

SUPPLIER GUIDELINES

St Marys Cement Inc. Procurement

VERSION 01, 2009



SUPPLIER GUIDELINES – St Marys Cement Inc.

Letter from the Senior Procurement Manager

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 St. Marys Cement Inc.'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 St. Marys Cement Inc. 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 – TCO.

I encourage you to take the time to read this important document. The information and principles contained here are the guidelines used by St Marys Cement Inc. 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”.

Edilson Chimilovski

SUPPLIER GUIDELINES – St Marys Cement Inc.

TABLE OF CONTENTS

LETTER FROM THE SENIOR MANAGER CORPORATE PROCUREMENT	1
INTRODUCTION	3
1. Guidelines Concept	4
2. Procurement Policy	4
3. Commitment Authority	4
4. Gifts and Gratuities	5
5. We protect Proprietary Data and Data provided by others	5
6. Confidential Information and Intellectual Property	5
7. Conflicts of Interest	5
8. Supplier Compliance with Safety, Health, Environmental and Technical Codes and Standards	6
9. Suppliers Database	6
10. Good Practices on Our Relationship	7
11. Company Contacts	9
12. Plant Locations	12
13. Canada Building Material Locations	13
14. Hutton Transport Locations	13
15. St. Marys Cement Inc. Location (Overview)	13
16. Revision Log	14

SUPPLIER GUIDELINES – St Marys Cement Inc.

INTRODUCTION

St Marys Cement Inc. is a leading manufacturer of cement and related construction products in the United States and Canada. Headquartered in Toronto, Ontario, Canada, St Marys Cement Inc. supplies cementitious materials to the Great Lakes Region and is also a significant producer of concrete and aggregates to the Ontario market. Today, in the dynamic international business environment, St Marys Cement Inc. is part of Group Votoratim – a diversified Brazilian conglomerate with operations in cement, pulp & paper, aluminum and metals, film, chemicals, agricultural products, financial services, energy and international trade, based in São Paulo, Brazil.

For more than 90 years St Marys Cement Inc. has been contributing to the construction industry around the Great Lakes. Today, the company has manufacturing plants located strategically to serve Canadian and American markets, as well as docking facilities in both countries to take advantage of efficient water transportation. Products of St Marys Cement Inc. include cementitious materials from St Marys Cement Inc., ready-mixed concrete and aggregate from Canada Building Materials (CBM) and logistic services from Hutton Transport.

St Marys Cement Inc. symbolizes a long heritage of excellence and commitment. St Marys Cement Inc. manufactures a variety of cement for different purposes – normal, high-early strength, low heat hydration, sulphate resisting, etc. – in bulk and as bagged product. Products are rigorously tested to meet the high standards demanded by today's dynamic construction needs.

Votorantim Cimentos has built its solid leadership position and strong business reputation based upon principles and dignity, hard work, respect, confidence and a commitment to the future. Votorantim Cimentos today is one of the ten largest cement manufacturers in the world, holding an outstanding position in its area of activity in terms of marketing, operations and logistics, aided by the support of continually-trained employees and brand names that are highly valued by consumers.

SUPPLIER GUIDELINES – St Marys Cement Inc.

1. GUIDELINES CONCEPT

A successful customer/supplier relationship promotes communication, understanding, cooperation and trust. St Marys Cement Inc. 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

St Marys Cement Inc. 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 TCO (Total cost of ownership: 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 purchasing for St Marys Cement Inc. and its subsidiaries resides only with the Procurement representatives. It is incumbent upon our suppliers to insure receipt of a valid St Marys Cement Inc. 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 St Marys Cement Inc. 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 among 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 St Marys Cement Inc. 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 St Marys Cement Inc. or associated company employee.

SUPPLIER GUIDELINES – St Marys Cement Inc.

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

St Marys Cement Inc. 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 St Marys Cement Inc. 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 St Marys Cement Inc. Technical Representative.

9. SUPPLIERS DATA-BASE

St Marys Cement Inc. reserves the right of freely selecting and characterizing its suppliers. In order to handle both existing and new suppliers within St Marys Cement Inc. 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.

a. Evaluation of Suppliers

We evaluate all of our suppliers for performance. The main evaluated criteria are:

- Sales Team Assistance;
- Competitiveness in the market;
- Clarity;
- Speed and objectivity in sending the commercial proposal;
- Level of information up to the delivery of products or services;
- Invoice in accordance with the Purchase Order;
- Delivery on time;
- Quality of the supplier material;
- Technical assistance;
- Fulfillment of warranties.
- Root Cause / Corrective Action Response

b. Registering in the Suppliers Database

The principle is that any supplier will be able to register in our database within the companies of St Marys Cement Inc. 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.

c. Penalties to the Supplier

- 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 St Marys Cement Inc.
- 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 St Marys Cement Inc. companies.

The temporary suspension ending will be dependent on the normalization of all the raised 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.

10. GOOD PRACTICES ON OUR RELATIONSHIP

- a. **Commercial Visits:** St Marys Cement Inc. 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 Purchasing Department can facilitate this meeting.
- c. **Request for Quotes:** All quotations of prices should be made by the **Purchasing Department**. If someone else has requested a quote, the supplier should send a copy of this quote to the [Purchasing 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 St Marys Cement Inc. companies without having the correct formalization from the [Purchasing Department](#).
- f. **Documents Identification:** Where a St Marys Cement Inc. 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.

SUPPLIER GUIDELINES – St Marys Cement Inc.

- g. **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 Purchasing Department.
- h. **Urgency:** In URGENT situations suppliers may supply any material or equipment without formalization from the Purchasing Department. However, the [Purchasing 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.
- i. **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 St Marys Cement Inc. procedures and guidelines, we will make every effort to process payment in a timely fashion. A St Marys Cement Inc. purchase order must be clearly marked on all invoices.

