



CONTRACTOR MANAGEMENT POLICY

(As of June 13, 2026)

I. PURPOSE

This Contractor Management Policy (“Policy”) establishes the framework for the selection, engagement, and management of contractors by St. Augustine Gold and Copper Limited (the “Company”) in a manner consistent with Philippine law, the Company’s Code of Business Conduct and Ethics (CBCE), Anti-Bribery and Corruption Policy, and Whistleblowing Policy.

This Policy is an implementing policy of the CBCE. In case of conflict, the CBCE shall prevail.

This Policy aims to:

- Ensure Contractors comply with all applicable laws and regulatory requirements.
- Establish minimum Health, Safety, Environment, and Community (HSEC) standards.
- Define contractor qualification, competency, and staffing requirements.
- Provide guidance to Contract Owners in managing contractor performance.
- Promote an injury-free, environmentally responsible workplace aligned with the Company’s strategic objectives.
- Ensure proper contractor resourcing and workforce capability for safe and efficient project delivery.

II. SCOPE

This Policy applies to:

- All Contractors and Subcontractors engaged by the Company.
- All services and works performed within the Project Site, whether short-term or long-term.
- All contractor personnel permanently or temporarily assigned to Site.

III. LEGAL AND REGULATORY COMPLIANCE REQUIREMENTS

Contractors shall comply with all applicable laws and regulations, including occupational safety and health, environmental, mining, labor,

and corporate registration requirements. Ethical violations, including bribery, corruption, retaliation, or suppression of reports, shall constitute material breaches of contract.

IV. STRATEGIC ALIGNMENT AND CORPORATE VALUES

Contractors shall align with the Company's commitments to safety, environmental stewardship, ethical conduct, and respect for communities. Compliance with the CBCE, Anti-Bribery and Corruption Policy, and Whistleblowing Policy is mandatory and shall be cascaded to subcontractors.

V. REPORTING AND WHISTLEBLOWING

Contractors and their personnel shall report ethical concerns, suspected corruption, or serious misconduct through the mechanisms provided under the Company's Whistleblowing Policy. Confidentiality and protection against retaliation are guaranteed for good-faith reports.

VI. NON-COMPLIANCE AND SANCTIONS

Non-compliance with this Policy or related ethical standards may result in corrective action, suspension, termination, removal from the accredited contractor list, and referral to authorities when required by law.

ANNEX A
SPECIFIC REQUIREMENTS

I. CONTRACTOR REQUIREMENTS AND QUALIFICATIONS

Pre-Qualification Requirements, Contractors must:

1. Complete the Contractor Pre-Qualification Form
2. Submit all relevant HSEC policies, manuals, and training records
3. Provide HSEC performance statistics for the past three (3) years
4. Demonstrate technical competency and financial capacity to perform the work.
5. Submit an Organizational Chart and credentials of key personnel.
6. Provide proof of valid insurance coverage.
7. Undergo an HSEC capability assessment, which may include a site inspection.

Only Contractors listed in the Preferred Contractor Register of the Company are eligible to commence work.

II. CONTRACTOR RESOURCING AND STAFFING REQUIREMENTS

Proper contractor resourcing and staffing are essential to ensure safe, compliant, and efficient operations.

A. Organizational Structure Requirements

Contractors must provide a site-specific organizational chart that identifies all key personnel, including but not limited to:

- Project Manager / Site Manager
- Safety Officer (DOLE-accredited)
- Safety Inspector (as required)
- Pollution Control Officer (if applicable)
- Site Engineer / Supervisors
- Skilled Trades Personnel
- First Aiders / Nurses
- Equipment Operators
- Environmental Officer (if applicable)
- Administrative Support Staff

B. Minimum HSE Staffing

Contractor workforce size shall determine the minimum HSE staffing as follows:

Contractor Workforce Size	Required Safety Personnel
1–9 workers	At least 1 Safety Officer (per DOLE OSH law)
10–50 workers	1 Safety Officer
51–99 workers	1 Full-Time Safety Officer
100–199 workers	2 Safety Officers
200+ workers	Additional Safety Officers as required by DOLE OSH standards

Where environmental risk is significant, a DENR-accredited Pollution Control Officer (PCO) must be deployed onsite. For long-term contracts or workforce exceeding 50 personnel, a dedicated site HSE Officer is mandatory.

