

## RULES AND CONDITIONS FOR THE PRESENTATION OF AUDIT SERVICES OFFERS OF THE FINANCIAL STATEMENTS OF OLADE CORRESPONDING TO THE FISCAL YEAR 2024

### I. GENERAL INFORMATION

#### 1. Background

The Latin American Energy Organization, OLADE, with its official headquarters in the City of Quito Ecuador, was created on November 2, 1973, under the signing of the Lima Convention, an international treaty ratified by 27 countries in Latin America and the Caribbean, as an intergovernmental public cooperation and technical advisory body with its own international legal status, budgetary and financial autonomy, subject to International Public Law, dedicated to promoting integration, development, conservation, rational use, commercialization and defense of the energy resources of the Region.

#### I.2 OLADE's Accounting Structure

OLADE's accounting is carried out exclusively in the offices of the Permanent Secretariat located in the City of Quito, Republic of Ecuador; therefore, all audit work is carried out in the host country of the organization, according to the following accounting structure, aimed at providing adequate control and registration of information.

##### a) OLADE

###### i. Functional Programs

Records in United States dollars the transactions related to the Permanent Secretariat.

###### ii. Cooperation Programs

Records in United States dollars the transactions related to the programs, activities and projects that are developed in the energy sector in the OLADE Member Countries.

##### b) Activities Co-financing Agreements (COFAC).

OLADE maintains accounting in United States dollars for each of its projects, which add up to an approximate total of ten (10). Each of these projects has its own source of financing.

Note 1: The monthly average of accounting records in the projects is one hundred and fifty (150) monthly transactions, for which various bank accounts in United States dollars are handled.

### **c) OLADE Retirement Fund**

Plant officials maintain a Retirement Fund in a special account managed independently from OLADE accounting. This Fund is administered by a Committee, in accordance with current regulations.

Note 2: The monthly average of accounting records of the Retirement Fund is twenty (20), monthly transactions, for which two (2) bank accounts in United States dollars are handled.

## **II. RULES OF THE TENDER AND TERMS OF REFERENCE**

### **II.1. Requirements of the audit firms**

By internal provisions, the audit of the Financial Statements of the Organization, will be in charge, exclusively of firms domiciled in the Member States of OLADE, that demonstrate a recognized prestige and uninterrupted activity during the last 5 years.

The audit team must be made up of professionals from the Member States, who have command of the Spanish language, and have a minimum experience of five (5) years in this discipline.

The financial offer will be received only in United States dollars for the total cost of the audit services. Due to strict compliance with the item approved in the annual budget, OLADE will not cover additional costs to the total value established in the contract signed with the audit firm.

The audit work must be carried out within a maximum period of thirty (30 days), and begin during the first quarter of the year, according to dates agreed in the corresponding service provision contract signed between OLADE and the audit firm.

### **II.2. Restrictive conditions**

Considering the existence of a conflict of interest, the offers from the following will not be enabled in the offer qualification process:

- a) Natural persons or legal representatives of legal entities who have family ties with OLADE officials, within the fourth degree of consanguinity and/or second of affinity.
- b) Natural persons or legal representatives of legal entities who have had previous labor relations and have been disconnected for having affected the institutional interests of the Organization.
- c) Internal comptrollers of the governments of the Member States of OLADE.

### **II.3. Desirable requirements**

On the basis of the gender equality perspective that OLADE incorporates in its policies and projects, among the parameters to be considered for the hiring of the audit firm, it will be assessed as a positive aspect of the signatory firms the undertaking of affirmative actions in the field of gender equality. This, understood as strategies aimed at guaranteeing equal opportunities through the implementation of measures that allow contrasting or correcting discrimination resulting from social practices or systems, in order to develop effective programs to provide women with concrete advantages.

## II.4. Form of Payment

OLADE establishes the following form of payment for audit services:

Forty percent (40%) upon signing the contract.

Sixty percent (60%) upon delivery of the final report.

The audit firm may choose to charge 100% of the agreed fees at the date of delivery of the final report.

It will be the responsibility of the audit firms, the declaration and payment of the corresponding tax obligations in their respective countries of legal domicile. OLADE, as an International Organization, does not act as a retention agent for any Government.

