



ArcelorMittal

Suppliers Guide
2015



INDEX

	PAGE
1. VENDOR MANAGEMENT	3-4
1.1. VENDOR REGISTRATION PROCESS	
1.2. IMPORTANT NOTES	
2. PROCUREMENT	4-11
2.1. TENDERS	
2.2. EXAMPLE OF A TENDER DOCUMENT	
2.3. EXAMPLE OF A PURCHASE ORDERS	
2.4. VALID OFFICIAL AUTHORITY	
2.5. BUYING OUT OF PROCEDURE	
2.6. AFTER HOURS BREAKDOWN	
2.7. HANDLING OF OUTSTANDING ORDERS	
3. WAREHOUSING	11-12
3.1. ALL DEL MUST BE ACCOMPANIED BY	
3.2. INFORMATION ON A DEL NOTE	
3.3. ITEMS TO BE DELIVERED	
3.4. SERVICE OR WORK CARRIED OUT AT THE PLANT	
4. CAPITAL PROCUREMENT	12
5. SHARED SERVICES	12-13
5.1. INVOICES	
5.2. GENERAL	
6. SHE REQUIREMENTS	13
7. PREFERENTIAL PROCUREMENT POLICY	13
8. RESPONSIBLE SOURCING QUESTIONNAIRE	13-16
9. CODE OF CONDUCT: Anti-Corruption Guidelines	16-24
10. OCCUPATIONAL HEALTH AND SAFETY AGREEMENT	25-31
11. GENERAL CONDITIONS OF PURCHASE (DRAFT)	32-41

1. VENDOR MANAGEMENT

1.1. VENDOR REGISTRATION PROCESS

ArcelorMittal South Africa vendor registration procedure is as follows:

- Potential vendors have to market their service or products at the various ArcelorMittal plants
- End users / Requesters to complete a M36C, Request for New Vendor, and obtained approval from their Works Manager
 - ✓ Requesters fully accept and confirm the vendor they requested will be utilized and is technically qualified and capable to perform the task or supply the required service and/or equipment. They also acknowledge that the requested vendor confirm compliance with ALL legal and ArcelorMittal SA SHEQ requirements. Transport, Scrap and On-Site vendors must be audited by Vendor Management, to confirm compliance, before creation on ArcelorMittal SA database.
- The requester must forward the approved M36C, Request for New Vendor, directly to the relevant Vendor Specialist.
- Vendor Specialist will determine if an additional vendor for the requested source of supply is required.
- If an additional vendor is required, a Vendor Application Pack will be forwarded to the potential vendor.
- The Vendor has to submit the completed Vendor Application Pack to Vendor Management (Original documents or certified copies).
- The Vendor Specialist will evaluate the application pack with the following attached compulsive certificates:
 - Registration certificate of (as prescribed per type of legal entity):
 - ✓ Private or Public Company (CM1 or CM6 Certificate of incorporation)
 - ✓ Sole Proprietor (SA Identification documentation of owner / proprietor)
 - ✓ Trust (Trust deed, appointment of trustees by the master of the High Court and signed letter from trustees stating the names of the beneficiaries)
 - VAT Registration certificate
 - TAX Clearance certificate
 - Registration certificate at Compensation Commissioner (Letter of Good Standing)
 - Cancelled cheque or letter from Financial Institution confirming bank details
 - Valid BBBEE Certificate from a SANAS Accredited institution
 - ISO 9001 - Quality accreditation or compliance certificate (If available)
 - ISO 14001 - Environmental accreditation or compliance certificate (If available)
 - OSHAS 18001 – Health and Safety accreditation or compliance certificate (If available)
 - Additional Certificates (if applicable):
 - ✓ LME Certificates
 - ✓ LMI Certificates
 - ✓ Electrical compliance certificates
 - ✓ Welding standard compliance (ISO 3834)
 - ✓ Certificate for pressure vessel testing / repair
 - Tax questionnaire by labor brokers, consultants and vendors executing work on our site
- A signed copy of AMSA Conditions of Purchase (Attached to Application Pack)
- Signed occupational Health and Safety agreement (37.2- Attached to Application Pack)
- Fully completed Responsible Sourcing Questionnaire (Attached to Application Pack)
- Vendor Specialist and relevant plant personnel will conduct an audit on the vendor`s premises, to confirm the Vendor`s SHEQ compliance with ArcelorMittal requirements.
- If the vendor comply and there is a need for an additional vendor, Vendor Management will then recommend and obtain approval from the Manager, Procurement and Logistics to register the new vendor on RAMES and interface to SAP.

- If a Vendor`s scope is to perform work on site, general and plant specific safety inductions need to be attended.
- A safety file also needs to be compiled, by the vendor, which complies with ArcelorMittal 17 point safety requirements before a permit to work or order will be issued.

1.2 IMPORTANT NOTES

- The application will be seen as incomplete if all documents are not submitted within 21 days from date of application to be registered as a vendor and automatically be rejected.
- All extensions within or between Business Units are considered as a request to register a new vendor.
- TAX clearance certificate / SARS Good Standing Certificate and Registration certificate at the Compensation Commissioner to be renewed annually and forwarded to Vendor Management on or before expiry date by vendors.
- All vendors to be audited to confirm SHEQ compliance as required by ArcelorMittal.
- All vendors have to declare their sub-contractors on tenders and quotations. If sub-contractors are not declared ArcelorMittal will take it as fraud and blacklist that particular main contractor or guilty vendor.
- The following certificates need to be attached to tenders that will result in contracts:
 - ✓ A Certified copy of company registration forms - Certificate of Incorporation (CM1, CM29/CM9(name change), CM46)
 - ✓ A valid, original and/or certified copies of tax clearance certificate and VAT registration certificate
 - ✓ A registration certificate at the Compensation Commissioner or proof of latest payment to the Compensation Commissioner
 - ✓ A resolution reflecting authority of representation
 - ✓ A preferential procurement certificate of compliance; and
 - ✓ A responsible sourcing questionnaire.

2. PROCUREMENT

2.1. TENDERS

The Procurement section at ArcelorMittal South Africa, uses a closed tendering system and only when market research is carried out is an open tender generated.

Price enquiries are transmitted by an electronic system. The supplier can then in return tender back to the Procurement section by fax.

Further information:

- All tenders must be received through the Procurement Tender office.
- Tenders delivered by hand can be deposited in the tender box situated in the reception area in the Materials Management Building at Vanderbijlpark, or at the Main Building at Newcastle.
- The only tenders that can be submitted to Saldanha Main Building are Capital Procurement tenders.
- **ALL TENDERS MUST HAVE THE RFQ NUMBER, COLLECTIVE NUMBER, CLOSING DATE AND TIME DISPLAYED ON**
- Official tender closing time for all BU's is 14:00, only in case of a breakdown is it 11:00.
- Tenders transmitted by fax should be sending to the fax number specified on the RFQ. {Refer to RFQ example, attachment A}
- Official fax number for each BU is:

	Fax	Fax to Mail
✓ Vanderbijlpark	- 016 889 0003	086 720 6921
✓ Vereeniging & Newcastle	- 016 889 1004	086 720 6922
✓ Coke & Chemicals	- 016 889 1005	086 720 6923
✓ Saldanha	- 016 889 1006	086 720 6924

- ✓ Headquarters / Contracts - 016 889 1007 086 720 6925
- ✓ Breakdowns - 016 889 1008 086 720 6926
- ✓ Logistics - 016 889 1009 086 720 6927
- ✓ Email address - tenders@arcelormittal.com

2.2. EXAMPLE OF TENDERS THE TENDER DOCUMENT

Item	Material Number	Description	Unit	RFQ Quantity
00010		M20,LG 100MM	each	100
Deliv			ation - SFMS	Price/Unit

Requisitioner : LEWIS / 029

Delivery point: 116

Plant: SF01 Storage Location: SF110

BOLT, ASSEMBLY: NOMINAL DIAMETER M20, LENGTH 100
MM, HEAD HEXAGON, GRADE 8.8, NUT QUANTITY 1,
FFT: PRECISION; GUN COATED; B7

QCC INFORMATION :

NET WEIGHT:

Please State NET WEIGHT in KILOGRAM PER ITEM tendered on.

PREFERABLY ARCELORMITTAL PRODUCTS TO BE USED

PLANNER:NEELS HERBST TEL 2-7035
ITEM REQUIRED FOR: JOHAN LOMBARD 2-5025/2-7029
2050 MM HOT STRIP MILL , NORTH, RM AREA ,
DELIVERY POINT 116
Cornelius.Herbst@arcelormittal.com

QCC INFORMATION :

NET WEIGHT:

Please State NET WEIGHT in KILOGRAM PER ITEM tendered on.

PREFERABLY ARCELORMITTAL PRODUCTS TO BE USED

Tender Closing Date	20150323
Tender Closing Time	14:00
Collective Number	1001514407
Tender Fax Number	+2716 8890003 / 0867206921

- or any portion of tender.
4. Any order/s that may result from this enquiry shall be subject to ArcelorMittal South Africa Limited's general conditions of procurement.
 5. In the process of awarding tenders by ArcelorMittal South Africa Limited, preference shall be given to approved BBBEE vendors who meet the tender requirements.
 6. Alternative products are only acceptable when a (CONCESSION DOCUMENT) is signed by the enduser.

Tender Closing Date : 20150323
Tender Closing Time : 14:00
Collective Number : 1001514407
Tender Fax Number : +2716 8890003/0867206921

2.3 EXAMPLE OF PURCHASE ORDERS

ArcelorMittal South Africa Limited
Vanderbijipark Works

Registration 1689/002164/06
 VAT Registration 4920114990

ArcelorMittal

TELEPHONE :
 FAX :
 EMAIL :
 Your vendor code :
 Your person responsible :

Please deliver to:
 ArcelorMittal South Africa Limited
 Vanderbijipark Works
 Central Receiving
 PO Box 2
 Vanderbijipark

Please post or email original
 invoices to:

Accounts Payable PP10114
 or invoices.vdb@arcelormittal.com
 Shared Service Centre
 ArcelorMittal South Africa Limited
 P O Box 2
 Vanderbijipark

Purchase order

PO Number 4519895792
 Date 2015.04.07
 Contact person Peter Sawala
 Telephone +27168892792
 Our Fax Number +27168890003
 0867206921

Plant Contact person Roughing Mill
 Last changed date 2015/04/07
 Telephone 010-889-5088
 Date Printed 2015.04.07
 Original Request by NEELS 7035.

ArcelorMittal South Africa Limited FRAUD HOTLINE : 0800 001 672

ArcelorMittal values/aims for integrity, fairness and ethical behaviour in all its business relations.
 In order to facilitate reporting illegal or unethical behaviour please use the following web
 link:<http://southafrica.arcelormittal.com/Sustainability/Ethics.aspx>

The purchase price shall be fixed and not be subject to variation for any reason whatsoever unless
 otherwise agreed between the parties in writing before delivery. No additional work must be performed
 unless an official modified order has been received.

A COPY OF THIS ORDER MUST ACCOMPANY THE DELIVERY OF THE ITEM/S
A COPY OF THE APPROVED CONCESSION REQUEST MUST ACCOMPANY THE
DELIVERY OF ITEM/S WERE APPLICABLE.