C. Competency Requirements

All contractor personnel must:

- Hold relevant trade certifications (e.g., TESDA NCII or equivalent).
- Possess valid licenses for equipment operation (cranes, forklifts, heavy equipment, scaffolding, etc.).
- Complete site-specific induction.
- Pass competency assessments prior to mobilization.

Mandatory training includes, but is not limited to:

- Basic Occupational Safety and Health (BOSH/COSH)
- First Aid and Basic Life Support
- Fire Safety and Fire Extinguisher Use
- Hazard Identification and Risk Assessment
- Spill Prevention and Response (if applicable)
- Confined Space Training (if applicable)
- Work at Heights Training (if applicable)

D. Workforce Planning and Mobilization

Contractors must:

- Submit a Manpower Mobilization Plan.
- Provide a workforce loading schedule.
- Maintain adequate supervision ratios.
- Demonstrate succession planning for key roles.
- Ensure replacement personnel meet all qualification requirements.

Understaffing that compromises safety, compliance, or operational efficiency is strictly prohibited.

E. Fitness for Work

Contractors must implement programs to ensure all personnel are fit for duty, including:

- Pre-employment medical examinations.
- Annual medical examinations for long-term assignments.
- Drug and alcohol testing.
- Fatigue management program.
- Limiting maximum work hours to 12 hours within a 24-hour period, including travel.

Personnel deemed unfit for duty shall not be permitted to work onsite.

III. HEALTH, SAFETY, SECURITY, AND ENVIRONMENT (HSSE)

A. Risk Management

Contractors are required to:

- Develop a Contract Risk Assessment prior to mobilization.
- Maintain a Risk Register.
- Conduct Job Hazard Analysis (JHA) for high-risk tasks.
- Apply the Hierarchy of Controls to mitigate hazards.
- Achieve ALARP (As Low as Reasonably Practicable) risk levels.

B. Permit to Work (PTW)

All high-risk activities must obtain an approved Permit to Work before commencement. This includes, but is not limited to:

- Hot Work
- Confined Space Entry
- Work at Heights (>1.8m)
- Excavation/Trenching
- High Voltage Isolation
- Ground disturbance affecting flora/fauna

C. Plant, Equipment, and Vehicles

Contractors must ensure that all plants, equipment, and vehicles are safe and compliant by:

- Conducting regular inspections and maintenance of all equipment.
- Ensuring vehicles are licensed, insured, and roadworthy.
- Securing a valid Permit to Operate (PTO) from the EMB for air pollution source equipment.
- Complying with hazardous waste transport regulations under RA 6969 and DENR DAO requirements.

- Inspecting lifting equipment every three months.
- Tagging and testing electrical equipment every three months.
- Obtaining written approval before modifying any plant or equipment.

D. Incident Reporting

All incidents must be:

- Reported within 6 hours of occurrence.
- Investigated within 24 hours.
- Documented in accordance with Company's reporting systems.
- Immediately escalated if the incident is high-risk or serious.

E. Security and Access Control

To protect personnel, assets, information, and operations, contractors must comply with site Security and Access Control requirements.

1. Site Access Authorization

- All contractor personnel must be formally endorsed by the Contract Owner before mobilization.
- Only personnel with valid ID badges or access passes can enter.
- Access is limited to assigned work areas.

2. Identification and Access Passes

- All personnel must wear Company-issued identification at all times onsite.
- Access passes are non-transferable and must not be shared.
- Lost or stolen access passes must be immediately reported to Security.