## III.6. Required documentation

Audit firms in their service offer must send OLADE the following information:

- a) Service Offer Presentation (attached format).
- b) Presentation of the firm.
- c) List of clients served during the last fiscal year.
- d) List and CV of the professionals that will be part of the audit team, stating the corresponding professional degree, years of experience and assigned role in the development of the OLADE audit.

## III.7. Deadline and submission procedure

Interested firms must submit their offer and the information required by OLADE, complying with the deadlines established for this purpose, by physical or electronic delivery to the following addresses.

Physical address: Mariscal Antonio José de Sucre Avenue N58-63 and Fernández Salvador.  
OLADE building. Telephone: (593-2) 2598122 Quito, ECUADOR

E-mail address: [auditoria.financiera@olade.org](mailto:auditoria.financiera@olade.org)

## III.8. Clarifications

Queries or clarifications will be provided by the Administration, Shared Services and Finance Direction on the telephone numbers (593-2) 259 81 22, or by email: [auditoria.financiera@olade.org](mailto:auditoria.financiera@olade.org)

## ANNEX 1

### PRESENTATION FORMAT OF THE OLADE AUDIT SERVICES OFFER

Place, date

Mr. Executive Secretary:

In response to the invitation made by the Latin American Energy Organization, OLADE, to participate in the Tender to select the firm that will audit the financial statements for the year (base year) and considering the basis of the call, the following offer of services is presented including the general information requested:

1. The firm XXXXX, which I represent, is a company originating in XXXX (country), which has maintained uninterrupted operations during the last (XX) years; and, if selected to carry out the audit of the Organization's Financial Statements, it will act exclusively with professionals from the OLADE Member Countries.
2. The list (which accompanies this offer) of clients served during the last year constitutes a verifiable reference to our experience.
3. The professionals specialized in auditing that make up our work team may be verified by OLADE.
4. The information corresponding to the company's conditions regarding experience, activity level and financial situation is described below.
  - a) Date of Constitution:
  - b) Number of clients served during the previous year:
  - c) Number of auditors working in the company full time:
  - d) Total assets US\$ \_\_\_\_\_  
Total liabilities US\$ \_\_\_\_\_  
Total equity US\$ \_\_\_\_\_
5. The total value of the financial offer for the audit services is USD \$ (XXXX).

**Signature of Legal Representative**

## ANNEX 2

### MODEL OF CONTRACT TO SUBSCRIBE BETWEEN OLADE AND THE AUDIT FIRM

#### CONTRACT FOR THE PROVISION OF SPECIALIZED TECHNICAL SERVICES FOR THE EXTERNAL AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 OF (BASE YEAR); CELEBRATED BETWEEN THE LATIN AMERICAN ENERGY ORGANIZATION, OLADE AND

(NAME OF THE AUDIT FIRM).

The Latin American Energy Organization, OLADE, who, from now on and for the purposes of this contract, may be called "THE CLIENT", represented by (name of the Executive Secretary), as the Executive Secretary and therefore Legal Representative; as accredited according to the certificate of possession that is attached as an enabling document, and, on the other hand, the firm (name of the audit firm), who in the future and for the purposes of this instrument will be called "THE AUDIT FIRM", duly represented by (name of the legal representative of the audit firm), as the (position of the legal representative of the auditing firm) according to the power of attorney that is attached as an enabler, who freely and voluntarily agree to enter into this Contract pursuant to the following clauses:

#### FIRST. - BACKGROUND

THE CLIENT, is an international organization for cooperation, coordination and technical advice, of an intergovernmental public nature, constituted on November 2, 1973 by the signing of the Lima Agreement, ratified by 27 countries in Latin America and the Caribbean. The organization, constituted in the field of Public International Law, has the fundamental objective of promoting the integration, conservation, rational use, commercialization and defense of the energy resources of the Region.

(name of the auditing firm), is an existing Audit Firm under the laws of (name of the country that corresponds) dedicated to the provision of External Audit services that has the qualifications required by current legislation for the provision of this Service.

THE CLIENT requires contract the services of THE AUDIT FIRM to provide the audit services of THE CLIENT's financial statements.