Payt. terms: 30 days after month end statement. Less 2,5%
 Currency : ZAR

Note: All orders are subject to ArcelorMittal South Africa Limited's
 General Conditions of purchase, and contract conditions if applicable
 A HAZCHEM Certificate must accompany delivery of all hazardous
 materials

Item	Material	Description	Price per unit	Planned Time(Days)
		Order qty. Unit		Net value
00010	V70427706	BOLT,ASSEMBLY:NOM DIA M20,LG 100MM		
		100 each	58.00	5,800.00

Item	Material	Description	Planned Time(Days)
		Order qty. Unit Price per unit	Net value
		BOLT, ASSEMBLY: NOMINAL DIAMETER M2 0, LENGTH 100 MM, HEAD HEXAGON, GRADE 8.8, NUT QUANTITY 1, EFT: PRECISION; GUN COATED; B7	
		PLANNER:NEELS HERBST TEL 2-7035 ITEM REQUIRED FOR: JOHAN LOMBARD 2-5025/2-702 9 2 050 MM HOT STRIP MILL , NORTH, RM AREA , DELIVERY POINT 116 Cornelius.HerbstSarcelormittal.com	

QCC INFORMATION :
NET WEIGHT:
Please State NET WEIGHT in KILOGRAM PER ITEM tendered on.

PREFERABLY ARCELORMITTAL PRODUCTS TO BE USED

Deliv. date - 2015.04.20 Acct assignment - 000950299637
Delivery point :116

Req. nr. 1001514407
RFQ. nr. 6019472621
Requisitioner : NEELS 7035.
Plant: SF01
Storage Location: SFMS - Main store

Total net value excl. tax ZAR 5800.00

2.4 VALID OFFICIAL AUTHORITY

Kindly note that Procurement & Logistic and especially only the following functionaries namely:

- General Manager, Procurement & Logistics
- Group Manager, Purchase, Supply & Contracts
- Manager, Procurement
- Procurement Officers

Have the legal authority to bind ArcelorMittal South Africa contractually particularly in respect of the following:

- The placing of an official order,
- Request to supply,
- Stopping delivery,
- Changing of delivery quantities,
- Manufacturing instructions,
- Reconditioning instructions,
- Hiring of services,
- Service instructions,
- Airfreight instructions,
- Breakdown instructions,
- Authorization of an order,
- Modification of an order,
- Cancellation of an order,
- Alteration of date of delivery,
- Alteration of specifications,
- The extension of rental-agreements,
- The granting of concessions.

Note: Any negotiation contrary to the above instructions leading to the procurement of goods will result in that a person whom does not have the authority to bind ArcelorMittal South Africa contractually will pay for such goods and delivery will be affected at that person's private address.

2.5 BUYING OUT OF PROCEDURE

In cases where a supplier fails to deliver goods/services on the negotiated delivery date, ArcelorMittal South Africa reserves the right to, after negotiation with the Supplier, to cancel the order and to buy out from another Supplier. Any difference in price as well as the cancellation costs of the order shall be for the account of the Supplier who failed to meet the delivery date.

2.6 AFTER HOUR BREAKDOWN

Procedure for after hour breakdowns is:

-The Procurement Officer on Standby or planner on plant should provide you with an order number to enable you to follow up the transaction and for permission to deliver an item or commence with work.

-The order number will start with 703/....

2.7 HANDING OF OUTSTANDING ORDERS

A list of outstanding orders will be send to you every second week. Please make sure that you have received all the orders on the list. If you need any assistance, please contact the Buyer to send you a copy of the order and also make sure that you give feedback about the outstanding orders.

If you experience any other problems please contact the Manager responsible for Procurement at the plant you are dealing with.

3. WAREHOUSING

3.1 ALL DELIVERIES MUST BE ACCOMPANIED BY:

- 3.1.1 Original delivery note
- 3.1.2 Full copy of the original order
- 3.1.3 Material test certificates where applicable
- 3.1.4 Quality control plan for reconditioning orders
- 3.1.5 MSDS certificate for hazardous chemicals

3.2 INFORMATION ON A DELIVERY NOTE:

- 3.2.1 Purchase order number
- 3.2.2 Material number
- 3.2.3 Description of goods
- 3.2.4 Quantity of goods

3.3 ITEMS TO BE DELIVERED

- 3.3.1 All items clearly identified with purchase order number
- 3.3.2 Each order / item to be packed separately
- 3.3.3 Hazardous items each labelled with MSDS label

3.4 SERVICE OR WORK CARRIED OUT AT THE PLANT (M115-C)

When you receive a service order you should make sure that you are in possession of the related contractor requirements as per contractor's management policy e.g. (safety file)

- Supplier should report to the plant with a valid purchase order. Permission will be granted by the plant to vendor to proceed with the service upon presentation of the purchase order. After the service or work has been completed, inspection and testing will be carried out by an ArcelorMittal South Africa employee, namely the Superintendent / Foreman at the plant, to ensure that the service or work is completed satisfactorily to specifications.
- The service receipt will be registered by the ArcelorMittal South Africa employee, authorised by the Manager of the plant and proof of the registered service will be handed to the supplier. The order is considered as complete and an invoice may be presented to Shared Service Centre.

4. CAPITAL PROCUREMENT

- 4.1. GCCP- General Conditions for Capital Procurement (Available on Request)
- 4.2. CCP - Contracts for Capital Procurement (Available on Request)

This is applicable to equipment supplied or to be used at ArcelorMittal South Africa. You are expected to be aware of all relevant conditions.

5. SHARED SERVICES (ACCOUNTS PAYABLE)

5.1. INVOICES

The following is important rules to adhere to when preparing an invoice:

- 5.1.1. Indicate only one Purchase Order,
- 5.1.2. Indicate where applicable the Supply Agreement number,
- 5.1.3. Indicate quantity e.g. 10 off, 50kg, 400 meters, and 40000 litres,
- 5.1.4. Contain a complete description of the material,
- 5.1.5. Indicate unit-price,
- 5.1.6. Indicate that the invoice is a TAX invoice,
- 5.1.7. Indicate the VAT amount separately,
- 5.1.8. Indicate the VAT registration number,
- 5.1.9. Indicate the total amount of the order,
- 5.1.10. Indicate item numbers on orders, which consist of more than one item,
- 5.1.11. Indicate the name of the Vendor,
- 5.1.12. Invoice & delivery note and purchase order must be cross-referenced,
- 5.1.13. Indicate ArcelorMittal South Africa's full postal address,
- 5.1.14. Send invoices to:

Postal
ArcelorMittal, South Africa Limited
Accounts Payable
PP 10114
P.O. Box 2
Vanderbijlpark
1900

Physical
ArcelorMittal South Africa Limited
Accounts Payable
Delfos Boulevard
NW 7
Vanderbijlpark
1911

Invoices can be send electronically in PDF format to the following addresses:

- Invoices for Saldanha Steel: invoices.sals@arcelormittal.com
- Invoices for Vanderbijlpark Steel: invoices.vdb@arcelormittal.com
- Invoices for Vereeniging Steel: invoices.vrn@arcelormittal.com
- Invoice for Newcastle Steel: invoices.ncl@arcelormittal.com
- Invoice for Coke & Chemicals: invoices.cc@arcelormittal.com
- Invoices for Corporate Office: invoices.corp@arcelormittal.com
- Invoices for Pretoria Works: invoices.pta@arcelormittal.com

Only electronic invoices that are send automatically from an accounting system will be accepted. Invoices manually scanned and e-mailed is not acceptable.

5.2. GENERAL

- 5.2.1. A Remittance Advice will be send to the Supplier when payment is done.
- 5.2.2. Should goods be returned a credit note must be issued and when the correct goods are delivered re-invoiced.
- 5.2.3. The price as indicated on the Purchase Order should be examined and should these be incorrect, application should be made to the relevant Procurement Officer for a modification to the Purchase Order.
- 5.2.4. Invoicing must refelect price as quoted on the Purchase Order. Should a modification be issued too late, the invoice will be issued at the Order Price and only on receipt of an official modification will an additional debit be issued.
- 5.2.5. Payment will be done as per payment term on the order. Payment date will be calculated from goods receipt voucher (GRV) date.

6. SHERQ REQUIREMENTS CORPSHE0002 – SHE REQUIREMENTS & EXPECTATIONS

These conditions must be studied and understood so that the vendors know precisely which condition they are to meet in order to carry out a service on site at ArcelorMittal South Africa.

This condition is thus applicable to the work, which is to be carried out at the Plant.

7. PREFERENTIAL PROCUREMENT POLICY STATEMENT

Preferential Procurement Policy is available on request.

8. RESPONSIBLE SOURCING QUESTIONNAIRE

Responsible Sourcing Questions

1. Health and Safety Management:

- 1.1. Do you have a health and safety policy?
 - Yes, we have a Health and Safety Policy. If “Yes”, please provide a copy of the policy.

- No, we do not have a Health and Safety Policy.
- 1.2. Do you have a health and safety management system?
- Yes, we have a health and safety management system.
 - No, we do not have a health and safety management system.
- 1.3. If you reply yes in question 1.2, is your health and safety management system certified to a globally recognised standard (e.g. OHSAS 18001 or equivalent)?
- Yes, all sites are certified to a recognised Health and Safety Management System. If “Yes”, please provide a copy of the certification for all sites.
 - Some sites are certified to a recognised system, and we are in the process of the certifying the others. Please provide a copy of the certification for these sites.
 - No, none of our sites are certified to a recognised health and safety management system.
- 1.4. Do you record the safety performance (Lost Time Injury Frequency or equivalent safety performance measure) for your employees?
- Yes, we record the safety performance.
 - No, we do not record the safety performance.
- 1.5. If you replied “Yes” in question 1.4, can you provide your safety performance data for the your employees for the last 2 years:
- 2013: _____
- 2014: _____
- 1.6. Do you record the safety performance (Lost Time Injury Frequency or equivalent safety performance measure) for your contractors that work on your site(s)?
- Yes, we record the safety performance.
 - No, we do not record the safety performance.
- 1.7. If you replied “Yes” in question 1.6, can you provide your safety performance data for the your contractors for the last 2 years:
- 2013: _____
- 2014: _____

2. Respecting Human Rights

ArcelorMittal’s Human Rights Policy covers all of the following labour standards: supporting freedom of association, opposing forced/compulsory labour, opposing child labour, eliminating unlawful discrimination, eliminating harassment and violence, providing competitive remuneration, and upholding conditions of employment.

- 2.1. Do you have a code of conduct or a written policy that supports labour standards as set out in ArcelorMittal’s Human Rights Policy?
- No, we do not have a code of conduct or policy that covers any of these areas.
 - Yes, a code of conduct or policy that covers some of these areas exists. If “Yes”, please provide a copy of the policy.
 - Yes, a code of conduct or policy covering all of these areas exists. If “Yes”, please provide a copy of the policy.
- 2.2. If “Yes” in Question 2.1, (and you have a code of conduct or policy that covers all of these areas), do you require your own suppliers to apply these standards?
- No, we do not ask our suppliers to apply these standards.
 - Yes, we ask our suppliers to also apply these standards.
- 2.3. Are you a signatory or member of an organisation that promotes Human Rights in the supply chain (for example, through being a signatory to United Nations Global Compact, public commitment to ILO standards, Ethical Trading Initiative, etc.)
- No
 - Yes. If “Yes”, please state which organisations:
Name of the organisation(s): _____
- 2.4. For raw materials ONLY: Please tick below to indicate which of the following human rights you have a policy statement for:
- Avoiding involuntary resettlements.
 - Respecting indigenous peoples rights.

- Adopting proportionate security arrangements

Please provide the Policy statements for any of the areas that you ticked above.

