

Supplier Guidelines



Letter from the Vice President of Supply Chain

Dear Fellow Supplier

This document has been designed to help improve communication with both our current and potential suppliers. I believe in order to build a long-term and mutually beneficial relationship, it is essential for both sides to know what to expect from each other. The Supplier Guidelines will assist in accomplishing this goal by outlining VCNA's expectations and guidelines of our relationships with our valued suppliers.

Our organizations are facing very challenging times. In the cement industry we are under constant pressure to improve productivity and overall performance. As a result of this demand we must take a competitive approach to the worldwide market in order to maintain our ability to respond to individual needs and changing market conditions.

At VCNA, we are highly focused on long-term cost reduction. It is a mutual challenge to develop and maintain high quality standards to supply our needs for equipment, goods and services, at the lowest cost possible. We will conduct our procurement from suppliers providing the highest quality, the best delivery and the lowest total cost of ownership and operation – TCOO.

I encourage you to take the time to read this important document. The information and principles contained here are the guidelines used by VCNA for assessing the best decision and evaluating relationships with our suppliers. Please feel free to send us any suggestions or feedback that would further assist in making this document more useful to you.

All of our suppliers are important to our success; therefore we are committed to dealing fairly with you. We want to emphasize competition, but without discrimination or deception, and in a manner consistent with long-lasting relationships. I truly believe that this is the right way to "concrete" a long-term partnership, and part of our way of "doing more with less".

Alan Van Sloten







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INTRODUCTION

Votorantim Cement North America (VCNA) is a leading manufacturer of cement and supplier of building materials in the United States and Canada with Headquarters in Toronto, Ontario. VCNA is a wholly-owned subsidiary of Votorantim Cimentos, an international cement manufacturer based in Sao Paulo, Brazil.

The following is a list of website addresses for our North American Head Office, our affiliates as well as our parent company located in Brazil:

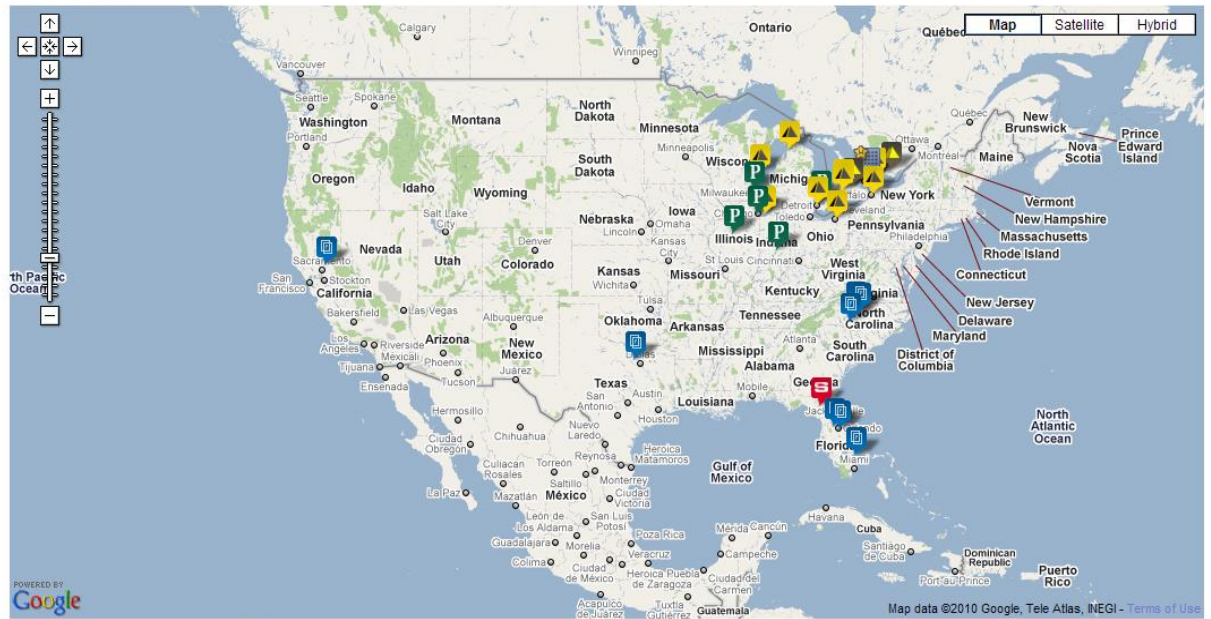
Company	Website Links
	North American Headquarters http://www.stmaryscement.com/saintmaryscementinc/default.asp
	http://www.stmaryscement.com/saintmaryscementinc/CBM.asp
	http://www.vcna-prairie.com
	http://www.prestigeconcreteproducts.com/
	http://www.suwanneecement.com/
	Brazilian Parent Company http://www.votorantim.com.br/en-US/Pages/Home.aspx

SUPPLIER GUIDELINES – Votorantim Cement North America

VCNA

Votorantim Cement North America

MAJOR LOCATIONS



▲ St. Marys Cement |
 ▲ Canada Building Materials |
 ■ Suwannee American Cement LLC |
 ■ Prairie Material
■ Prestige Concrete Products |
 ■ Headquarters (VCNA, St. Marys Cement, CBM)

For a complete list of business unit locations please visit the individual business unit's website.