#### SECOND. - INTERPRETATION AND DEFINITION OF TERMS

The terms of the Contract must be interpreted in a literal sense, in the context of the same, taking into account that its purpose clearly reveals the intention of the contracting parties. If there are contradictions between the Contract and the regulations governing the parties, the rules of the Contract will prevail. If there are contradictions between the regulations that govern the parties, it will be the parties, by mutual agreement, who determine the prevalence of a text, in accordance with the contractual purpose.

### THIRD. - DEFINITIONS

The application and provision of the service object of this instrument will be governed by the following definitions:

- a) **THE PARTIES:** For the purposes of this instrument when referring to the term "the parties" reference will be made to the company (AUDIT FIRM) and THE CLIENT as a whole.
- b) **Confidential Information:** For the purposes of THE CONTRACT, Confidential Information means all documents, materials, information, ideas of or about THE CLIENT or (AUDIT FIRM), including, but not limited to, documents, materials, information and related ideas with business models, technical, financial, commercial, corporate, marketing and strategic information, programs, operations, methodologies, know how, techniques, policies, practices, procedures, products, services, equipment, systems, human resources, work staff, new technologies, notes, analysis, worksheets, compilations, comparisons, marketing programs, which includes inventions (whether patentable or not), studies or any other document that contains, reflects, is based on or generated by such Confidential Information.

In a particular way and without limiting the aforementioned, THE CLIENT acknowledges that the methodologies, procedures, "know-how", techniques and personal and corporate information that comes to know about (AUDIT FIRM), during the development of the contracted services, is confidential information that belongs and will remain the property of (AUDITING SIGNATURE), as appropriate, which is subject to the obligation of reservation and confidentiality of the information embodied in this clause.

In this regard, THE CLIENT acknowledges that (AUDITING SIGNATURE), in order to fulfill the purpose of the contract, may have the need to disclose certain information to its directors, workers, associates. In this event, (AUDITING SIGNATURE) is required to comply with the confidentiality policies of the organization and in any case, to maintain the reservation and confidentiality of the information disclosed in the terms provided in THE CONTRACT.

Regardless of the actions to which there may be due to breach of the obligations of THE CONTRACT, if any of THE PARTIES misses or discloses confidential information to third parties, it will give immediate notice to the holder and will take all reasonable and necessary measures to minimize the results of loss of information or disclosure thereof without authorization.

- c) **Public Information.-** For the purposes of this instrument, the following shall be considered as public information: a) information that is in the public domain prior to the date on which it was provided or that has been lawfully made public during the term of the Contract; b) the information that is in possession or can be independently acquired or developed by any of THE PARTIES without violating any of their contractual or legal obligations; e) Information on which its disclosure is approved by written authorization of the Disclosing Party and only up to the limit of said authorization; f) Information that has been known through third parties without the obligation to keep it confidential, unless the Receiving Party has full knowledge that said third parties are not authorized to reveal or disclose such information.



- d) **Data of THE PARTIES:** means all data (including all texts, sound, software or image files), the content, of the information or material that THE PARTIES or their staff are provided in the activities that include the handling of these for the creation, storage, process, transmission in the course of the use of the service, including statistical analysis or use for trend development.
- e) **Personal Information:** means any information relating to an identified or identifiable physical person that is acquired in the execution of the contract, in relation to the provision of the service under this Contract, whether in written, oral, electronic or other form, and any copy thereof. An identifiable person is a person who can be determined, directly or indirectly, in particular with reference to an identification number or one or more specific factors of their physical, physiological, electronic, mental, economic, cultural or social identity. Examples of personal information include the following: account number (bank account, credit card, etc.); biometric identifier; license or identification number; birthdate; government identifiers (such as social security numbers); first name; personnel number; photograph or identifiable video to an individual; vehicle identifier or serial number; and may also include other information related to an individual that can directly or indirectly identify the person (for example, salary, performance qualification, purchase history, call history, etc.).
- f) **Security Incidents:** means any potential, real or alleged misappropriation, disclosure or use of, or unauthorized access, customer data or personal information (by contractor personnel, third parties, or otherwise), or any other commitment of the security, confidentiality, or integrity of the data of any of THE PARTIES or personal information.

