once the plastic film has been placed on the load, the pallets should be secured with 4 plastic straps, two per side.
- It should be ensured that the pallets to be used have firm bases and are in good condition.
- The pallets used should be American type, with 4 entries.
- This load should be transported on curtain trailers.
- Load distribution on curtain trailers should be even

#### Motors

- All components or motors transported on racks or metallic pallets should be fastened to the structure with bolts.
- They should also have metallic straps to reinforce the fastening.
- In the event they are being transported for repairs, all oil and/or fluids should be drained, with all drainage spaces covered.
- It should be ensured that the pallets or metallic structures have firm bases and are in good condition.
- The base of the pallet or structure for transporting the loads should have the basic spaces to be handled by forklifts.
- For transporting these structures, they should be placed between the surface of the semi-trailer and the pallet rubber or domatt, to prevent them from moving on the trailer.
- The load ties will depend on the size of the load and either chains or ratchet straps may be used.

#### Sump Pump

- The load should be placed on a full-width timber structure.

- The straps should be metallic, two of them around the 4 drums and 2 fastening the load to the pallet around the middle of the drum.
- There should be a piece of timber on top (perpendicular to the entry of the forklift tines under the pallet) that covers two drums and which should be fastened to the straps in order to give strength to the package and also serves to pass the ratchet strap over them.
- American style pallets with 4 entries should be used.
- To fasten the load to the trailer bed, ratchet straps in good condition should be used over the load.
- There should be independent tie-downs for each pallet.
- Pallets of drums may not be stacked, only in rows of up to 20 pallets.

#### Oil Drums

- Should be placed on pallets, only up to 4 drums, which should be fastened to each other.
- The straps should be metallic, two of them around the 4 drums and 2 fastening the load to the pallet in the middle of the drum.
- There should be a piece of timber on top (perpendicular to the entry of the forklift tines under the pallet) that covers two drums and which should be fastened to the straps in order to give strength to the package and also serves to pass the ratchet strap over them.
- American style pallets with 4 entries should be used.
- To fasten the load to the trailer bed, ratchet straps in good condition should be used over the load.
- There should be independent tie-downs for each pallet.
- Pallets of drums may not be stacked, only in rows of up to 20 pallets.

#### **Electronic Invoicing**

Minera Escondida requires the supplier to present electronic invoices. For this, the Contractor should be enabled by the Tax Office (Servicio de Impuestos Internos (“S.I.I.”) to issue electronic DTE tax documents in accordance with the processes established for electronic invoicing, fulfilling the requirements indicated by law, and also the following.

**Once the HES/eHES (service entry sheet) number has been received, approved or merchandise received**, the contractor will proceed to issue their invoice, which once issued, in accordance with the law, **shall be sent in XML format to the address [escondidarecepcion@custodium.com](mailto:escondidarecepcion@custodium.com)**

This address constitutes an electronic deposit for the Company and is the **only address enabled to receive electronic invoices**. Confirmation by Minera Escondida of reception of the document does not constitute acceptance of the content of the electronic invoice.

The information of acceptance or rejection of the electronic document will be notified to the supplier by the electronic means by which the DTE was sent.

Invoices that require additional information (such as work inspection certificates, consignment reports or payment statements) should be sent in parallel by the contractor to the Company offices in Avenida Cerro el Plomo 6000, piso 15, Las Condes.

In turn, the electronic invoices should comply with the following requirements to be processed:

- **Send the Purchase Order in the field established by the Tax Office in the document “Electronic Tax Document Format 2012-07-27 Version 1.0” (Formato Documentos Tributarios Electrónicos 2012-07-27 Versión 1.0) which is reference 801.**
- **Incorporate an individual reference number that the Company can quote when sending payment. In the case of Services, the HES/eHES number (if there is no access to field 801, line 2 in XML format to include the HES number, this should be included in the invoice details) and for supplies, the consignment note number.**

Identify the item number in the details of the products or services established by the tax office in the document “Electronic Tax Document Format 2012-07-27 Version 1.0”. The identification is defined with the code “QBLL” respecting the position associated with the item in the Purchase Order. The details of the information the contractor should obtain from the Purchase Order and how to produce the XML file for the FEL, and general considerations referring to different cases (invoicing services, material purchase invoices, etc.)

**If the invoice does not fulfil the above requirements, it cannot be processed, therefore the Company will have the faculty to claim against its content within the period provided in this document.**

The cession of a credit contained in an electronic invoice should be done through electronic means and the company shall be notified in accordance with the law, through the annotation in the Electronic Public Records of Transfers by the Tax Office.

In the event the invoice is prepared with a Purchase Order in dollars, the invoice should indicate the exchange rate used.

**If, for any reason, the prices in the Purchase Order are modified by the purchaser, the contractor shall invoice on the basis of the information in the last Purchase Order issued.**

The exact same procedure established in the above points is to be applied for Credit Notes.

#### **Electronic Tax Documents sent directly by the supplier (only enables suppliers)**

Once the tax document is received in the electronic deposit [escondidarecepcion@custodium.com](mailto:escondidarecepcion@custodium.com), the invoice should be sent in PDF format to the email address [PSinvoice@bhpbilliton.com](mailto:PSinvoice@bhpbilliton.com) by the supplier with only the client copy of the electronic invoice to be processed, and which should contain the legal requirements and those required by the company as described above.

Also, the electronic document should carry the purchase order as mandatory data and, in the case of services, the approved Services Entry (HES/eHES) number should be added.

