

CONFLICTS OF INTEREST (Ethics) POLICY

Drummond Ltd. expects conduct by all of its employees that eliminates or reduces the risk of internal or external pressures that could undermine the confidence placed in them, so as to not affect the quality of their work, corporate policies, or corporate image.

A conflict of interest exists when an employee, upon doing his or her work, is influenced by personal considerations that are not in line with the interests of the Company. This puts into question the objective performance and effectiveness of his or her work, as well as capacity, impartiality, good judgment, or integrity in performing the work.

All employees are vulnerable to committing conduct that constitutes a conflict of interest, and therefore it is imperative to report to the Company any conflict that may arise relative to family ties that exist or come to exist with other employees or candidates in the process of joining Drummond Ltd., including contractors or providers.

Along this line of thinking, we have to avoid placing and hiring people who have some sort of family relationship to work in the same area, or when one of them could be under the direct or indirect supervision of the other, because not only do we want employees to be loyal to the company, but we want this loyalty to be spontaneous, without pressure, and free from any conflict.

Should such events occur, the employee or the candidate must report it immediately in written form to his or her immediate supervisor, and the human resources, legal and audit departments.

Immediate family is understood to include spouses, permanent companions, relatives to the third degree of blood kinship (grandparents, parents, children, grandchildren, siblings, aunts and uncles, nieces and nephews), second degree of affinity (in-laws, spouses, and brothers and sisters-in-law) and first-degree civil kinship (adopters and adoptees).