#### **FOURTH. - OBJECT OF THE CONTRACT**

THE CLIENT hires THE AUDIT FIRM to provide the audit services in accordance with the International Auditing Standards, of THE CLIENT's financial statements that include the statement of financial position and the corresponding statements of comprehensive income, of changes in equity and of cash flows for the year ended December 31 of (BASE YEAR), and a summary of significant accounting policies, as well as other explanatory notes prepared in accordance with Generally Accepted Accounting Principles. The audit will be conducted with the objective of expressing an opinion (or denial of it, if applicable) on the financial statements mentioned above.

THE AUDIT FIRM undertakes to provide the services in accordance with the internal regulations of THE CLIENT, the international auditing standards and with the contractual terms included in this instrument.

#### **FIFTH. - SCOPE OF WORK**

THE AUDIT FIRM undertakes to carry out the audit of THE CLIENT's financial statements for the year ended December 31 of (BASE YEAR), in accordance with International Auditing Standards. The aforementioned regulations imply that THE AUDIT FIRM complies with ethical requirements, plans and performs the audit to obtain reasonable certainty that the financial statements do not contain material errors.

The objectives of an audit are aimed at obtaining reasonable assurance that the financial statements as a whole are free from material errors, due to fraud or error, and issue an audit report that includes an objective opinion of the firm that provides the audit services. Reasonable security is a high degree of security, but does not guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material error when it exists. Errors may arise due to fraud or error and are considered material if, individually or as a whole, they can reasonably be expected to influence the economic decisions that users make based on the special purpose financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, THE AUDIT FIRM applies professional judgment and maintains an attitude of professional skepticism throughout the entire audit process. Furthermore:

- Identifies and evaluates the risks of material error in the financial statements, due to fraud or error, designs and executes audit procedures to respond to said risks and obtains sufficient and adequate audit evidence to provide a basis for the audit opinion. The risk of not detecting a material inaccuracy due to fraud is higher than in the case of a material inaccuracy due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally incorrect statements or breach of the internal control.
- Acquires knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of THE CLIENT's internal control.
- Evaluates whether the accounting policies applied are appropriate and whether the accounting estimates and the corresponding information disclosed by the Administration is reasonable.
- Concludes on the appropriateness of the use, by the Administration, of the accounting base of THE CLIENT and, based on the audit evidence obtained, concludes whether or not there is a material uncertainty related to events or conditions that may generate significant doubts about the ability of THE CLIENT to continue as an operating business. If it is concluded that there is material uncertainty, it is required to draw attention in the audit report to the respective disclosures in the financial statements or, if such disclosures are not adequate, express a modified opinion. The conclusions are based on the audit evidence obtained to date of the audit report; however, future events or conditions may cause THE CLIENT to cease to be a functioning entity.
- Evaluates the general presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a way that achieves a reasonable presentation.

THE AUDIT FIRM will deliver to THE CLIENT the following reports:

- Opinion of the auditors on the individual and consolidated financial statements of the Latin American Energy Organization, OLADE and its projects prepared in accordance with Accounting Principles Generally Accepted as of December 31 of (BASE YEAR).



- Report to management that includes comments and recommendations on weaknesses of internal and other administrative and operational control of the Latin American Energy Organization, OLADE and its projects. Comments and recommendations will arise as a result of the audit procedures of the financial statements for the year ended December 31 of (BASE YEAR)
- Opinion (or denial, if applicable) of the auditors on the individual and consolidated financial statements of the Retirement Fund for Officials of the Latin American Energy Organization, OLADE prepared in accordance with Generally Accepted Accounting Principles as of December 31 of (BASE YEAR).
- Report to management that includes comments and recommendations on weaknesses of internal control and other of administrative and operational nature of the Retirement Fund for Officials of the Latin American Energy Organization, OLADE and its projects. Comments and recommendations will arise as a result of the audit procedures of the financial statements for the year ended December 31 of (BASE YEAR)

## SIXTH. - CALENDAR

THE AUDIT FIRM will carry out its work in accordance with the following calendar:

- Planning- In the month of (month) of (YEAR), to update the knowledge of the operations carried out by THE CLIENT, determine the work plan.
- Final visit - In the month of (month) of (YEAR), for review of the financial statements with cut to (day) of (month) of (base year).