#### **Manual Invoicing**

The contractor shall prepare and present its invoices in accordance with the following:

**Once the approved HES/eHEs number is received or merchandise received,** the contractor will proceed to issue their invoice, only for the amount approved in said document, sending it, along with its legal copies to the Company by mail, indicating that its content is an invoice and its number, addressed exclusively to:

Minera Escondida Limitada

Avenida Cerro el Plomo 6000, piso 15

Las Condes

Santiago

The invoice will make explicit reference to the contract number and **to the purchase order or service and HES/eHES/consignment note number that supports the invoice**, allowing comparison of the contractor's invoice with said information. **If any of these are missing or there are errors in the invoice, the invoice will be rejected and payment delayed.** In the event that the invoice does not make explicit reference to that indicated in this paragraph, the Company has the faculty to return the invoice and consignment note(s), as the case may be, at the time of delivery or to make a claim against its content within the periods allowed by this document.

**The contractor is obliged to not send their invoices to any address or destination different to those indicated, and waives all right to collect or indemnity that may arise from sending the invoice to any other of the Company's addresses.** Whenever an invoice has been transferred, the Contractor will instruct the invoice assignee so that notification of transfer is done at the indicated document reception address. In the event that the contractor does not comply with this obligation, they will respond to any injury caused to the Company by payment to a third party that does not hold the right.

The Company may modify the addressee for invoices or the address, with prior written notification of this to the contractor with at least 7 days' notice.

#### **Common Rules for Electronic and Manual Invoicing**

The parties agree that the Company shall of a period of sixty (60) calendar days from reception of the invoice to make a claim against its content. Electronic communication is considered an authentic means for all effects of making claims, notwithstanding the Company's faculty to notify of such claim by certified mail if considered convenient.

Explicit reference shall be made in the invoice to the **purchase order number or service order and (APPROVED) HES/eHES OR Consignment Note (RECEIVED)** that support said invoice, allowing comparison of the contractor's invoice with said information.

**If any of these are missing or there are errors in them, the invoice will be rejected and payment delayed**



**Invoices correctly issued and not claimed against will be paid to the Contractor on the basis of the Terms of Payment agreed to in the Contract or Purchase Order.**

Invoicing Data:

Señor(es): MINERA ESCONDIDA LIMITADA  
Dirección: AVDA. CERRO EL PLOMO 6000 PISO 15, LAS CONDES SANTIAGO  
R.U.T: 79.587.210-8  
Giro: EXPLOTACION DE OTRAS MINAS Y CANTERAS

**Communication Channels**

To enquire about payments and/or follow-up of invoices, the normal channels the supplier can go to are the following:

- Website [www.sbschile.cl](http://www.sbschile.cl)
- Self-service enquiries 800-411-177

**INTERNATIONAL PURCHASES**

On activating an international purchase order, the supplier shall consider the following points:

- The official shipping agent for Minera Escondida is **MIQ Logistics**, therefore all coordination shall be done through them.
- The documentation (commercial invoice, certificate of origin and packing list) shall be sent to the email address [Sofia.Suntaxi@miq.com](mailto:Sofia.Suntaxi@miq.com), prior to this, the MIQ logistics analysts will contact the supplier directly to carry out the respective coordination.
- For air shipments, when the cargo is removed, it shall be delivered together with the original documentation. If it is a maritime shipment, in cases where this is required, the original documentation shall be sent to **Sra. Sofia Suntaxi, dirección: José Toribio Medina 094, oficina 601, Antofagasta, Chile.**
- For those clauses different to EXW, FOB, FCA and FAS, coordination shall be made directly with the shipping agent designated by the supplier, attaching in the same way the

documentation necessary for the importation process. The shipping agent will then send the documentation to **Paulina Silva or María José Ventura in BHP Billiton Chile, address: Av. Cerro El Plomo 6000 L15 oficina de partes**, to coordinate the respective endorsements. They shall also coordinate directly with **Agencia de Aduana Rodrigo Larraguibel y Cia. Ltda., dirección: Av. Matta 1839 Edificio Obelisco Piso 16 Oficina 1601, Antofagasta, Chile. Telephone: +56552251610.**

- In the case of a national purchase, where the load is overseas, the supplier shall send an Electronic GST-Exempt Importation Invoice to [Sofia.Suntaxi@miq.com](mailto:Sofia.Suntaxi@miq.com). If it is a manual invoice, a legalised physical copy shall be sent to MIQ.
- If the loads come from a commercial partner different to the supplier that made the agreement, the necessary documentation shall be provided by the supplier to commence the importation process.
- Importations of natural gas, butane gas, propane gas, propane liquid mixes, sulphuric acid may be accepted with invoices with provisory values, with an invoice with the definitive values being attached not more than ninety days after the date of the provisional invoice.
- In case of an importation of hazardous substances, it is necessary to have a Safety Hazard Sheet (MSDS), for maritime shipments an IMO declaration and for air shipments a DGR. The packaging should be labelled with the respective labels, indicating their classification.
- The packages used for overseas commerce should be subjected to a phytosanitary treatment to prevent transport of plagues. After fumigation, the packages should be marked with an internationally recognised mark to certify that the treatment has been carried out correctly (SAG).
- For over-sized loads, it is essential that lifting points and centre of gravity be clearly identified for correct handling.

### **Foreign Invoices and other collection documents**

Foreign Invoices and other collection documents, such as receipts for services rendered, collection notes, among others, should be issued in the same way as manual invoices. The difference is in the channel for sending them, and these should be sent by email to [facturas.convencionales.mel@bhpbilliton.com](mailto:facturas.convencionales.mel@bhpbilliton.com)