1. GUIDELINES CONCEPT

A successful customer/supplier relationship promotes communication, understanding, cooperation and trust. VCNA believes that both the customer and supplier share equally in the benefits provided by these values. We shall mutually engage in activities, preserve them, and assure their continued presence while promoting responsible and ethical business practices.

2. PROCUREMENT POLICY

VCNA searches to establish a solid and serious relationship, supported by its ethical principles and mutual respect, thereby fulfilling the assumed commitments and demanding the same from its suppliers.

All procurement will be made from the supplier providing the highest quality, the best delivery time and the lowest TCOO (Total cost of ownership and operation: all costs incurred to buy, receive and maintain the material, equipment or service). All procurement transactions will conform to all applicable laws, regulations and contractual obligations, including laws and regulations governing Canada, the United States and international procurement.

We recognize that all of our suppliers are important to our business success and will be treated uniformly in a professional business-like manner. We will communicate clearly and precisely, so that our suppliers understand the terms of our requirements, purchase orders and contracts. Our suppliers will be given every opportunity to compete for our business based upon their individual merit and their ability to provide goods and services that yield the greatest value to our company.

We will emphasize competition, without discrimination or privilege, in consistency with long-term relationships. Our decision making process will be objective and impartial based on the weight of all factors. All suppliers will be provided with the same information and instruction for each proposed purchase.

3. COMMITMENT AUTHORITY

The authority to commit to Procurement for VCNA and its subsidiaries resides only with the Procurement representatives. It is incumbent upon our suppliers to insure receipt of a valid VCNA Purchase Order, or other formal equivalent document, prior to supplying any goods or services.

4. GIFTS AND GRATUITIES

We do not accept any gifts, gratuities or entertainment other than something quite modest for which it will not be expected to have an obligation. We exercise common sense and good judgment to avoid any perception of impropriety or conflict of interest. We will renounce any practice that discredits the principles of honesty, also denouncing any type of compensation from suppliers.

5. WE PROTECT PROPRIETARY DATA AND DATA PROVIDED BY OTHERS

We will not disclose proprietary company information to anyone without proper authorization. We will keep proprietary documents protected and secure.

6. CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY

Confidential information includes: technical information about our purchase processes and our vendor list by process. We will be careful not to disclose such information to unauthorized persons, either within or outside VCNA and will exercise care to protect the confidentiality of such information received from vendors.

7. CONFLICTS OF INTEREST

We will treat all suppliers uniformly when we buy goods or services. In deciding amongst competing suppliers, we will objectively and impartially weigh all factors.

We will communicate clearly and precisely, so that our suppliers understand the terms and conditions of our purchase orders and contracts, including price, quantity, specification, and delivery. A purchase order number will be provided.

We will provide the same information and instructions to each competing supplier for a proposed purchase.

We will receive any new suggestions and innovative proposals.

Unless formally authorized by Procurement, as a specific exception, quotations, tenders, proposals, etc. shall not be solicited from, nor any order placed with a supplier that:

Is owned, controlled or actively influenced by any VCNA or associated company's employee or immediate relative of said employee.

Employs in any capacity, management, consulting, or sales capacity any person who is a VCNA or associated company employee.

8. SUPPLIER COMPLIANCE WITH THE SAFETY, HEALTH, ENVIRONMENTAL AND TECHNICAL CODES AND STANDARDS

VCNA complies with all Government laws, codes and good practices to Health, Safety, and Environmental legislative requirements. When applicable, all vendors and all vendors' sub-contractors that perform work on VCNA property are also required to be aware and comply with our internal rules.

The vendor must accept guidance and follow the instructions received from the VCNA Technical Representative.

9. SUPPLIERS DATA-BASE

VCNA reserves the right of freely selecting and characterizing its suppliers. In order to handle both existing and new suppliers within VCNA, all suppliers are classified according to performance and profile. The preferred supplier will get first access to supply if over all market conditions and competitive situations are met.

10. EVALUATION OF SUPPLIERS

We, at VCNA evaluate our approved suppliers servicing each of our divisions for performance. The main evaluating criteria's could include but are not limited to:

Sales Team Assistance; VCNA may from time to time request supplier to provide sales spend information, answer questions, provide additional information, prompt to revise proposals, etc...

Approved Supplier List; updated as new vendor requests is submitted and evaluated by using the Requesting a Vendor procedure.

Environment, Energy Efficiency, and Health and Safety Policies; evaluated by using the BROWZ Contractor Safety Prequalification Procedure. VCNA may from time to time request supplier to provide copies of any applicable policies.

Financial Stability; A credit review or analysis may be performed by VCNA Finance or Procurement Department based on the extent of the requested service and/or material purchase.

Competitiveness in the market; may be conducted by completing a spot check analysis or spend analysis. This will typically be performed for VCNA large project expenditures or where a historical benchmark is readily published and established.

Speed and objectivity in sending the commercial proposal; All deadlines and pertinent dates will be communicated to supplier and adherence to this will be monitored, either by written, verbal or meeting notifications..