For the final review, THE CLIENT agrees to deliver, with due opportunity, all the information that THE AUDIT FIRM requests in writing in a letter of requirements.

Once THE AUDIT FIRM submits the draft report for THE CLIENT's review, the latter within a maximum period of 8 days must submit the corresponding comments to THE AUDIT FIRM.

Finally, within a maximum period of 15 days from the communication through which THE AUDIT FIRM sends the draft of the preliminary report to THE CLIENT, the latter must approve and sign the preliminary report, together with its respective Annexes.

## SEVENTH. - CLIENT RESPONSIBILITIES

- a) THE CLIENT assumes full responsibility for the preparation and reasonable presentation of the financial statements including the explanatory notes, in accordance with the Generally Accepted Accounting Principles and internal control determined by management as necessary to allow the preparation of the financial statements free of material errors due to fraud or error. The audit of the financial statements does not release the Administration from its responsibilities.

- b) THE CLIENT will provide all the information necessary for the development of the exam and that is relevant for the preparation of the financial statements. The aforementioned information includes details of the items that make up the accounts, reconciliations, supporting documentation and other matters pertinent to the preparation and reasonable presentation of the financial statements. In the event that THE CLIENT, for any reason, will not deliver the information in a timely manner and in accordance with the requirements of THE AUDIT FIRM and this will cause a delay in the provision of the service, THE AUDIT FIRM may withdraw the work team and coordinate a new start date of the same, for which THE CLIENT must bear the additional costs that the delay entails. Likewise, THE CLIENT shall provide access within the entity to the persons whom THE AUDIT FIRM determines that are necessary to obtain audit evidence, within the CLIENT's working hours.
- c) In accordance with the provisions of the International Standards on Auditing, THE CLIENT must send requests for confirmation of balances and some correspondence to lawyers and other persons who may maintain a legal economic relationship with THE CLIENT. The aforementioned correspondence will be selected by the AUDIT FIRM and sent on THE CLIENT's letterhead. A detail of this task, as well as a detailed schedule will be delivered to THE CLIENT during the commitment planning stage. During the execution of the work it is planned to hold meetings with officials of THE CLIENT in order to communicate details related to the development of the work and obtain audit evidence.
- d) The Administration shall ratify in writing the statements on accounting and financial aspects that it made during the audit. The results of the audit tests of the AUDIT FIRM, the responses to its inquiries and the written representations of the Administration constitute the evidence of the AUDIT FIRM that supports its opinion on the financial statements.
- e) THE CLIENT is solely responsible for the use and implementation of the reports and other deliverables resulting from the services provided by THE AUDIT FIRM, in this regard. THE CLIENT undertakes to keep THE AUDIT FIRM, its representatives, partners and employees unscathed, in the event of a third party claim for any reason related to the provision of the services agreed in this instrument. THE AUDIT FIRM, product of the service provided, will not be liable for damages, losses, costs or expenses even if THE CLIENT has notified of its possible existence.
- f) Due to independence policies of THE AUDIT FIRM, in the event that THE CLIENT intends to initiate negotiations for contracting under any type of scheme, whether labor, civil or of any nature, with one of the members of THE AUDIT FIRM team assigned to the work purpose of this instrument; THE CLIENT undertakes to inform THE AUDIT FIRM about this matter, prior to conducting said negotiations or offers.

## **EIGHTH. - INFORMATION AND DATA**

THE AUDIT FIRM shall have the right to assume, without independent verification, the accuracy of all information and data provided by THE CLIENT and its representatives. All information and data to be provided by THE CLIENT will be complete and accurate according to the knowledge of THE CLIENT. THE AUDIT FIRM may use the information and data provided by others, provided that in good faith, considers that such information and data are reliable; however, it will not be responsible or provide any security in relation to the accuracy of such information and data.

THE AUDIT FIRM will not be responsible for assumptions provided by THE CLIENT which will be his responsibility. THE AUDIT FIRM will provide the audit services described above to THE CLIENT; however, THE AUDIT FIRM shall not be liable for decisions made by THE CLIENT in relation to the services provided by THE AUDIT FIRM.