3. Visitor Control

- Visitors must be pre-approved, registered at the Security Gate, escorted at all times, and comply with site HSEC requirements.
- Contractors are responsible for ensuring visitor compliance within their work areas.

4. Vehicle Access Control

- Vehicles entering the site must be registered with Security and display approved vehicle passes.
- Drivers must comply with site speed limits and traffic management rules.
- Unauthorized vehicles are strictly prohibited.

5. Security Screening

- Security may inspect bags, personal belongings, vehicles, and equipment at any time.
- Prohibited items include, but are not limited to: firearms, weapons, illegal drugs or alcohol, unauthorized hazardous materials, and other contraband.

6. Emergency Access and Egress

- Contractors must ensure that all emergency exits and response routes are unobstructed at all times.
- All activities must comply with the site Emergency Response Plan (ERP).
- Any obstructions may result in immediate corrective action.

7. Information and Asset Protection

- Contractors must protect confidential company information, operational data, and intellectual property.
- Photography, video recording, or data collection onsite is prohibited without prior written authorization.

8. Security Incident Reporting

- All security-related incidents, including unauthorized access, theft, suspicious activity, threats, or violence, must be reported immediately to Site Security and the Contract Owner.
- Security incidents must be investigated in coordination with HSEC management.

9. Compliance and Enforcement

- Non-compliance with security requirements may result in immediate removal from the site, suspension of access privileges, contractual penalties, or termination of the contract.
- Security controls are part of the overall HSEC management system and are subject to continuous review under the Plan-Do-Check-Act (PDCA) framework.

IV. MONITORING AND PERFORMANCE EVALUATION

Contractors shall be audited within three months of mobilization and evaluated every six months, or at the end of the contract for shorter engagements.

Performance shall be assessed using Contractor HSEC Evaluation Forms. Contractors found to be non-compliant may face suspension or termination of their contract.

Persistent HSEC non-performance will result in removal from the Preferred Contractor Register.

V. CONTRACTOR CLASSIFICATION

Category 1 – Project-Based Contractors (≤ 6 months)

- Engaged for discrete, clearly defined projects outside routine operational areas.
- Must submit a project-specific Health, Safety, Security, and Environmental (HSSE) Plan.
- Must have their own organizational structure, management, workforce, tools, equipment, and materials necessary to complete the project.

Category 2 – Operational Contractors (> 6 months or recurring)

- Engaged for long-term, recurring, or integrated operational work.
- Must maintain an independent organizational structure and be responsible for planning, supervision, and execution of work.
- Must participate in periodic site audits, Potential Hazard Management Program Audits (PHMP) audits, Contractors Health, Safety, and Environment Committee (CHSEC) meetings, and six-month performance evaluations.
- Must provide and maintain their own workforce, tools, equipment, and materials, and deliver defined outcomes.

VI. RESPONSIBILITIES OF THE COMPANY

Site Manager

- Ensure implementation and oversee periodic audit of this Policy.

Contract Owner

- Conduct risk assessments for all contracted activities.
- Monitor contractor adherence to HSEC and operational requirements.
- Evaluate contractor performance and recommend corrective actions as needed.

OHSC and Environment Manager

- Conduct site inductions and HSEC orientations for contractors.
- Audit contractor compliance with HSEC standards and regulatory requirements.
- Provide guidance and mentoring to contractors on safe and environmentally responsible practices.

Commercial Manager

- Ensure all contracts and procurement documents include required HSEC clauses.
- Register and maintain contractor records in the PRONTO system.

Contractor

- Nominate a responsible HSE representative to oversee site activities.
- Provide a competent and adequately resourced workforce.
- Comply with all applicable legal, regulatory, and site-specific requirements.
- Maintain high standards of health, safety, security, and environmental performance throughout the engagement.