Level of information up to the delivery of products or services; Communication is an important factor in the Purchasing Process and will be required for instances where schedules have been provided. A Supplier's ability to report and update all status toward these predetermined timelines will be monitored, either by written, verbal or meeting notifications.

Invoice in accordance with the Purchase Order; evaluated by using the Purchase Order procedure

Delivery on time; evaluated by using the On Time Key Performance Indicator procedure.

Quality of the supplier material; perform by using the Receiving Material procedure.

Technical assistance; perform with review and approval of VCNA's technical team or project manager.

Warranty Fulfillment; evaluated by using our Purchase Order Terms and Conditions.

Root Cause / Corrective Action Response; evaluated based on individual instance. This may include (but not limited to) warranties, manufacturing schedules, on time deliveries, invoice protocol, quality and or technical reviews.

11. REGISTERING IN THE SUPPLIER DATABASE

The principle is that any supplier will be able to register in our database within the companies of VCNA. This inclusion does not imply it is temporary or permanent, or any other commitment is implied other than periodic consultations for the supply of products or services.

12. SUPPLIER NON-CONFORMANCE

Temporary suspension of suppliers: in cases where a divergence exists between what was contracted and effectively accomplished (amounts, useful life, guarantees, etc) or where root cause / corrective action does not satisfy VCNA.

Definitive suspension: in case of serious faults in the relationship with the supplier.

In both cases, the treatment will be preceded by registered internal evaluation and made available to the supplier. The suspensions will be applied and extended to all of VCNA companies. The temporary suspension ending will be dependent on the normalization of all the pending issues.

It is the supplier's responsibility to understand and comply with all clauses, terms and conditions specified within a contract or purchase order. Failure to do so may result in rejection and may affect the supplier's approval or qualified/certified supplier status.

13. GOOD PRACTICES ON OUR RELATIONSHIP

- a. **Commercial Visits:** VCNA maintains an open door policy to all supplier representatives. Where practical, every effort will be made to meet with supplier representatives as necessary.
- b. **Technical visit to the plants:** If there is the necessity for a visit to a specific plant and/or site, suppliers will have to directly make appointments with the users. If necessary, the Procurement Department can facilitate this meeting.
- c. **Request for Quotes:** All quotations of prices should be made by the **Procurement Department**. If someone else has requested a quote, the supplier should send a copy of this quote to the Procurement Department and state the name of the person as well as which department he/she is from.
- d. **Commercial Negotiation:** We always negotiate with suppliers who present the best technical and commercial proposal. Therefore, the suppliers should present the best referring proposals in terms of quality, prices and lead-time at the beginning of the process.
- e. **Commitment Authority:** The supplier does not have to supply any products or services to the VCNA companies without having the correct formalization from the Procurement Department.
- f. **Documents Identification:** Where a VCNA reference number (e.g. purchase order number) has been provided, this number must be identified

on **all** documents including, but not limited to; packing list, bill of lading, commercial invoices.

- g. **Urgency:** In URGENT situations suppliers may supply any material or equipment without formalization from the Procurement Department. However, the Procurement Department must be notified by document IMMEDIATELY at the beginning of the following business day. The document should include the information as follows: who requested the material; what material was requested; the supplier's contact name; the supplier's phone number and correct date.
- h. **Invoice / Payments:** We recognize the importance of providing a timely invoice and payment process to our Suppliers. Given that the supplier has followed all of VCNA procedures and guidelines, we will make every effort to process payment in a timely fashion. A VCNA purchase order number and packing slip/delivery ticket/bill of lading number (as appropriate) must be clearly marked on all invoices or the invoice will be returned to the vendor. For rush/after hours shipments where the vendor has supplied material without a purchase order number either verbally or with a purchase requisition, the vendor must follow up with the appropriate Buyer on the following business day to obtain a valid purchase order number for invoicing purposes.
- i. **Divergences between the Purchase Order and Invoice:** If for any reason divergences occur during the process they must be stated on the invoice or a document must be sent to the Procurement Department.

SUPPLIER GUIDELINES – Votorantim Cement North America

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REVISION LOG

Revision #	Reason for Revision	Revision Date
00-2006	Revision Log added to Supplier Guidelines	Sept, 2006
00-2007	Update Company Contacts	May, 2007
01-2007	Update Company Contacts	August, 2007
01-2008	Update Company Contacts	June, 2008
01-2009	Update company Contacts	July, 2009
02-2009	Removed site locations – site locations are available on the website at: http://www.stmaryscement.com/SaintMarysCementInc/corp_locations.asp Corrected spelling error.	November, 2009
01-2010	Updated manual to change from St. Marys Cement Inc. to VCNA Supplier Guidelines. Removed contact names. Updated locations sites links. Clarified invoicing requirements.	Aug, 2010
01-2012	Corrected spelling/grammar error Updated Director of Procurement to Director of Supply Chain	Jan, 2012
06-2013	Updated Director of Supply Chain to Vice President of Supply Chain	Oct, 2013
07-2015	Updated section 10	Jun, 2015