## **NINTH. - REPORTS**

Any report prepared by THE AUDIT FIRM will be valid only when it is presented in full and only for the purpose expressed therein. It is clearly understood that the reports of THE AUDIT FIRM, the recommendations, analyzes and conclusions do not constitute, partially or completely, a solvency opinion.

THE AUDIT FIRM authorizes THE CLIENT, to disseminate the report, the results of the audit and the name of THE AUDIT FIRM as many times as required, before the instances that make up its organizational structure (Meeting of Ministers, Council of Experts and Administrative Support Committee), cooperating entities and multilateral banks, as well as any other competent authority of its 27 Member Countries that so require.

## **TENTH. - FEES AND FORM OF PAYMENT**

THE CLIENT will pay to THE AUDIT FIRM, for professional fees, for the work described in this contract, the total sum of (FIGURE IN LETTERS) 00/100 DOLLARS (Figure in numbers), value that includes the Value Added Tax. The aforementioned fees will be paid as follows: 40% upon signing the contract and the difference in the delivery of the final report.

Having received the final reports object of this contract, THE CLIENT accepts and acknowledges that if the payment of the invoices duly issued by THE AUDIT FIRM is not fulfilled, within a maximum period of 30 days from the date of issue, THE CLIENT will be automatically in arrears and in full right merely by the expiration of the aforementioned term, without the need of any judicial or extrajudicial authority requirement and therefore will entitle THE AUDIT FIRM to charge the maximum arrear interest allowed by the Law, from the day following the deadline indicated above.

## **ELEVENTH. - SUBSEQUENT WORK**

THE AUDIT FIRM, by reason of its services, does not require providing additional work or services, or giving testimony, or assisting before judicial authorities in relation to the service provided. THE AUDIT FIRM shall not be liable to update any report, analysis or other document related to its services for any event or circumstance that occurs after the date of said report, analysis or other document.

## **TWELFTH. - COOPERATION**

THE CLIENT will cooperate with THE AUDIT FIRM for the performance of its Services, including, without limitations, providing THE AUDIT FIRM, timely access to information, data and personnel of THE CLIENT, the timing and form of this cooperation will be coordinated during the course of the audit

## **THIRTEENTH. - CONFIDENTIALITY**

THE AUDIT FIRM AND THE CUSTOMER undertake to keep all information that they may know or get to know about the activities and businesses of their counterpart, in the strictest confidence, and may not disclose it to third parties without the prior written consent of the party owner of said confidential information.

THE AUDIT FIRM and THE CLIENT agree that neither they nor their officials, professionals, employees, representatives or advisors, at any time, in any way, directly or indirectly, will divulge or communicate to any natural or legal person any information related to THE CLIENT or any information related to its operation or projects, its plans, the way of conducting them or processes.

Likewise, THE CLIENT undertakes to keep confidential, and not disclose to unauthorized third parties the processes, work methodology and computer systems that are owned by THE AUDIT FIRM (including work papers and files) that were used and developed by THE AUDIT FIRM for the provision of the service and that in one way or another will come to the knowledge of THE CLIENT.

The obligation of confidentiality contained in this clause will be without effect, when the information: a) is of public knowledge at the time of disclosure or later becomes such without breach of THE AUDIT FIRM; b) it would have been known to THE AUDIT FIRM before it had been disclosed by THE CLIENT, as recorded in written records of THE AUDIT FIRM; c) be developed, independently by THE AUDIT FIRM, as demonstrated in its written records; or d) must be disclosed under the provisions of the law, a court order or any governmental agency or any competent authority.

## **FOURTEENTH. - INDEPENDENT CONTRACTOR**

THE AUDIT FIRM has been hired by THE CLIENT as an independent contractor for the provision of specialized technical services whereby, THE CLIENT, its representatives, and their respective partners, associates, attorneys, employees, officers and other related persons, may not be considered as employers of the staff of THE AUDIT FIRM.

THE AUDIT FIRM and THE CLIENT will be exclusively responsible for the payment to their respective professionals and employees of all the rights that the Law and individual or collective contracts recognize, including social benefits, compensation, remuneration, payments for termination of the Contract and additional benefits of any kind.