VII. CONTRACTOR ACCREDITATION

Contractors must meet the following requirements to be accredited:

1. Successfully complete the Pre-Qualification process.
2. Submit all required legal and regulatory documentation, as required by the Company's Procurement, Legal, and Compliance Teams.
3. Demonstrate a satisfactory history of Health, Safety, Security, and Environment (HSEC) performance.
4. Hold a valid PCAB license for construction-related work or DO 174-17 Registration, where applicable.
5. Have no significant unresolved legal issues or HSEC violations.

Accreditation qualifies a contractor to participate in tenders but does not guarantee the award of a contract.

VIII. NON-COMPLIANCE

Failure to comply with this Policy may result in one or more of the following actions:

- Issuance of a Corrective Action Notice;
- Suspension of work or access to the site;
- Removal of contractor personnel from the site;
- Imposition of financial sanctions;
- Termination of the contract;
- Removal from the Accredited Contractor List.

The Company reserves the right to enforce these measures to ensure compliance with legal, safety, and operational requirements.

IX. CONTINUOUS IMPROVEMENT

The Company is committed to partnering only with Contractors who demonstrate a strong commitment to continuous improvement by:

- Exhibiting leadership in HSEC practices;
- Promoting a proactive and positive safety culture;
- Exceeding minimum regulatory and contractual compliance standards;
- Aligning with the Company's values, including responsible operations, environmental stewardship, and ethical business conduct.

X. CONTRACTOR TENDER, SELECTION AND AWARDING

A. Contract Tender

- All required documentation, including contract commencement information, tender request, scope of work, and risk assessments, shall be compiled and made available to the assigned Supply Chain/Procurement staff.
- These documents shall then be distributed to all eligible contractors for tendering.
- The tendering process shall follow the standard procedures for contractor engagement and procurement.

B. Contractor Submission Requirements

Contractors must submit all relevant documents necessary for evaluation, including but not limited to:

- A completed bid or tender submission detailing proposed approach, resources, and methodology;
- HSSE Management Plan demonstrating how the contractor will manage risks and comply with applicable safety and environmental standards.

These submissions serve as the basis for evaluation and contractor selection.

C. Bid Evaluation

A Tender Evaluation Team shall be established, consisting of representatives from Procurement/Supply Chain, HSSE, Legal, Finance, and other relevant functions, as well as the Contract Requester and subject matter experts familiar with the scope and associated risks.

Bids shall be evaluated against pre-defined criteria covering:

- HSSE Performance - Contractor safety and environmental management, leadership verification, mobilization plans, and historical performance;
- Legal Compliance - Disclosure of any pending legal cases or violations; confirmation of legal appointments and competency;
- Capability - Adequacy of machinery, tools, equipment, manpower, work methodology, mobilization plan, schedules, and employee competency;
- Financial and Commercial Capacity - Proposed pricing, unit cost breakdown, payment terms, insurance, and bonds;
- Work History - Relevant past projects, administrative compliance, and organizational structure including safety oversight.

Contractor HSSE personnel competency shall be formally reviewed and approved by the designated HSSE authority. Other personnel competencies shall be reviewed and approved by the Contract Supervisor and assigned representatives.

D. Contractor Selection

After the evaluation, the Tender Evaluation Team will meet to finalize the selection of the contractor. Only contractors who are accredited, meet the required risk tier, and demonstrate necessary capability, HSSE compliance, and overall competency shall be considered.

Contractors failing to meet the minimum evaluation threshold must submit a Control Plan addressing deficiencies before a contract can be awarded.

The assigned Supply Chain/ Procurement staff shall formally notify the relevant stakeholders of the selected contractor.

All tender-related documents will be stored in the approved document management system, with soft copies accessible to contract owners and requesters, and hard copies retained by the contractor during execution.

E. Contract Awarding

The assigned Supply Chain/ Procurement staff shall formally notify the successful contractor of their status as the preferred contractor and initiate the contract preparation process. No work may commence until the tender evaluation has been fully completed, all required internal approvals have been obtained, and a contract has been executed by both parties.

If the selected contractor is not yet accredited, the accreditation process must be completed before the contract can be awarded.