SUPPLIER GUIDELINES – St Marys Cement Inc.

11. COMPANY CONTACTS

Web Sites:

St Marys Cement Inc.: <http://www.stmaryscement.com>

Votorantim Cimentos: http://www.votorantim.com.br/en_default.asp

To request additional information, or to present suggestions and recommendations, send e-mail to: StMarysprocurement@vcsmc.com

➤ **Corporate Procurement**

Name: Edilson Chimilovski

Title: Senior Manager of Procurement

Phone: (416) 696-4436

Name: Chris Hill

Title: Corporate Procurement Manager, Materials and Operations

Phone: (416) 696-4464

Name: Tina Burghardt

Title: Corporate Procurement Manager, Capital Expenditures, Agreements, Services & Energy

Phone: (416) 696-4280

Name: Heather Honsberger

Title: Corporate Procurement Manager, Fuels, Raw Materials and Strategic Items

Phone: (416) 696-4256

Name: Zoran Jovic

Title: Corporate Procurement Agent

Phone: (416) 696-4263

Name: Kurt Ortwein

Title: Corporate Procurement Agent

Phone: (416) 696-4262

Name: Pocholo Turla

Title: Corporate Procurement Agent

Phone: (416) 696-4281

SUPPLIER GUIDELINES – St Marys Cement Inc.

➤ **Bowmanville Plant**

Name: Faheed Haniff
Title: Purchasing Agent
Phone: (905) 623-3341 ext 241

➤ **St Marys Plant**

Name: Carlos Lemus
Title: Corporate Purchasing Agent
Phone: (416) 696-4257

➤ **Detroit Plant**

Name: Yolanda Harlen
Title: Purchasing Agent
Phone: 313-842-4600

➤ **Charlevoix Plant**

Name: Jody Putnam
Title: Purchasing Agent
Phone: (231) 237-1334

➤ **Badger Plant**

Name: Paul Biggerstaff
Title: Plant Manager
Phone: (815) 284 5165

SUPPLIER GUIDELINES – St Marys Cement Inc.

➤ **Canada Building Materials (CBM)**

Name: Les Wakeling (Ready Mix)
Title: Manager of Maintenance and Fleet Services
Phone: (905) 741-0365 ext 2224

Name: John Krasnozon (Ready Mix & Aggregates)
Title: Purchasing Manager
Phone: (905) 457-4052 ext. 304

Name: Brenda Marshall
Title: Purchasing Agent
Phone: (905) 457-8750 ext. 306

Name: Kaushik Pandya
Title: Purchasing Agent
Phone: (905) 457-8750 ext. 309

Name: Marlene Capiral
Title: Purchasing Agent
Phone: (905) 457-8750 ext. 301

Name: Nora Prieur
Title: Data Entry Clerk
Phone: (905) 457-8750 ext. 303

Name: Chad Thomas
Title: Data Entry Clerk
Phone: (905) 457-8750 ext. 317

➤ **Hutton Transport**

Name: Dave Coleman
Title: General Manager
Phone: (519) 349-2233 ext.235

12. PLANT LOCATIONS

CANADA

Bowmanville Plant

St. Marys Cement Inc.
400 Waverley Road South
Bowmanville, Ontario L1C 3K3

St Marys Plant

St. Marys Cement Inc.
585 Water Street South
St. Marys, Ontario N4X 1B6

UNITED STATES

Detroit Plant

St. Marys Cement Inc. (US)
9333 Dearborn Street
Detroit, Michigan 48209

Dixon Plant

St. Marys Cement Inc. (US)
1914 White Oak Lane
Dixon, Illinois 61021

Charlevoix Plant

St. Marys Cement Inc. (US)
16000 Bells Bay Road
Charlevoix, Michigan, 49720

Badger Plant

St. Marys Cement Inc. (US)
1975 S. Carferry Drive
Milwaukee, Wisconsin 53207

SUPPLIER GUIDELINES – St Marys Cement Inc.



13. CANADA BUILDING MATERIALS LOCATIONS

Head Office: 55 Industrial Street, Toronto, Ontario M4G 3W9

Regional Offices: Belleville, Burlington, London

Plant Locations: Barrie, Bathurst (Toronto), Belleville, Blenheim, Brampton, Brantford, Burlington, Caledon, Cambridge, Cobourg, Elora, Etobicoke, Guelph, Hanover, Hamilton, Hull (Quebec), Kanata, Kingston, Leaside (Toronto), London, Maple (Concord), Milton, Mount Forest, Newmarket, New Hamburg, Perth, Peterborough, Sarnia, Scarborough, St. Thomas, Sutton, Thorold, Wallaceburg, West Lorne, Whitby, Windsor, Woodstock

Central Stores: 75 Orenda Road, Brampton, Ontario L6W 1V7

Garage Locations: Bathurst (Toronto), Belleville, Brampton, Burlington, Cambridge, Elora, Etobicoke, Hull (Quebec), Kingston, Leaside (Toronto), London, Maple (Concord), Milton, Newmarket, Peterborough, Sarnia, Scarborough, St. Thomas, Thorold, West Lorne, Whitby, Windsor, Woodstock

Aggregate Locations: Aberfoyle, Bowmanville, Brighton, Cambridge, Hillsburgh, Limehouse, London, Lakefield, Orangeville, Peterborough, Quinte West, Sunderland, Windsor

14. HUTTON TRANSPORT LOCATIONS

Head Office: RR1, Lakeside, Ontario N0M 2G0

Locations: Bowmanville, Lakeside

15. ST MARYS CEMENT INC. LOCATION (overview)



SUPPLIER GUIDELINES – St Marys Cement Inc.

16.

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