THE CLIENT and THE AUDIT FIRM are not common employees for any purpose under this Contract. THE AUDIT FIRM will determine how to provide staff for their services under this Contract. THE AUDIT FIRM reserves the right to assign personnel to develop the services and to replace or reassign such employees, providing that the assigned persons have the necessary skills and qualifications to maintain the service in the same quality standards of the firm.

THE CLIENT and THE AUDIT FIRM, declare that they expressly assume the most extensive responsibility towards their respective workers specifically for the obligations arising from this contract for each of the parties in which case THE CLIENT and THE AUDIT FIRM will respond to their respective workers independently, and, guarantee the fulfillment of each and every one of the obligations towards their personnel in relation to dependency or hired specifically for the execution of this contract.

#### **FIFTEENTH. - LIMITATION OF LIABILITY**

The responsibility of THE AUDIT FIRM for any reason in relation to its Services, regardless of its form, whether by contract, legal provision, strict liability, unlawful act or otherwise will be limited to the values paid by THE CLIENT for established fees in this Contract.

In the event that THE CLIENT decides to submit any judicial, extrajudicial or arbitral claim against THE AUDIT FIRM for breach of any of the clauses stipulated in this contract, or errors in the provision of services arising from negligence or other causes that at the discretion of THE CLIENT will harm you, the value of such claim may not, under any consideration, exceed the total value of the fees paid for the provision of services established in this contract.

#### **SIXTEENTH. - ASSET OWNERSHIP**

THE AUDIT FIRM may use assets (including, without limitation, any hardware or software) in connection with its services. The aforementioned assets will remain the property of THE AUDIT FIRM and therefore THE CLIENT will not acquire any right or participation in them. THE AUDIT FIRM holds the title deed and all rights to use and disseminate its ideas, concepts, skills, methods, techniques, processes and abilities, and the adaptations thereof, without any limitation, by providing them with the services established in this Instrument. THE CLIENT undertakes not to carry out actions that prevent THE AUDIT FIRM or its personnel from exercising the aforementioned rights.

#### **SEVENTEENTH. - USE OF BRAND AND LOGO**

The parties expressly state their authorization for the use of their names and logos, only in those situations where mention is made of the contractual relationship established for the purposes of this instrument.

The aforementioned use will be for informational purposes only or for identification purposes, such as the presentation of proposals that THE AUDIT FIRM makes to its clients.

The information provided by THE AUDIT FIRM will not affect the image of THE CLIENT and will not induce the recipient of the proposal to error regarding the origin of the products or services of the brands used.

THE AUDIT FIRM acknowledges the property of THE CLIENT over all brands, logos and other distinctive signs of his property or of which he is a licensee.

For other purposes, including advertising, THE AUDIT FIRM, will formally request THE CLIENT's prior express and written authorization for the use of the logos, brands and/or emblems of the other party.

In the event that THE CLIENT authorizes THE AUDIT FIRM to use its logo and name for promotional purposes, THE AUDIT FIRM undertakes to respect the essence of the object and trajectory of OLADE



globally, THE CLIENT reserving the approval or not of the use of their name and logo, depending on the analysis made of the aesthetics and mechanisms of advertising and marketing that in each case handles THE AUDIT FIRM.

Both parties are committed to ensuring the proper and adequate management of their counterpart logos, strictly maintaining the authorized art for inclusion in the graphic and advertising material.

In this regard, in all cases in which the use of logos is warranted, as a consequence of the application of what is established in this instrument, the parties will exchange the necessary specifications, including permitted uses and validity period.

As the only exception to the provisions of this clause, regarding the need for prior authorization for the use of name and logo; THE CLIENT expressly authorizes THE AUDIT FIRM to use both the name and the logo of THE CLIENT, both for the presentation of proposals to clients and potential clients, as well as to show their experience and trajectory in the provision of the services that correspond to the object

#### **EIGHTEENTH. - FORCE MAJEURE**

THE AUDIT FIRM shall not be liable for any delay or failure resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other eventuality, strike or labor dispute, war or other violence, computer failure, related computing equipment, hardware or software, telecommunications and transportation facilities, third party providers, any law, order or requirement of any government agency or authority and/or cases of force majeure.