- None of the above

3. Business Ethics

- 3.1. Do you have a code of business conduct or a written policy that supports ethical business practices?
- No, we do not have a code of conduct or policy that covers ethical business practices.
 - Yes, a code of conduct or policy that covers ethical business practices. If "Yes", please attach this.
- 3.2. Do you have an anti-bribery and fraud protection policy?
- No, we do not have an anti-bribery and fraud protection policy.
 - Yes, an anti-bribery/fraud protection policy exists. If "Yes", please attach this.
- 3.3. If you replied "Yes" in questions 3.1 or 3.2, do you provide training to all of your employees on the requirements of your code of conduct and anti-bribery and fraud protection policy?
- No, we do not provide training for our employees.
 - Yes, we provide training for our employees.
- 3.4. Do you have a whistle blowing process for any person to freely report instances of alleged bribery/fraud and or unethical business practices?
- No, we do not have a whistle blowing process or any other process to report alleged bribery/fraud cases and or unethical business practices.
 - Yes, a whistle blowing process or any other process to report alleged bribery/fraud cases and or unethical business practices exists. If "Yes", please provide evidence of this.

4. Environmental Management

- 4.1. Do you have an environment policy?
- Yes, we have an environment policy. If "Yes", please provide a copy.
 - No, we do not have an environment policy.
- 4.2. Do you have an environmental management system?
- Yes, we have an environmental management system
 - No, we do not have an environmental management system
- 4.3. If you replied "Yes" in question 4.2, is your environmental management system certified to a globally recognised standard (e.g. ISO 14001 or equivalent)
- Yes, all sites are certified to a recognised Environmental Management System. If "Yes", please provide a copy of the certification for all sites.
 - Some sites are certified to a recognised system, and we are in the process of the certifying the others. If "Yes", please provide a copy of the certification for those sites.
 - No, none of our sites are certified to a recognised environmental management system.
- 4.4. Do you measure your groups' total greenhouse gas (GHG) emissions?
- No
 - Yes
 - If "Yes", is your groups' total GHG performance improving year on year?
 - If "Yes", have you set publicly available GHG emissions reductions targets?
 - If "Yes", is this data externally verified?
- 4.5. Do you measure your groups' total water consumption?
- No
 - Yes
 - If "Yes", is your groups' total water consumption decreasing year on year?
 - If "Yes", have you set publicly available total water use reductions targets?
 - If "Yes", is this data externally verified?

5. Confirmation

I confirm I have accurately responded to all of the above questions and acknowledge that the responses and any supporting information provided are used by ArcelorMittal in its annual supplier assessment campaign.

Signed:	
Name and designation:	
Date:	
On behalf of company:	

9. CODE OF CONDUCT: ANTI-Corruption guidelines

ANTI-CORRUPTION GUIDELINES

As an international company listed on several stock exchanges, ArcelorMittal wishes to ensure that in the course of its work its employees and any third parties acting on its behalf observe the highest standards of integrity. These Anti-Corruption Guidelines establish procedures for handling corruption concerns.

THE ARCELORMITTAL CODE OF BUSINESS CONDUCT

ArcelorMittal has a reputation for honesty and integrity in its management practices and in its business transactions that it wishes to maintain. It is therefore vital for the ArcelorMittal group to fight and prevent corruption in all its forms.

It is the policy of ArcelorMittal and its subsidiaries and affiliates to comply with anticorruption laws wherever it does business, including the anti-corruption convention of the Organisation for Economic Co-operation and Development (OECD Convention)¹, the European Council's Penal Convention on Corruption of January 1999, and the anti-corruption laws of the countries in which it does business, including the U.S. Foreign Corrupt Practices Act (FCPA)².

The obligation to comply with local, national and international laws and regulations applicable to its business, including anti-corruption laws, is also contained in the ArcelorMittal Code of Business Conduct.

It is the responsibility of each and every director, officer and employee in the ArcelorMittal group, and any third party acting on behalf of the ArcelorMittal group, to understand the Code of Business Conduct and these Anti-Corruption Guidelines and to seek help from the Legal Department if and when there is any question or doubt as to how these rules apply in a given situation.

LEGAL ENVIRONMENT

In 1999, the OECD (defined above) adopted the Convention on Combating Bribery of Foreign Officials in International Business Transactions (the "OECD Convention"), which concluded that bribery in business transactions:

- raises serious moral and political concerns,
- undermines good governance and economic development, and
- distorts international competitive conditions.

Sources: 1 <http://www.oecd.org/>

2 <http://www.usdoj.gov/criminal/fraud/fcpa/>

All countries that are members of the OECD have adopted legislation which criminalises the bribery of government officials, including *foreign* government

officials. Similar conventions have been adopted by other international bodies, including the United Nations Convention Against Corruption, the African Union's Convention on Preventing and Combating Corruption and the Criminal Law Convention on Corruption of the Council of Europe.

The FCPA (defined above) applies to the ArcelorMittal group primarily as a result of the listing of ArcelorMittal's shares on the New York Stock Exchange.

In addition to the above conventions and the FCPA, nearly all countries outlaw the bribing of their own government officials. Although a particular action or payment might be lawful under legislation implementing a convention or the FCPA, it might not be lawful under local law.

WHAT IS CORRUPTION?

In practice, the words "bribery" and "corruption" are generally used interchangeably. Corruption is defined as the misuse of power by someone to whom it has been entrusted, for his own private gain. The most common form of corruption is bribery, which is the giving or receiving money, a gift or other advantage as an inducement to do something that is dishonest, illegal or a breach of trust in the course of doing business.

The anti-corruption laws prohibit an offer, payment, promise to pay or authorisation of payment of any money, gift, or anything of value to any government official for purposes of:

- influencing any act or decision of the government official,
- inducing him or her to do any act in violation of his or her lawful duties,
- securing an improper advantage, or
- inducing him or her to use his or her influence with a governmental agency,

in order to assist in obtaining or retaining business or to direct business to anyone.

The "obtaining or retaining business" element is interpreted broadly to include business advantages, such as obtaining a permit or a tax break.

In addition, according to the laws applicable in some countries such as those that have ratified the Criminal Law Convention on Corruption of the Council of Europe, corruption is considered a criminal offence even in the event that the payment of a bribe would not be made in order to assist in obtaining or retaining business. In other words, the act of corrupting someone in order to induce him or her to act or refrain from acting in the exercise of his or her functions is considered a criminal offence.

This means that unlike the US FCPA, the law of those countries (which include Luxembourg, where ArcelorMittal is incorporated, as well as the UK and France, where ArcelorMittal has corporate offices), makes no exemption for the so-called facilitation payments. Facilitation payments are a form of bribery where (i) the sum involved is minor and paid to a low level official and (ii) the payment is made to secure an action or service to which an individual or company is routinely and legally entitled (e.g. routine processing of government papers such as a visa).

Consequently, it is possible that ArcelorMittal could face liability if any part of the Group were to contravene those laws. It is the policy of ArcelorMittal to refrain from making any corrupt payments, including facilitation payments. ArcelorMittal employees asked to make facilitation payments should report such incidents to the local Legal Department.

WHO IS A GOVERNMENT OFFICIAL?

A "government official" is:

- an officer or employee of a government (holding an administrative, judicial or legislative mandate) or of a department, agency or instrumentality thereof or any person acting in an official capacity for or on behalf of such government (e.g. an entity hired to review bids on behalf of a government agency or to collect custom duties);
- an officer or employee of a "public international organisation" or any person acting in an official capacity for or on behalf of such public international organisation (Public international organisations include, for example, the United Nations, the World Bank, the European Commission, etc.);
- an employee of a company or other business entity in which a governmental body

has an ownership interest and/or over which such governmental body may, directly or indirectly, exercise a dominant influence (such employee can qualify as a government official even if he or she is engaged in commercial, rather than governmental, activities); and

- a political party (see Section “Political Contributions” below) or a member of a political party or a candidate for political office.
- Additional caution should be applied in respect of persons who are known or suspected to be family members of government officials or in respect of companies who are controlled by family members of government officials so as to avoid that these persons serve as a conduit for an illegal payment to a government official.

PRIVATE-TO-PRIVATE CORRUPTION

“Private-to-private” corruption acts are acts that do not involve government officials. Although neither the OECD Convention nor the FCPA (defined above) address the issue of private corruption/bribery, such acts are strictly prohibited under the ArcelorMittal Code of Business Conduct and these Anti-Corruption Guidelines. Private corruption also constitutes a criminal offence in many countries, such as the countries which have ratified the Criminal Law Convention on Corruption of the Council of Europe.

PROCUREMENT AND BIDDING PROCEDURES

Corruption is more widespread in some countries than in others. Operating in some of these high risk countries requires ArcelorMittal to apply greater precaution. It is important that ArcelorMittal be able to demonstrate that local procurement decisions are taken based on merit and not by exerting improper influence on government officials.

Procurement regulations usually include specific rules about the timing of, and process for, securing bid information and documents and you should ensure that you act in conformance with those rules. You should never seek non-public inside information in violation of such regulations.

During the tender process, strict regulations usually exist concerning conflicts of interest and interactions and communications with officials involved in the tender process. During the tender process, you should not engage in any entertainment, gift-giving, or similar exercise with any official or other person involved in the tender process.

You should locate and review relevant local procurement guidelines and regulations and, if necessary, consult with the local Legal Department or the Regional General Counsel to avoid any violations of such laws.

BUSINESS PARTNERS, AGENTS, CONTRACTORS AND OTHER THIRD PARTIES

It is prohibited (i) to make any corrupt payments through intermediaries and (ii) to make a payment to a third party, while knowing that all or a portion of the payment will go directly or indirectly to a government official. The term “knowing” includes conscious disregard and deliberate ignorance.

All business decisions involving ArcelorMittal should be based on merit. No ArcelorMittal employee or third-party acting on behalf of ArcelorMittal should exert improper influence on government officials.

ArcelorMittal’s policy is that the *joint ventures* in which it participates adopt and enforce anti-bribery policies. ArcelorMittal must undertake *due diligence* on its business partners (whether they are agents, consultants, suppliers, other intermediaries, consortium or joint venture partners, contractors or major sub-contractors, distributors, etc.) with a view to assessing the corruption risk before engaging in business with them. For example, before engaging an agent, you should be comfortable that he/she will not be used as a conduit for the payment of a bribe. After conducting due diligence on the agent, you should refrain from engaging in business with them if the due diligence findings are not satisfactory.

The due diligence must be conducted in accordance with the principles set out in these Guidelines and any other policies tailored to specific business/risk areas. ArcelorMittal must establish whether any of its business partners have a reputation for corruption (even though they may not have been convicted for corruption yet) or if any of its business partners are being investigated or prosecuted, or have been convicted or (in the case of lawyers) debarred, for corruption. If so, ArcelorMittal should ascertain as far as possible the facts of the case and make a determination on that basis, keeping in mind the risk of reputational damage to ArcelorMittal.

Records of each due diligence check must be kept for a period of at least eight (8) years. In addition, depending on the results of the background check and the sensitivity of the matter, ArcelorMittal may use external providers to perform additional or more in-depth due diligence on individuals or corporate entities.

The following principles should be applied in respect of the use and remuneration of all third-parties:

- Payments to third-parties must be reasonable and rationally reflect the value of the services provided;
- Third-parties should have a proven track record in the industry concerned;
- Third-parties should not be referred by government officials;
- The services to be rendered must be legitimate and the nature of the services as well as the price must be described in the relevant contract; and
- Third-parties may not get paid offshore unless there are genuine and legitimate business reasons for doing so and the payment process is approved in writing in advance by the local Legal Department, the Regional General Counsel and the local head of Business Unit. Tax avoidance is not a proper purpose in such cases.

Each third-party agreement must include clauses that address corruption concerns. These Anti-Corruption Guidelines apply to agents and business partners when they do business with us and if they do business with a third party on our behalf.

ANTI-CORRUPTION CLAUSES

The inclusion of the anti-corruption model clause provided under Appendix A of these Guidelines or a similar clause developed with the assistance of the Legal Department is required in each type of contract referred to in these Guidelines.

MERGERS AND ACQUISITIONS

Companies in the ArcelorMittal group which merge with or acquire other companies run the risk of inheriting successor liability for any violations of anti-corruption laws committed by the acquired or merged company. This may entail significant reputational damage for ArcelorMittal and business disruption as well as sanctions if at a later stage such violations come to light. Therefore, it is essential to perform thorough anti-corruption due diligence and to include in the acquisition contract appropriate anti-corruption provisions as well as to consider other available options to avoid successor liability prior to the closing of the transaction. While acquisitions solely of assets theoretically do not trigger successor liability, it is nonetheless important to perform thorough anti-corruption due diligence and tailor the acquisition contract in such a way that it excludes liability for anti-corruption laws violations from the scope of the asset acquisition. If an ongoing business is acquired as part of an asset acquisition, such a transaction must be treated as if it were a stock acquisition. You should raise any anti-corruption issues that arise in due diligence with the Group General Counsel.

ARCELORMITTAL EMPLOYEES

The integrity of ArcelorMittal employees must be preserved by applying the following principles:

- Only appoint an employee to a key position if the integrity of that employee is documented or has not been challenged.
- Where a new employee is to be appointed, comply with the ArcelorMittal Corporate Resourcing Pre-employment Vetting (Background Checks) procedure implemented by ArcelorMittal's Human Resources department and provide

- appropriate compliance training.
- Additional attention should be paid by management and human resources and anti-corruption training provided to employees who are operating in high risk countries where they may be exposed to corrupt pressures, particularly if they interact with government employees.

GIFTS, ENTERTAINMENT, TRAVEL

- **Gifts**

ArcelorMittal is under the legal obligation to comply with the anti-corruption laws of the countries where it does business. Therefore, gifts should not be given without the prior review of the local anti-corruption law and these Anti-Corruption Guidelines.

No gifts and gratuities should be offered to government officials except for promotional items of little value, such as inexpensive pens, mugs, T-shirts, calendars, etc., that bear the company's name and/or logo, provided that this is not prohibited by local law and that it is not made with a corrupt purpose (see definition of "Corruption" above under "What is Corruption?").

The ArcelorMittal Code of Business Conduct also prohibits offering gifts or granting favours outside the ordinary course of business to current or prospective customers, their employees or agents, or any person (including but not limited to "government officials") with whom the relevant group company has a contractual relationship or intends to negotiate an agreement.

ArcelorMittal's employees must also refuse gifts and gratuities from persons who deal or seek to deal with ArcelorMittal such as suppliers or potential suppliers, with the exception of promotional items of little value. Cash gifts to anyone are prohibited and, if offered to you, must be refused.

- **Entertainment & Travel**

All business entertainment and travel given or received by ArcelorMittal employees must be moderately scaled and clearly intended to facilitate business discussions. As a general guideline, business entertainment in the form of meals and beverages is acceptable as long as it is in line with local law, the Group's SG&A policy, reasonably infrequent, and as far as possible on a reciprocal basis.

More restrictive rules apply with respect to business entertainment and travel provided by ArcelorMittal employees or third parties acting on behalf of ArcelorMittal to government officials (see Section "Who is a Government Official" above).

ArcelorMittal may pay or reimburse government officials for reasonable travel and lodging-related expenses or costs directly related to:

- the promotion, demonstration, or explanation of ArcelorMittal products or services; or
- the execution or performance of a contract between a company in the

ArcelorMittal Group and the government which the government official represents. *provided*, that the payment or reimbursement of travel, entertainment and lodging expenses is permitted under local law and any other applicable laws and subject to the prior written authorisation of the local Legal Department, the Regional General Counsel and the head of the local Business Unit.

In each case, the purpose of the trip must be defined and approved in advance and reimbursement is subject to "bona fide" supporting documentation and correspondence which must be kept on file.

Cash payments or *per diems* should be avoided and reimbursements for travel and lodging-related expenses should be paid to the government entity or agency rather than to the government official directly. Any exception to this rule can be made only with the prior written authorisation of the local Legal Department, the Regional General Counsel and the head of the local Business Unit.

Family members of government officials may not be invited to such trips or events. If a family member nevertheless accompanies the relevant person to the trip or the event, ArcelorMittal will not pay or reimburse any expenses of such family member.

CONTRIBUTIONS TO TRADE UNIONS

Contributions of money or services on behalf of ArcelorMittal to any trade union or union member or to any entity controlled by a trade union in any country may only be made in accordance with applicable law and all requirements for public disclosure must be fully complied with.

Such contributions are subject to the prior written approval of the local Legal Department, the Regional General Counsel and the local head of Business Unit. If a contribution of money or services to a trade union or a union member or to an entity controlled by a trade union in any country is being contemplated, the rules on conflicts of interest contained in the ArcelorMittal Code of Business Conduct must be observed. This means that any person who has any kind of affiliation with the trade union or the member of the trade union or the entity controlled by the trade union should abstain from any involvement in the decision-making process regarding the contribution.

Be mindful that trade unions, union members or entities controlled by a trade union may serve as a conduit for bribes to government officials and that contributions to trade unions, union members or entities controlled by a trade union may consequently be interpreted as a bribe.

CHARITABLE / CORPORATE RESPONSIBILITY CONTRIBUTIONS

There is a risk that bribes take the form of charitable contributions or sponsorships. Make sure that money paid to a charity is not dependent on, nor made to win, a business deal. Money must always be given to a charitable organisation and not to an individual. The contributions should be subject to adequate monitoring and compliance with key performance indicators.

Only make charitable contributions to charities that are registered under the local country's laws. Be careful who the charity officials are and perform a background check on the charity itself and on its managers. Check if you can to find out to whom the money will go and for what purpose. If you are in negotiation for a government contract or a licence, or you have a sensitive issue which the government is reviewing, be mindful that contributions to a charity affiliated with a government official is likely to be interpreted as a bribe.

You should subject cases in which a customer or government official recommends or refers a charitable organization to you to heightened scrutiny. In such cases, the charity may be a conduit for improper payments to the customer or government official.

Charitable and any other Corporate Responsibility contributions should be in line with the Corporate Responsibility strategy of the ArcelorMittal group, about which information is available on www.arcelormittal.com under "Corporate Responsibility", and the Group Corporate Responsibility department must be consulted prior to engaging in any such type of contribution.

In addition, significant charitable contributions and Corporate Responsibility contributions involving government entities, as defined in ArcelorMittal's Corporate Responsibility policies, are subject to the prior written approval of the local Legal Department, the Regional General Counsel and the local head of Business Unit.

ACCOUNTING REQUIREMENTS

ArcelorMittal is under the legal obligation to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ArcelorMittal.

The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal

payments.

INTERNAL CONTROLS

ArcelorMittal is also under the legal obligation to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that

- transactions are executed in accordance with management's general or specific authorization;
- transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
- access to assets is permitted only in accordance with management's general or specific authorization; and
- the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

All business units within the ArcelorMittal group should have in place internal controls and procedures that fit these criteria and enhance compliance with these Anti-Corruption Guidelines.

One element of an effective internal controls system is for business and finance personnel to review transactions and expense/payment requests for warning signs that signal an inadequate commercial basis or excessive risks. Below is a list of common warning signs.

- Transaction party has current business, family, or some other close personal relationship with a customer or government official, has recently itself been a customer or government official, or is qualified only on the basis of its influence over a customer or government official.
- A customer or government official recommends or insists on the use of the transaction party.
- Transaction party refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information.
- Transaction party has a poor business reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references.
- Transaction party does not have office, staff, or qualifications adequate to perform the required services.
- Expense/payment request is unusual, is not supported by adequate documentation, is unusually large or disproportionate to services to be rendered, does not match the terms of a governing agreement, or involves the use of cash or bearer instrument.
- Expense/payment request involves an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.
- Expense/payment request is described as required to "get the business" or "make the necessary arrangements."

This list is not exhaustive and warning signs will vary by the nature of the transaction or expense/payment request and by the geographical market or business line. Personnel should constantly assess whether additional common warning signs are present in their specific situation.

AUDITS

ArcelorMittal is committed to conducting audits to ensure compliance with the anticorruption laws.

WHISTLEBLOWER POLICY

Any concern that an ArcelorMittal employee, officer or director has about a possible

bribery or corruption case should be reported immediately in accordance with the ArcelorMittal Whistleblower Policies.

ANTI-CORRUPTION SANCTIONS

- **Criminal liability and civil penalties**

In most jurisdictions, both companies and individuals can be liable for a criminal offence. The exact extent of criminal liability will depend on the law of a particular country.

Generally speaking, criminal liability entails fines and prison terms which can be severe. For example, under the FCPA (as defined on page 1), business entities are subject to a fine of up to USD 2 million per violation. Officers, directors, shareholders, employees and agents are subject to a fine of up to USD 250,000 per violation and imprisonment of up to five years. Alternatively, the fine may be up to twice the benefit that the defendant sought to obtain by making the corrupt payment.

Further, criminal penalties for companies like ArcelorMittal accused of violating the Books and Records (i.e. accounting – see “Accounting Requirements”, above) provisions of the FCPA can reach up to USD 25 million and up to twice the benefit the entity sought to obtain through the violation. Individuals convicted of such a violation will be fined up to USD 5 million or imprisoned for up to 20 years.

In addition, disgorgements of profits associated with improper payments are likely to be imposed under the FCPA.

Companies and individuals may be prosecuted for corruption in their home countries, in the country where the corruption took place, and in other countries, including the United States of America. Extradition of individuals to another country is also a risk, depending on the country where the actions took place.

Fines imposed on individuals may not be paid by their employer.

- **Civil liability and damages**

In addition to criminal liability, both individuals and companies involved in corruption are at risk of being sued and being found liable to compensate those other individuals or companies who may have suffered losses as a result of the corrupt act.

This may occur where, for example, an unsuccessful bid participant sues a successful bid participant who has been corruptly awarded a contract in order to recover lost tender costs and lost profit.

- **Suspension or Debarment**

In addition to direct sanctions for corruption, companies involved in enforcement proceedings may be prohibited from making sales to government customers or organizations. Loss of such sales opportunities in many cases can have a greater financial impact on a company than the direct sanctions of the enforcement proceeding.

- **Sanctions taken by ArcelorMittal**

Based on these Anti-Corruption Guidelines, applicable law and ArcelorMittal internal policies, instances of fraud or bribery by an ArcelorMittal employee are punishable and will result in sanctions that may include the termination of the employment contract.

GENERAL GUIDANCE AND CONTACTS

As these Anti-Corruption Guidelines cannot cover every eventuality, ArcelorMittal employees are encouraged to use their good judgement and apply common sense. In case of doubt, please contact your local Legal Department, your local Business

Unit head or the persons referred to in these Anti-Corruption Guidelines with any questions.

If your local Legal Department or local Business Unit head require guidance on these Anti-Corruption Guidelines, they may contact any of the following persons:

- the Group General Counsel,
- the Regional General Counsels,
- the General Counsel Luxembourg / Group Compliance Officer.

Appendix A – Model Anti-Corruption Clause

[CONTRACTOR] agrees to comply fully with all applicable anti-corruption laws, including those in the jurisdiction where they are registered and the jurisdiction where the relevant contract will be performed (if different), and to comply with ArcelorMittal's Anti-Corruption Guidelines.

[CONTRACTOR] represents that:

- he or she or, as the case may be, the authorised representatives of [CONTRACTOR] presently is/are not, and during the life of the agreement will not become, an official or employee of the relevant country's government or of a political party in that country,
- he/she/they will disclose any such appointment immediately to the relevant ArcelorMittal group company and
- such appointment will automatically result in the termination of the agreement.

[CONTRACTOR] agrees that all payments made to [CONTRACTOR] will be made only after receipt by ArcelorMittal of a detailed and accurate invoice supported by detailed records. ArcelorMittal will make all payments under this agreement in [LOCAL CURRENCY], only by cheque or bank transfer (not negotiable currency or bearer instrument) to the account of [CONTRACTOR] at a financial institution in [LOCAL JURISDICTION].

[CONTRACTOR] agrees to keep accurate books, accounts, records, and invoices and agrees that ArcelorMittal is entitled, with the help of outside auditors if it deems necessary, to audit all books, accounts, records and invoices and accompanying documentation of [CONTRACTOR] for compliance with any applicable anti-corruption laws and that [CONTRACTOR] will cooperate fully in any such audit.

[CONTRACTOR] agrees not to subcontract all or part of the agreement, to any other individual or entity without ArcelorMittal's prior written consent.

[CONTRACTOR]'s failure to comply with all applicable anti-corruption laws or ArcelorMittal's Anti-Corruption Guidelines will be deemed to be a material breach of the agreement entitling ArcelorMittal to terminate the agreement. In that event, [CONTRACTOR] will surrender any claim for payment under the agreement including payment for services previously performed.

ArcelorMittal may also terminate the agreement or suspend or withhold payment if it has a good faith belief that [CONTRACTOR] has violated, intends to violate, or has caused a violation of any anti-corruption laws. ArcelorMittal will not be liable for any claims, losses, or damages arising from or related to failure by [CONTRACTOR] to comply with any such laws or this anti-corruption clause or related to the termination of the agreement under this clause and [CONTRACTOR] will indemnify and hold ArcelorMittal harmless against any such claims, losses, or damages.

10. WRITTEN AGREEMENT ON
OCCUPATIONAL HEALTH AND SAFETY

in accordance with the provision of Section 37(2)
of the Occupational Health and Safety Act, Act No 85 of 1993

as entered into by and between

ArcelorMittal South Africa Limited
(hereinafter referred to as "ArcelorMittal SA Ltd")

and

_____)
(here in after referred to as the "Contractor")

CONTRACTOR COMPENSATION FUND NUMBER: _____

VENDOR NUMBER: _____

1. REPORTING

The Contractor and/or its designated person appointed in terms of Section 16(2) of the Occupational Health and Safety Act, Act No 85 of 1993 (the "OHS Act") shall report to representative designated by ArcelorMittal South Africa Ltd prior to commencing with the Work at the Premises.

2. WARRANTY OF COMPLIANCE

- 2.1 The Contractor warrants that it agrees to the arrangements and procedures as prescribed by ArcelorMittal SA Ltd and as provided for in terms of Section 37(2) of the OHS Act for the purposes of compliance with the OHS Act and Regulations promulgated in terms of the OHS Act.
- 2.2 The Contractor acknowledges that this written agreement on occupational health and safety (the "Agreement") constitutes an agreement in terms of Section 37(2) of the OHS Act, whereby all responsibility for health and safety matters relating to the work that the Contractor is to perform on the Works shall be the obligation of the Contractor.
- 2.3 The Contractor further undertakes to maintain such compliance with the OHS Act and Regulations thereto. Without derogating from the generality of the above, or from the provisions of the Agreement, the Contractor shall ensure that the clauses as hereunder described and the OHS Act and Regulations thereto are at all times adhered to.
- 2.4 The Contractor hereby undertakes to ensure that the health and safety of any other person at the Works is not endangered by its conduct and/or activities while in the Works.

3. MANDATORY AND EMPLOYER

The Contractor shall be deemed to be an employer in its own right while in the Premises in terms of Section 16(1) of the OHS Act, the Contractor shall accordingly ensure that the requirements of the OHS Act and Regulations thereto are complied with by itself and/or its nominated Chief Executive Officer.

4. APPOINTMENTS AND TRAINING

- 4.1 The Contractor shall appoint competent persons as per Section 16(2) of the OHS Act. Any such appointed person shall be a competent persons sufficiently experienced in the duties to be performed and shall be trained on any occupational health and safety matter and the OHS Act provisions and regulations applicable pertinent to the work that requires to be performed under their obligations. Copies of any appointments made by the Contractor shall be made available to ArcelorMittal South Africa Ltd for inspection before any duties by the Contractor commences and shall clearly set out the qualifications and previous experience of such persons to be appointed.
- 4.2 In as much as the appointment of such persons does not relieve ArcelorMittal South Africa Ltd of its responsibility in terms of the OHS Act, the Contractor will, in addition to its own responsibility under such legislation, been required to carry out any instruction of ArcelorMittal South Africa Ltd.
- 4.3 The appointed persons shall not at the same time be in charge of any other work, unless the site on which such other work is to be performed is adjacent in close proximity to the Site of the Contract Works and provided that prior written permission is obtained from ArcelorMittal South Africa Ltd and furthermore provided that all necessary permission in terms of the applicable legislation have been obtained.
- 4.4 The appointed persons shall also be responsible for the work, if any, to be carried out by any Sub-Contractors and the Contractor hereby indemnifies and hold harmless ArcelorMittal South Africa Ltd against any damage or loss that may accrue to any Sub-Contractor of the Contractor.
- 4.5 As soon as the Contractor becomes aware that any of its appointed personnel is likely to be absent from the Site for a period of more than 4 (four) days, the Contractor shall immediately notify ArcelorMittal South Africa Ltd and nominate a suitable person to act during such absence. If the period of absence exceeds or is expected to exceed 30 (thirty) days, the Contractor shall immediately take steps to nominate a person for appointment in the place of the principal appointee for the period of such absence and shall make the appointment letter of such substitute appointment available to ArcelorMittal South Africa Ltd.

- 4.6 The Contractor shall further ensure that all its employees are trained on the health and safety aspects relating to the duties and that they understand the hazards associated with such work being carried out on the Plant. Without derogating from the foregoing, the Contractor shall, in particular, ensure that all its users or operators of any Goods or Contractor's Equipment are properly trained in the use of such Goods and Contractor's Equipment.
- 4.7 Notwithstanding the provisions of the above, the Contractor shall ensure that it, its appointed responsible persons and its employees are at all times familiar with the provisions of the OHS Act, and the Regulations there to, and that they comply with the provisions of the OHS Act and the Regulations thereto.

5. PROVISIONS, DISCIPLINE AND REPORTING

- 5.1 The Contractor shall ensure that all work performed at the Works is done under strict supervision and that no unsafe or unhealthy work practices are permitted. Discipline regarding health and safety matters shall be strictly enforced by the Contractor against any of its employees regarding non-compliance by such employee with any health and safety matters.
- 5.2 The Contractor shall further ensure that its employees report to it all unsafe or unhealthy work situations immediately after they become aware of the same and that it in turn immediately reports these to ArcelorMittal South Africa Ltd.
- 5.3 ArcelorMittal reserves the right to monitor the health and safety performance of the Contractor and/or its Sub-Contractor's and shall be entitled, in the event of a first incident of poor performance to revoke the Contractor's and/or its Sub-Contractor(s) will after expiry of the 3 (three) month period be allowed to re-apply for access to the premises, but there will be no obligation on ArcelorMittal South Africa Ltd to grant such application.
- 5.4 Any further transgression if and after a Contractor's and/or its Sub-Contractor's access has been restored as contemplated in clause 5.3 above will lead to immediate and permanent revocation of that Contractors and/or its Sub-contractor's right of access to any ArcelorMittal South Africa Ltd, premises.

6. ACCESS TO THE OHS ACT

The Contractor shall ensure that it has an updated copy of the OHS Act on Site at all times and that this is accessible to its appointed, responsible persons and employees, save that the Parties may make arrangements for the Contractor and its appointed, responsible persons and employees to have access to ArcelorMittal South Africa Ltd's copy/copies of the Act.

7. CO-OPERATION

- 7.1 The Contractor and/or its responsible persons and employees shall provide full co-operation and information if and when ArcelorMittal South Africa Ltd enquires into occupational health and safety issues concerning the Contractor. It is hereby recorded that ArcelorMittal SA Ltd shall at all times be entitled to make such inquiry.
- 7.2 Without derogating from the generality of the above, the Contractor and its responsible persons shall make available to ArcelorMittal South Africa Ltd, on request, all and any checklists and inspection registers required to be kept by it in respect of any of the Goods or Contractor's Equipment.
- 7.3 ArcelorMittal reserves the right to conduct SHERQ audits on any Contractor and/or its Sub-Contractor's at any time before commencing any works or during work and the contractor shall fully cooperate with ArcelorMittal South Africa Ltd in *inter alia* making the required records, information and personnel available. ArcelorMittal South Africa Ltd right to audit is limited to no more than once in a 12 (twelve) month period, however ArcelorMittal South Africa Ltd shall have the right to re-audit more frequently if material irregularities are discovered in the initial audit. The audits will be conducted during normal business hours and will be at the sole cost of ArcelorMittal South Africa Ltd.

8. HAZARD IDENTIFICATION AND RISK ASSESSMENT (HIRA)

- 8.1 The Contractor shall identify the hazards to health and safety to which the employees may be exposed while they are on duty.
- 8.2 The Contractor shall assess the risks associated with the hazards to which the employees may be exposed while they are on duty.
- 8.3 The hazard identification and risk assessment process will be recorded and used for induction, training and refresher training of employees (as indicated in Paragraph 4.6).
- 8.4 The Contractor shall take steps as far as reasonably practicable to eliminate or mitigate the hazards and risks identified and recorded.

9. SAFE WORK PROCEDURES

- 9.1 The Contractor shall be entitled to utilize the procedures, guidelines and other documentation as used by ArcelorMittal SA Ltd for the purposes of ensuring a healthy and safe working environment. The Contractor shall then ensure that its responsible persons and employees are familiar with and utilize the documents. This does not absolve the Contractor from its responsibility at all times to adhere to the provisions of the OHS Act and the regulations promulgated in terms thereof. The Contractor acknowledges that ArcelorMittal SA Ltd has not made any representation whatsoever about the suitability, adequacy or any other quality of the said procedures, guidelines and other documentation.
- 9.2 The Contractor shall implement safe work practices and procedures as prescribed by ArcelorMittal South Africa Ltd and shall ensure that its responsible persons and employees are made conversant with and adhere to such safe work practices. The content of the procedures must address the hazards and risks identified during the HIRA process.
- 9.3 The Contractor shall ensure that work for which, a permit is required by ArcelorMittal South Africa Ltd is not performed by its employees prior to the obtaining of such permit.

10. HEALTH AND SAFETY MEETINGS

If required in terms of the OHS Act, the Contractor shall establish its own Health and Safety Committee(s) and ensure that its employees, being the Committee members, hold Health and Safety meetings as often as may be required and at least every 3 (three) months. ArcelorMittal South Africa Ltd may elect to permit the Contractor's Health and Safety Representatives to attend ArcelorMittal South Africa Ltd Health and Safety Committee meetings.

11. COMPENSATION REGISTRATION

The Contractor shall ensure that it has a valid registration with the Compensation Commissioner, as required in terms of the Compensation for Occupational Injuries and Diseases Act, Act No 130 of 1993, and that all payments owing to the Compensation Commissioner is discharged. The Contractor shall further ensure that the cover shall remain in force while any such employee is present on the Works. ArcelorMittal SA Ltd shall be entitled from time to time to demand proof of payment to the Compensation Commissioner.

12. MEDICAL EXAMINATIONS

The Contractor shall ensure that all its employees undergo routine medical examinations and that they are medically fit for the duties they are to perform and provide proof of such to ArcelorMittal South Africa Ltd representative on request .

13. INCIDENT REPORTING AND INVESTIGATION

- 14.1 All incidents referred to in Section 24 of the OHS Act shall be reported by the Contractor to the Department of Labour and to ArcelorMittal SA Ltd. ArcelorMittal South Africa Ltd shall further be provided with copies of any written documentation relating to any incident.
- 14.2 ArcelorMittal South Africa Ltd retains an interest in the reporting of any accident as described above as well as in any formal investigation and/or inquiry conducted in terms of Section 32 of the OHS Act into such incident.

14. SUB-CONTRACTORS

Without derogating from the generality of this clause 13:

- 14.1 The Contractor shall ensure that training as discussed under clause 4 (Appointments and Training) above, is provided prior to the Sub-Contractor commencing their duties on the Premises.
- 14.2 The Contractor shall ensure that work performed by the Sub-Contractor is done under strict supervision and discipline, under clause 5 (Supervision, Discipline and Reporting) above.
- 14.3 The Contractor shall inform ArcelorMittal South Africa Ltd of any health and safety hazard and/or issue that the Sub-Contractor may have brought to its attention.
- 14.4 The Contractor shall inform ArcelorMittal South Africa Ltd of any difficulty encountered regarding compliance by the Sub-Contractor with any health and safety instruction, procedure and/or legal provision applicable to the work the Sub-Contractor performs on the Works.

15. SECURITY AND ACCESS

- 15.1 The Contractor and its employees shall enter and leave the Works only through the main gate(s) and/or checkpoint(s) designated by ArcelorMittal South Africa Ltd. The Contractor shall ensure that employees observe the security rules of ArcelorMittal South Africa Ltd at all times and shall not permit any person who is not directly associated with the work from entering the Works.
- 15.2 The Contractor and its employees shall not enter any area of the Works that is not directly associated with the Contract Work.
- 15.3 The Contractor shall ensure that all Contractors' equipment brought by itself on to the Works is recorded at the Main gate(s) and/or checkpoint(s). A failure to do this may result in a refusal by ArcelorMittal South Africa Ltd to allow the Contractor's equipment to be removed from the Works.
- 15.4 The Contractor shall ensure that all employees, material, machinery or equipment are safeguarded at all times to prevent any injury or losses in respect of crime related activities.

16. FIRE PRECAUTIONS AND FACILITIES

- 16.1 The Contractor shall ensure that an adequate supply of fire protection and first aid facilities are provided for the work to be performed in the Works, save that the Parties may mutually make arrangements for the provision of such facilities.
- 16.2 The Contractor shall further ensure that all its employees are familiar with fire precautions at the Works, which include fire alarm signals and emergency exits, and that such precautions are adhered to.

17. HYGIENE AND CLEANLINESS

The Contractor shall ensure that the Site and surrounding area is at all times maintained to a reasonably practicable level of hygiene and cleanliness. In this regard, no loose materials shall be left lying about unnecessarily and the Site shall be cleared of waste material regularly and on completion of the Contract Works.

18. NO NUISANCE

17.1 The Contractor shall ensure that neither it nor its employees undertake any activity that may cause environmental impairment or constitute any form of nuisance to ArcelorMittal SA Ltd and/or its surroundings. The Contractor furthermore undertakes and is obliged to remedy any environmental impairment or nuisance caused by it at its own costs.

17.2 The Contractor shall ensure that no hindrance, hazard, annoyance or inconvenience is inflicted on ArcelorMittal SA Ltd, another contractor or any tenants. Where such situations are unavoidable, the Contractor shall give prior written notice to ArcelorMittal SA Ltd.

19. INTOXICATION NOT ALLOWED

No intoxicating substance of any form shall be allowed on the Site. Any person suspected of being intoxicated shall not be allowed on the Site. Any person required to take medication shall notify the relevant responsible person thereof, as well as the potential side effects of the medication.

20. PERSONAL PROTECTIVE EQUIPMENT

The Contractor shall ensure that its responsible persons and employees are provided with adequate personal protective equipment (PPE) for the duties they may perform and in accordance with the requirements of General Safety Regulation 2 of the OHS Act. The Contractor shall further ensure that its responsible persons and employees wear the PPE issued to them at all material times.

21. GOODS, MACHINERY AND EQUIPMENT

21.1 The Contractor shall ensure that all the Goods and Contractor's Equipment is/are at all times of sound order and fit for the purpose for which it/they is/are intended, and that it/they complies/comply with the requirements of Section 10 of the OHS Act.

21.2 In accordance with the provisions of Section 10(4) of the OHS Act, the Contractor hereby assumes the liability for taking the necessary steps to ensure that any article or substance that it erects or installs at the Premises, or manufactures, sells or supplies to or for ArcelorMittal SA Ltd, complies with all the prescribed requirements and will be safe and without risks to health and safety when properly used.

22. NO USAGE OF EMPLOYER'S EQUIPMENT

The Contractor hereby acknowledges that its employees shall not be permitted to use any materials, machinery or equipment of ArcelorMittal SA Ltd unless approval has been obtained, in which case the Contractor shall ensure that only those persons authorized to make use of same, have access thereto.

23. TRANSPORT

22.1 The Contractor shall ensure that all road vehicles used in the Premises are in a roadworthy condition and are appropriately licensed and insured. All drivers shall have relevant and valid driving licenses and no vehicle shall carry passengers at the back or unless it is specifically designed to do so. All drivers shall adhere to the speed limits and road signs in the Works at all times.

22.2 In the event that any hazardous substances are to be transported in the Works, the Contractor shall ensure that the requirements of the Hazardous Chemical Substances Act, Act No 15 of 1973 are complied with at all times.

24. CLARIFICATION

In the event that the Contractor requires clarification of any of the terms or provisions of this Contract, it should contact ArcelorMittal South Africa Ltd.

25. DURATION OF AGREEMENT

This Contract shall remain in force for the duration of the work to be performed by the Contractor and/or while any of the Contractor's workmen are present in the Works.

26. **HEADINGS**

The headings as contained in this Agreement are for reference purposes only and shall not be construed as having any interpretative value in them or as giving any indication as to the meaning of the contents of the paragraphs contained in this agreement.

THUS DONE AND SIGNED at _____ on this _____ day of _____ 20____.

1. _____
Signature **Name**

WITNESSES: (for and on behalf of the Contractor)

1. _____
Signature **Name**

2. _____
Signature **Name**

THUS DONE AND SIGNED at _____ on this _____ day of _____ 20__

1. _____
Signature **Name**

WITNESSES: (for and on behalf of ArcelorMittal SA Ltd.)

1. _____
Signature **Name**

2. _____
Signature **Name**

11. GENERAL CONDITIONS OF PURCHASE

1. DEFINITIONS

The words and expressions as set out below will be interpreted to have the following meanings, unless the context of this Agreement indicates otherwise or it is expressly stated to the contrary in the Agreement:

- 1.1 "Acceptance" will mean delivery of Goods/Services to the Purchaser according to the specifications set out in the Purchase Order, recordal of such delivery on the computer or data systems of the Purchaser, and the receipt and stamping of the Vendor's delivery documentation by the Purchaser.
- 1.2 "Agreement" will mean these general terms and conditions and shall include the Purchase Order and include the specifications, schedules, drawings and samples attached to or referred to in the specification.
- 1.3 "Approval Manager" will mean the authorised manager according to the applicable Delegation of Authority in the specific Department where work has been completed. This authorisation can be delegated to other persons within the Department, insofar as such further delegation is authorised in the Delegation of Authority.
- 1.4 "Buyer" will mean a person assigned and authorized by the Purchaser to handle and process all purchasing transactions on behalf of the Purchaser.
- 1.5 "Delivery Date" will mean the date stipulated in the Purchase Order for the Acceptance and/or completion of delivery of the Goods/Services by the Vendor to the Purchaser.
- 1.6 "Goods" or "Services" will mean the items or services as specified in the Purchase Order, and these terms may be used interchangeably as the context may indicate.
- 1.7 "Material Number" will mean the unique number assigned to each material which defines the specifications of such material within the Purchaser's cataloguing systems.
- 1.8 "Parties" will mean the Purchaser and the Vendor and "Party" will mean the Purchaser or the Vendor, as the context may indicate.
- 1.9 "Purchaser" will mean ArcelorMittal, South Africa Limited, a public company registered in the Republic of South Africa with registration number 1989/002164/06 or any of its subsidiaries or nominees acting through their duly authorised representatives, and for the purpose of the Purchase Order trading as ArcelorMittal, South Africa Limited.
- 1.10 "Purchase Order" will mean the document generated by the Purchaser that authorises the Vendor to deliver to the Purchaser Goods/Services according to specifications set out therein.
- 1.11 "Purchase Order Number" will mean the unique number generated in the computer or data systems of the Purchaser for a specific purchasing transaction.
- 1.12 "Purchase Price" will mean the price of the goods or services, excluding VAT, as stipulated on the Purchase Order.
- 1.13 "Quality Control Plan" will mean the setting out and implementation by the Vendor of practices, resources, and sequences of activities relevant to the quality control of the relevant product and/or service to be rendered in terms of the Agreement.
- 1.14 "Transfer of Ownership" will mean the transfer of all the rights and obligations inherent in ownership of the goods from the Vendor to the Purchaser.
- 1.15 "VAT" will mean Value Added Tax in accordance with the provisions of the Value Added Tax Act, 1991, as amended.
- 1.16 "Vendor" will mean the legal or natural person or persons who have undertaken to fulfil the Agreement.

2. INTERPRETATION

- 2.1 The headings as used in this Agreement are inserted for convenience and reference only and will not be used in the interpretation of, not to modify or amplify the terms and conditions as stated in this Agreement.
- 2.2 Reference to paragraphs and clauses in these general terms and conditions are references to paragraphs and clauses of this these general terms and conditions unless otherwise stated.

3. ACCEPTANCE

- 3.1 The terms and conditions as set out in this document will supersede those of the Vendor unless specifically otherwise agreed to in writing between the Parties.
- 3.2 Delivery as specified on the Purchase Order will be deemed to be full and completed Acceptance of the terms and conditions as set out in the Agreement, unless the Parties have agreed, in writing, to amended terms and conditions.

4. COMMUNICATION

- 4.1 The Purchaser's Purchase Order Number will appear on all documents and packages related to the Purchase Order.
- 4.2 All communication will be addressed and delivered to the Buyer responsible for placing the Purchase Order with the Vendor.
- 4.3 The Buyer alone will issue all modifications to the Purchase Order or to the Agreement.

5. DELIVERY

- 5.1 All Goods/Services as specified in the Purchase Orders will be delivered to the point of delivery as specified in the Purchase Order at the date and time as specified in the Purchase Order. No deliveries due for the following month/s will be received in the current month.
- 5.2 The Vendor will, where practicable, inform the Purchaser at the earliest opportunity of any event or circumstance which may impact on the Acceptance of the Purchase Order.
- 5.3 In the event of timeous notification of a delay to the due and proper Acceptance of the Purchase Order, the Purchaser may in its sole discretion grant or refuse an extension of the contract period.
- 5.4 All deliveries must be accompanied by the following documentation:
 - 5.4.1 A full copy of original Purchase Order;
 - 5.4.2 Delivery note stipulating:
 - 5.4.2.1 Purchase Order Number;
 - 5.4.2.2 Material Number;
 - 5.4.2.3 Description of the goods;
 - 5.4.2.4 Quantity of the goods;
 - 5.4.3 Materials test certificates where applicable,
 - 5.4.4 Quality Control Plan (QCP) approved by the end user for reconditioning orders.
 - 5.4.5 Hazardous chemicals must be delivered with MSDS Certificates in accordance with Occupational Health and Safety Act 85 of 1993, Section 10 (3) and Hazardous Chemicals Substances Regulation 9A.
- 5.5 Over-delivery:
 - 5.5.1 The Purchaser will not accept any Goods in excess of the amount or quantity specified in the Purchase Order.
 - 5.5.2 Such Goods as may be in excess of the specified amount will be removed by the Vendor from the Purchaser's premises at the Vendor's own cost, and the Purchaser

will not be liable for any costs whatsoever related to the over-delivery, nor shall the Purchaser be liable for any loss or damage to the said excess Goods while such Goods are at the Purchaser's premises.

5.6 Non-conformance deliveries are deliveries which do not conform to the Purchase Order. Any non-conformance deliveries by the Vendor may:

5.6.1 not be accepted, unless the Purchaser issues a concession form signed off by the end-user, allowing such non-conformity; and/or

5.6.2 constitute non-delivery and may be subject to the procedures described in clauses 21 and 22.

5.7 Delivered items will be clearly marked by the Vendor with the Purchase Order Number or Material Number.

6. STORES RECEIVING HOURS

6.1 Unless otherwise arranged, deliveries to the Purchaser will only be accepted between the following hours:

- **Deliveries to AMSA Warehouse:**

Mondays to Thursday 08:00 to 15:30;

Fridays 08:00 to 12:00;

Last working day of the Month. 08:00 to 13:00;

Mikon consolidation deliveries (Newcastle only) 06:30 to 07:30;

- **Zinc Monday to Friday 08:00 to 13:00;**

- **Deliveries to Small Section Mills and MCC, ArcelorMittal Pretoria. 08:00 to 12:00.**

6.2 All deliveries of scrap and primary raw materials will be accepted on a 24 (twenty four) hour basis daily.

7. RECONDITIONING ORDERS

7.1 The Purchaser's property becomes the Vendor's full responsibility at the moment when the Vendor takes possession of such property for reconditioning purposes, and will at all times be clearly marked to identify the ownership of the Purchaser.

7.2 The Vendor will upon request from the Purchaser, submit proof to the Purchaser's satisfaction that it has insured the Purchaser's property in its possession for reconditioning purposes. The Purchaser will also have the right to examine the insurance policies maintained by the Vendor on request at any time.

7.3 It is the sole responsibility of the Vendor to collect the reconditionable item from the Purchaser's premises and to return it to the Purchaser's premises, at the Vendor's cost.

7.4 Should the Purchaser decide to scrap the reconditionable item, the Vendor will be compensated for any work done.

7.5 The Purchaser may issue spares to a Vendor for the repair of a reconditionable item. The spares issued will at all times remain the property of the Purchaser and may only be used for the intended purpose.

7.6 For RFQ/Orders it is the responsibility of the vendor to obtain the latest drawings from drawing office.

8. SITE WORK

- 8.1 In all cases where site work has to be done, the Vendor will sign an agreement to comply with the Purchaser's Occupational Health and Safety requirements before commencing with any work at the Purchaser's premises. The required agreement in this regard and all other relevant documentation is available from the Vendor Management Department on the premises of Vanderbijlpark Works, ArcelorMittal, South Africa Limited.
- 8.2 M115-C PROCEDURE (Goods Receipt Voucher)
 - 8.2.1 M115-C document will print at Vendor together with original Purchase Order. Vendor to report directly at end-user to render Service as required per Purchase Order scope of work. After completion of Service Vendor must ensure that end-user fully complete M115-C document. The M115-C document needs to be authorised at the plant/department where the Service is rendered after completion of service. Authorisation consists of two signatures: The initiator of the request and Approval Manager.
 - 8.2.2 After completion of the Service the Vendor is responsible to ensure that the delivery note accurately records that delivery has been completed. Once the M115-C document has been signed off, as described above, the Vendor must return the documents: Purchase Order, signed M115-C and delivery notes to the warehouse receiving point for the release of payment (101) in accordance with the payment terms specified in the Purchase Order.
 - 8.2.3 Upon completion of the process outlined above, the Vendor's delivery note will be stamped and processed by the Warehouse Personnel to evidence proof of delivery (POD).

9. CONTRACTORS' RESPONSIBILITIES TOWARDS HIS/ HER SUB- CONTRACTORS WHO ARE NOT REGISTERED VENDORS ON THE ARCELORMITTAL SOUTH AFRICA VENDOR DATABASE.

- 9.1 All registered Contractors are accountable to ensure that his/her sub-Contractors who are not registered vendors who will be utilized during an order or project are audited by an accredited SATCA (Southern African Auditor an Training certification association) auditor.
- 9.2 The ArcelorMittal South Africa SHEQ standards will be the minimum requirement to be adhered to:
 - 9.2.1 OHSAS 18001- 2007
 - 9.2.2 ISO 9001 - 2008
 - 9.2.3 ISO 14001 - 2004(When the Principle Contractors activities have an environmental impact on land, ground and air pollution)
- 9.3 These are companies performing on site, high risk activities that contributing meaningfully to the overall ArcelorMittal South Africa SHE performance or performing high risk tasks such as working at heights or in gas or restricted areas or any work where a permit to work is required. ArcelorMittal South Africa expects them to comply with ISO 14001, OHSAS 18001 and ISO 9001.
- 9.4 Copies of the audit reports and proof of the auditors SATCA accreditation will form part of the Principle Contractors and Sub- Contractors safety file content that will be available on the ArcelorMittal South Africa premises for every order or project.
- 9.5 The audit report will be valid for a period of three years.

10. PURCHASE PRICE

- 10.1 The Purchase Price will be fixed and firm and shall not be subject to variation for any reason whatsoever unless otherwise agreed between the Parties in writing.
- 10.2 The Purchase Price will include all costs, including but not limited to labour, delivery and packaging.

11. PAYMENT

- 11.1 Payment will be made on the first day of the second month after the month in which the Goods were delivered or the Service rendered unless otherwise agreed and stipulated in the Purchase Order.
- 11.2 The Vendor will, upon request by the Purchaser, provide the necessary documentary proof to substantiate any invoice or portion thereof.
- 11.3 If a Purchase Order is subject to a settlement discount, such discount will be deductible from the invoice value if payment is effected within the period stipulated in 10.1
- 11.4 Any payment effected in terms of a Purchase Order will be subject to the Purchaser's right to refuse payment of an invoice, which the Purchaser may contest in good faith on account of:
- 11.4.1 the Purchase Price as stated in the Vendor's invoice being incorrect;
- 11.4.2 the Purchase Order not having been issued by the Purchaser;
- 11.4.3 the Goods not having been received by the Purchaser through Stores Receiving;
- 11.4.4 the Goods, as supplied by the Vendor, not being in accordance with the specification and quality as stipulated in the Purchase Order;
- 11.4.5 the Services not having been performed, wholly or in part by the Vendor;
- 11.4.6 the Services, as supplied by the Vendor, not being in accordance with the specification as stipulated in the Purchase Order;
- 11.4.7 offset payments due under any Purchase Order against which damages or losses were sustained as a result of the Vendor's failure to perform in terms of the Purchase Order;
- 11.4.8 the invoice and delivery note not having being cross referenced;
- 11.4.9 the invoice and/or delivery note or any other supplementary document being presented by the Vendor for payment by the Purchaser after a period of 6 (six) months from the date on which the Goods or Services are purported to be supplied or rendered, as the case may be.
- 11.5 All invoices and statements of account will be hand delivered or posted, or sent by courier services to accounts payable situated at the following address:

Postal

ArcelorMittal, South Africa Limited
Accounts Payable
PP 10114
P.O. Box 2
Vanderbijlpark
1900

Physical

ArcelorMittal South Africa Limited
Accounts Payable
Delfos Boulevard
NW 7
Vanderbijlpark
1911

Invoices can be send electronically in PDF format to the following addresses:

- Invoices for Saldanha Steel: invoices.sals@arcelormittal.com
- Invoices for Vanderbijlpark Steel: invoices.vdb@arcelormittal.com
- Invoices for Vereeniging Steel: invoices.vrn@arcelormittal.com
- Invoice for Newcastle Steel: invoices.ncl@arcelormittal.com
- Invoice for Coke & Chemicals: invoices.cc@arcelormittal.com
- Invoices for Corporate Office: invoices.corp@arcelormittal.com
- Invoices for Pretoria Works: invoices.pta@arcelormittal.com

Only electronic invoices that are sent automatically from an accounting system will be accepted. Invoices manually scanned and e-mailed is not acceptable.

11.6 All invoices due for payment by the Purchaser must be presented by the Vendor in accordance with clause 11.5 above within a period of 6 (six) months from the date on which the Goods or Services are purported to be supplied or rendered, as the case may be, failing which the Purchaser will not be obligated to make payment of the said invoice(s) and the Vendor will not be entitled to make any claims against or on the relevant invoice(s).

11.7 The Vendor hereby indemnifies and agrees to keep indemnified and hold harmless the Purchaser, its parent company, affiliated and associated companies in respect of all losses (including attorneys' fees and costs on a scale between attorney and client), liability, damage or loss suffered or incurred by the Vendor or any person arising out of the unpaid invoices referred to in clause 11.6 above.

11.8 In the event of over-invoicing of the Purchaser by the Vendor, or in the event that the Vendor at any time owes the Purchaser any money for any reason whatsoever, then:

11.8.1 the Purchaser may deduct such amount(s) from the payments due by the Purchaser to the Vendor in respect of the Services rendered or Goods Delivered;

11.8.2 The above shall, however, be subject to engagement between the Purchaser and the Vendor regarding any amounts owing or overstated, and the terms of set-off thereof.

11.9 The Vendor will comply in all instances with the Value Added Tax Act, 1991, as amended.

11.10 All payments will be made by means of an electronic funds transfer only. All invoices will reach Accounts Payable on or before the 6th day of every month. Should the invoice be received after the 6th day of the month, payment for such invoice will be effected one month after the period stipulated above in this clause 11.1.

11.11 Failure to comply with these terms of payment or those agreed to in the purchase order may result in late payment of the total value of the invoice. The Purchaser will not be liable for any costs incurred by the Vendor as a result of such late payments nor be liable for any interest on late payments when the Vendor failed to comply with the payment terms as agreed between the parties.

12. RISK

12.1 All risk relating to loss of or damage to the Goods will only pass from the Vendor to the Purchaser upon transfer of ownership of the Goods.

12.2 Ownership of the Goods will only transfer to the Purchaser upon delivery and Acceptance of the Goods by the Purchaser at an agreed point of delivery.

12.3 The fulfillment of the Purchase Order may require the Vendor to travel or to visit predetermined venues or enter the premises occupied by the Purchaser, and in such instances the Vendor will, at his own expense:

12.3.1 take such precautionary measures as may be deemed necessary or be determined by the Purchaser, for the protection of life and assets on the Purchaser's premises; and

12.3.2 comply with the provisions of the applicable safety legislation and regulations, which will apply to the Purchaser and/or the Vendor or any of its employees, associates, contractors and subcontractors and which the Vendor and any other person mentioned herein guarantees knowledge of and adherence to.

12.4 The fulfillment of the Purchase Order may require the Vendor to supply, transport and/or deliver materials deemed hazardous by the Purchaser or any relevant authority in terms of legislation, by laws, regulations or proclamations. The Vendor will exercise due care in the supply, transport and/or delivery of such materials and, where necessary, obtain the necessary documentation and permission to transport said materials.

12.5 Where the Purchase Order requires the Vendor to remove Goods owned by the Purchaser from his premises to that of the Vendor's, all risks such as, but not limited to, transportation, handling and/or storage will transfer to the Vendor the moment the Goods are transferred to the Vendor's vehicle or the vehicle of his nominee. The risk will only revert back to the Purchaser upon successful Acceptance of the Goods on return by the Purchaser.

12.6 The Vendor hereby indemnifies the Purchaser or any of its affiliates against any claim of whatever nature that it or any of its employees, associates, contractors and subcontractors, or their dependants may have, as a result of damage to, or loss of property, or arising from the fulfillment of the Purchase Order and further waives any right to any claim of whatever nature, which they may have against the Purchaser, as a result of injury or loss of life, arising from the execution of their duties or obligations in terms of this Purchase Order.

13. PACKAGING

13.1 The Vendor will ensure that the Goods are packaged as per the instructions in the Purchase Order. In the event of no instructions been given in the Purchase Order, the Vendor will meet the packaging standards as are customary in his industry to ensure the adequate protection of the Goods and to eliminate all damage.

13.2 All packaging materials will become the property of the Purchaser unless otherwise agreed between the Parties.

14. COMPENSATION

14.1 If, for no reasonable reason, the Vendor fails to deliver the Goods or render the Services by the Delivery Date as specified in the Purchase Order, the Purchaser may deduct compensation for damages equal to 1% (one per cent) of the total Purchase Order value per full day for every day after the Delivery Date that the Goods are late.

14.2 The compensation for damages will, however, not exceed 10% (ten per cent) of the total Purchase Order value.

14.3 The Vendor is to supply proof to substantiate his reasons for late delivery upon request from the Purchaser.

15. ANTI-CORRUPTION

15.1 The Vendor agrees to comply fully with all applicable anti-corruption laws within the Republic of South Africa.

15.2 The Purchaser will make all payments under this Agreement in South African Rand (ZAR), only by cheque or bank transfer (not negotiable currency or bearer instrument) to the banking account administered by the Vendor at a financial institution in the Republic of South Africa.

15.3 The Vendor agrees to keep accurate books, accounts, records, and invoices and agrees that the Purchaser is entitled, with the help of outside auditors if it deems necessary, to audit all books, accounts, records and invoices and accompanying documentation of the Vendor for compliance with any applicable anti-corruption laws, and that the Vendor will cooperate fully in any such audit.

15.4 The Vendor will ensure that any agreements entered into with contractors, sub-contractors, consultants, agents, advisors or any other party responsible for the execution of this Agreement will contain anti-corruption provisions, broadly in line with this anti-corruption clause.

15.5 The Vendor's failure to comply with all applicable anti-corruption laws and/or policies will be deemed to be a material breach of the Agreement entitling the Purchaser to terminate the Agreement. In that event, the Vendor will surrender any claim for payment under the Agreement including payment for services previously performed. The Purchaser may also terminate the Agreement or suspend or withhold payment if it has a good faith belief that the Vendor has violated, intends to violate, or has caused a violation of any anti-corruption laws.

15.6 The Purchaser will not be liable for any claims, losses, or damages arising from or related to failure by the Vendor or its subcontractors, consultants, agents or advisors to comply with any such laws or this anti-corruption clause or related to the termination of the Agreement under this clause, and the the Vendor hereby indemnifies and holds the Purchaser harmless against any such claims, losses, or damages.

16. GIFTS, DONATIONS AND COURTESIES

- 16.1 The Vendor will not offer, give or agree to any person in the service of Purchaser or any member of their family or any person claiming to act on behalf of any such person, any gifts or consideration of any kind as an inducement or reward for doing or for bearing to do or for having done or forborne to do acts in relation to the obtaining or execution of the Purchase Order and/or this Agreement.
- 16.2 Upon breach of this provision by the Vendor, or anyone employed by it or acting on its behalf, whether with or without the Vendor's knowledge, the Purchaser will have the right to cancel the Purchase Order and/or this Agreement without notice and to recover from the Vendor forthwith the amount of any loss resulting from each termination, including the value of such gift or consideration.

17. CANCELLATION

- 17.1 The Purchaser may, at his own discretion cancel any Purchase Order in the event that a delivery is late or has reasonable grounds to expect that a future delivery will be late.
- 17.2 Non-delivery will render the Purchase Order null and void. The Vendor will be liable to pay any additional costs incurred by the Purchaser in order to obtain, from another vendor, the Goods and/or Services as specified in the original Purchase Order.
- 17.3 Notwithstanding the foregoing, the Purchaser shall be entitled, at its own discretion, to terminate this agreement with 30 (thirty) days written notice to the Vendor.

18. GUARANTEE

- 18.1 All Goods will, unless otherwise agreed in writing by the Parties, be subject to a guarantee by the Vendor of the quality and standard of the Goods for a period of no less than 1 (one) year from the Delivery Date. Such a guarantee will exclude fair wear and tear of the Goods.
- 18.2 If the Goods fail for any reason other than fair wear and tear within the guarantee period, the Vendor will, at his own cost, remove such Goods and issue the Purchaser with a credit note and in such instances, the Purchaser reserves the right to terminate any future Purchase Orders and/or this Agreement.
- 18.3 Where it is not practicable for the Vendor to remove the defective Goods, the Purchaser will remove such Goods and the costs will be for the Vendor's account.
- 18.4 Where the Vendor fails to honor his obligations in terms of the guarantee, the Purchaser reserves the right to cancel any existing or future Purchase Order and/or this Agreement, and to recover from the Vendor any damages that the Purchaser may have suffered as a result of such failure by the Vendor.

19. INSOLVENCY

Should the Vendor become insolvent or should it propose any assignment to its creditors for settlement of its debts, or should it make or offer to make any assignment with any of its creditors for releasing it wholly or partly from its debts, or should execution be issued against it by virtue of any judgment, or should the Vendor commit any act of insolvency or should it be placed under judicial management, or commences to be wound up, not merely being a voluntary liquidation for the purpose of reconstruction, then the Purchaser may give the Vendor notice in writing of the cancellation of any present or future Purchase Orders and/or this Agreement and continue to place such purchase order with other Vendors.

20. FORCE MAJEURE

Neither of the Parties will be held liable in respect of any failure to fulfill its obligations or commitments in terms of this Agreement, when such failure is caused by or arises from force majeure such as, but not limited to, war, civil commotion, riots, insurrection, strikes, combination of workmen, lock-outs, the curtailment of electricity, fires, explosions, floods, break-downs, plant breakdown, non-delivery of raw materials or other circumstances, in so far as any of the aforementioned events are beyond its control and has not been caused by its negligence or that of its employees. In such case, the affected Party will immediately notify the other Party by notice in writing of the event as well as the presumed duration and extent of the circumstances responsible for such failure, and will endeavor to remove the said circumstances with the least delay possible. Should the said circumstances persist for a period of 90 (ninety) days after notification of the said circumstances, the affected Party will be released of its obligations or commitments in terms of this Agreement, which would have become impossible to perform as a result of the force majeure situation and such affected Party will not be responsible for damages suffered by the other Party as a result of such release.

21. ARBITRATION

- 21.1 Should any difference or any question at any time arise between the Purchaser and Vendor as to the construction, meaning or effect of this Agreement, or as to the rights, obligations or liabilities of Purchaser or Vendor hereunder, or should Purchaser and Vendor fail to agree on any aspect which is provided for in this Agreement to be subject to an Agreement being arrived at, such difference being arrived at will be determined by the following procedures:
- 21.1.1 The Party claiming such dispute or difference will advise the other thereof in writing. Within 30 (thirty) days of receipt of such notice, the Parties will meet and negotiate in good faith in order to resolve such dispute or difference as quickly as possible;
- 21.1.2 If the Parties are unable to resolve such dispute or difference within the aforesaid period or such longer period as the Parties may agree, either Party may refer the Dispute to be finally resolved in accordance with the rules of the Arbitration Foundation of Southern Africa ("AFSA") or its successor body by an arbitrator appointed by AFSA. "Refer" in this sub-clause means delivering or transmitting electronically a written notice to AFSA requesting the appointment of an arbitrator to determine the Dispute. Referral of the Dispute shall be completed on Delivery to and acknowledgement of receipt by AFSA of the notice. The Party referring the Dispute shall thereafter deliver or electronically transmit a copy of the referral notice to the other Party;
- 21.1.3 the arbitrator appointed by AFSA shall be either a retired Supreme Court Judge or Senior Council (with no less than 15 (fifteen) years' experience);
- 21.1.4 the arbitration will be held in Johannesburg in private at a venue as determined by the AFSA Rules, or the arbitrator appointed;
- 21.1.5 the arbitrator will have regard to the desire of the Parties to dispose of such Dispute expeditiously, economically and confidentially and shall be obliged to provide written reasons for his/her decision, together with reasons for such decision which shall be delivered in writing to the Parties within 21 (twenty one) days after the conclusion of the arbitration hearing;
- 21.1.6 the arbitrator will determine the liability for his/her charges and the costs of the arbitration will be paid accordingly by the Parties;
- 21.1.7 subject to the provisions of clause 21.9 the Parties irrevocably agree that the decision in any such arbitration proceedings will be final and binding on them, will forthwith be put into effect and may be made an order of any court of competent jurisdiction.
- 21.1.8 Either Party has the right to appeal against the decision of the arbitrator provided that this is done within 30 (thirty) days of receipt by the Parties of the arbitrator's award. The appeal shall be heard by three arbitrators, in accordance with a procedure determined by them, who shall be appointed as follows:
- 21.1.8.1 the Party appealing will appoint 1 (one) arbitrator from the ranks of retired Supreme Court Judges;
- 21.1.8.2 the other Party will nominate 1 (one) arbitrator from the ranks of retired Supreme Court Judges; and
- 21.1.8.3 the 2 (two) arbitrators so nominated must nominate a 3rd (third) arbitrator from the ranks of retired Supreme Court Judges.

- 21.2 Nothing contained in this clause 21 will preclude any Party from applying for, or obtaining, interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator on the merits of the dispute.
- 21.3 The provisions of this clause 21 will continue to be binding on the Parties notwithstanding any termination or cancellation of the Agreement.
- 21.4 Notwithstanding any such differences or questions or matters or things or references to arbitration, both Parties will continue to carry out their obligations under this Agreement pending the resolution of such difference or dispute.

22 BREACH

- 22.1 Should either Party commit a breach of any terms or conditions of this Agreement ("**the Defaulting Party**"), the aggrieved Party must in the first instance, notify the Defaulting Party in writing of such breach as soon as the aggrieved Party becomes aware thereof.
- 22.2 The notice in clause **Error! Reference source not found.** shall state the nature of the breach and require the Defaulting Party to rectify same within 30 (thirty) days of receipt of such notice.
- 22.3 Notwithstanding the provisions of clause 22.2, in the event of any breach, the aggrieved Party shall be entitled to demand the payment of any amounts which become due hereunder and/or damages on 30 (thirty) days written notice.
- 22.4 Should the Defaulting Party fail to:
- 22.4.1 remedy the breach within the time stipulated in clause 22.2; and/or
 - 22.4.2 make payment in terms of clause 22.3.
- 22.5 The aggrieved Party shall be entitled to terminate this Agreement forthwith without prejudice to any rights which the aggrieved Party may have, whether for the payment of any amounts which become due hereunder, specific performance or for damages.

23. LAW TO APPLY

The laws of the Republic of South Africa will apply to the Agreement and the Purchase Order and any difference that may arise between the Purchaser and Vendor in regard thereto will be settled within the Republic of South Africa.

24. ARCELORMITTAL SKILL PROTECTION CLAUSE

The Vendor shall not during the tenure of this Agreement and for 2 (two) calendar years following the termination hereof for any reason whatsoever, employ, whether directly or indirectly, any employee of the Purchaser or cause any of the Purchaser's employees to take up employment with any other person or entity, insofar as the Vendor came into contact with such employee through the implementation of this Agreement and save where such employment is pursuant to a response to a general solicitation for employment. The Vendor acknowledges that this provision is a material provision hereof and breach of this provision shall be considered a material breach entitling the Purchaser to pursue such remedies against the Vendor as may be available to it in terms of this Agreement and/or in law in order to redress the prejudice arising as a result of the material breach. This provision shall survive termination of this Agreement regardless of the grounds for termination hereof.

GENERAL MANAGER
Procurement and Logistics
ArcelorMittal, South Africa Limited