#### **NINETEENTH. - NON-EXCLUSIVITY**

Nothing in this contract, including these terms and conditions, shall be construed as excluding in any way of the right of THE AUDIT FIRM to provide services of any kind or nature to any person or entity as deemed appropriate by THE AUDIT FIRM and in its sole discretion. Likewise, THE CLIENT can contract the services with whomever he deems appropriate.

#### **TWENTIETH. - VALIDITY**

The deadline for the execution of the required activities for the fulfillment of the object established in this contract is between the date of its perfection and the (day) of (month) of (year). Due to duly justified reasons, the parties may, at the time of the case and by signing the corresponding Adendum, the parties may agree on changes to the dates established for the provision of the contracted services.

#### **TWENTY-FIRST. - TERMINATION OF THE CONTRACT**

The Contract terminates:

- 1) Due to full compliance with contractual obligations.
  - a) By mutual agreement between the parties.
- 3) By unilateral declaration in accordance with this clause.

Ultimately, the Contract terminates due to full compliance with contractual obligations or in advance for reasons attributable to the parties or by mutual agreement.



Termination by mutual agreement. - The parties may terminate the contractual relationship by mutual agreement, in advance. The technical or economic conditions, which support this termination, will be qualified by both parties, whether it is inconvenient to the institutional interests or impossible to continue, in which case the two parties will partially or totally terminate the contractual obligations, in the state in which are found, prior to the economic liquidation of the pending obligations.

Unilateral Termination of the Contract. - The parties may declare this Contract terminated, in advance and unilaterally, in the following cases:

- a) For breach of THE CLIENT or THE AUDIT FIRM of the contractual conditions agreed in this Contract, once notified the party that causes the breach will not remedy it within 20 days of being notified, in which case no communication will be necessary in this regard.
- b) If THE CLIENT or THE AUDIT FIRM totally or partially transfers the Contract to a third party without prior authorization from THE CLIENT or the AUDIT FIRM.
- c) Due to international policies adopted by "THE AUDIT FIRM" or "THE CLIENT", the parties reserve the right to unilaterally terminate the contract, in the event that changes occur in the ownership of the organizational structure or administration of THE CLIENT or THE AUDIT FIRM. The aforementioned changes must be notified between the parties within 30 days of being made.

In any case, the unilateral termination of the Contract will imply that the contractors make an economic settlement of the Contract and the contractual obligations pending payment.

## **TWENTY-SECOND. - FULL AGREEMENT**

This instrument constitutes the entire contract between THE CLIENT and THE AUDIT FIRM and replaces any oral or written agreement signed between the parties. The parties may not assign this contract, without prior written consent of the other party.

## **TWENTY-THIRD. - SEVERABILITY**

If any stipulation or group of stipulations contained in the preceding clauses of this Contract is considered invalid, null or void, for any reason, this fact will not affect the validity of the remaining stipulations of this instrument that may have effect regardless of the invalid stipulations.

## **TWENTY-FOURTH. - NOTIFICATIONS**

The PARTIES indicate as legal domicile for the purposes of notifications related to their obligations under this Contract, the following.

- THE CLIENT: Av. Mariscal Antonio José de Sucre N58-63 and Fernández Salvador.
- THE AUDIT FIRM: (Address of the audit firm)

## **TWENTY-FIFTH. - DISPUTE SETTLEMENT**

Considering the nature of the International Organization with immunity from jurisdiction held by OLADE and taking into account that the Parties subscribe to this contract based on good faith, in the event that disputes arise regarding its application or interpretation, the parties agree to apply mutually agreed solutions.

## **TWENTY-SIXTH. - ACCEPTANCE AND VALIDITY**

The parties fully accept each and every one of the provisions and declarations of the clauses agreed in this Contract and for proof of the aforementioned, they are ratified in the contents of the same and sign in two copies of equal tenor and worth from their respective cities on the dates listed below the signatures. The agreement is perfected on the date of the second signature.

### **(NAME OF THE EXECUTIVE SECRETARY)**

Executive Secretary

OLADE

City:

Date:

### **(NAME OF THE REPRESENTATIVE OF THE AUDIT FIRM)**

(Audit firm representative position)

AUDIT FIRM

City:

Date: