

AUTHORITY TO PURCHASE

Only designated personnel have the authority to commit the company to financial and legal obligations. If you want to verify the purchasing authority given to a specific individual in the company, please contact the Director of Support Services.

COMMUNICATIONS

It is company policy that suppliers and contractors use the Purchasing Group as the primary contact. In cases where technical details are required, appropriate personnel outside of the Purchasing Group may correspond with the supplier directly. It will be the responsibility of the supplier to copy any relevant information to the senior purchasing employee at the site or the Director of Support Services.

We request that all meetings with purchasing personnel be made by appointment.

RELEVANT INFORMATION

Customs Clearance – For all USA/Canada cross border shipments please notify Livingston International for customs clearance. For other border crossings please consult with the Buyer for further instructions.

Certificate of Origin (COO) – All products manufactured in Canada, USA or Mexico that qualify as a NAFTA (North American Free Trade Agreement) product must be shipped with a copy of the Certificate of Origin attached to the export documents and a copy attached to the commercial invoice.

TDG (Transportation of Dangerous Goods) – All goods that are regulated by the TDG Act must be packaged, shipped and labeled according to the legislation.

MSDS (Material Safety Data Sheet) – All goods requiring an MSDS must be shipped with a copy attached to the goods and a copy attached to the commercial invoice.

Payment terms – Unless otherwise notified all commercial invoices are to be paid in net 45 days. The location of the Accounts Payable department processing the commercial invoice can be obtained from the Buyer.

Small dollar Purchasing – For small dollar purchases, the use of petty cash may be available at the project site. It would be expected that an appropriate discount will be applied for prompt payment using COD.

A personal credit card may be used by some employees for small dollar purchases. This is an acceptable form of payment as the employee is governed by an expense report policy that dictates how reimbursement will occur. You can accept a personal credit card as payment for a company purchase.

The use of a Visa corporate procurement card is available at certain locations. Inquire with the Buyer if that payment option is available to you.

Application for Credit – When setting up a new account, we can provide a prepared application for credit or other financial information that you may require. Contact the Buyer or Controller's office for more information.

Freight Terms – It is generally understood that all freight costs will be "Prepaid" and the FOB point will be "Destination", unless stated otherwise on the purchase order. The FOB point is the point at which the title of the goods passes from seller to buyer and, therefore, determines who owns the goods if a claim for loss or damage is required.

CONFIDENTIALITY

Suppliers may be required to sign and commit their company to a Confidentiality Agreement to protect proprietary information being disclosed to the supplier. Similarly we will not knowingly disclose your information to another party without first receiving authorization to do so.

GIFTS AND ENTERTAINMENT

Business lunches, dinners and after-hours social gatherings may enhance our supplier relationships, but a reciprocal policy is encouraged. Our employees are instructed to keep at arms length any relationship that may otherwise be deemed as being influential to a business decision.

Promotional advertising with company logos (pens, calendars, etc.) is acceptable if the value of the item is nominal. Suppliers are prohibited from offering any gift, gratuity or payment to an employee, which may be construed as an attempt to influence the employee's decision regarding the award of any purchase order. Any violation of this policy may result in the violator being excluded from our supplier list and further business opportunities being denied.

Policy states that any incentive be added as a decrease in price, or an improvement in quality, quantity or service.

SAFETY

DMC Mining Services prides itself on its safety record and the safety training it provides to employees. We expect all suppliers to follow our safety regulations and requirements. It is to your advantage to call ahead to determine what regulations are in force and what safety equipment, if any, will be required. All visitors must check in at the site office immediately upon arrival on all projects.

While on company property please adhere to the following guidelines:

- Do not interfere with any production operations;
- Do not solicit information or services from hourly employees without prior approval;
- Do not remove any materials or equipment without prior approval and authorizing documentation;
- Do not take any recording devices (audio/video, photographic) onto a work site unless authorized to do so;
- STAY WITH YOUR ESCORT, if you have been provided with one;
- Wear appropriate personal safety equipment (eye protection, safety boots, etc.) at all times on work sites or in designated areas.

SUBSTANCE ABUSE

We strive to provide a drug-free and hazard-free environment for all personnel and visitors. The sale, use or possession of illegal drugs or alcohol is prohibited on all project sites and facilities. When visiting a project site or facility check the smoking policy in effect before using tobacco products.

CONTACT

Suite 400, 191 Creditview Road, Vaughan, Ontario, Canada L4L 9T1

Tel: 905.780.1980



**DO YOU HAVE A
PRODUCT OR SERVICE
TO SELL?**

**a suppliers guide for conducting
business with DMC Mining Services**

WHAT YOU SHOULD KNOW ABOUT DMC MINING SERVICES

This booklet has been prepared to help familiarize you with our company's policies, procedures, requirements and expectations of our suppliers. We feel that the relationship between our company, and yours, should be built on trust, fairness and a mutual desire to see both of us grow together.

WHAT WE EXPECT

We value integrity and honesty. These principles are applied in the way we do business, the way we treat each other, and the people with whom we do business. We expect the same level of professionalism from our suppliers.

PURCHASING OBJECTIVES

The company's purchasing objectives are to procure all goods and services in the most efficient and effective manner to meet user requirements. The following checklist outlines our objectives.

- Adhere to the highest ethical standards and foster strategic long term supplier relationships.
- Continuously source new products, services and equipment to improve value for our clients.
- Communicate market conditions, price movements, research and development efforts, and other external procurement factors with all appropriate user groups within DMC Mining Services.
- Remain uncompromising on the four primary variables of price, quality, delivery service and source.
- Respond in a timely manner to all visitors, inquiries, quotes, and invoices for goods and services received.
- Obtain contract terms and conditions of purchase which protect the company's business and legal interests.

PROCUREMENT STEPS

When goods or services are required, our process of procurement will follow one or more of these steps.

RFI (Request for Information)

This step is not a request for pricing necessarily but a need for information to help determine the scope of product or service required for an application. This step may not lead to a request for quotation (RFQ) or request for Proposal (RFP).

RFP (Request for Proposal)

An RFP is used if we have a challenge or requirement which could be resolved by several different methods of which no clear solution is obvious. RFP's will allow suppliers to learn about our application and provide a solution, including pricing. This step may develop into more detailed discussions with one supplier which may then lead directly to a purchase order.

RFQ (Request for Quotation)

The RFQ is considered the formal step prior to awarding a purchase order or contract. In this case the specifications are clearly defined and all bidders, once qualified, will submit a quotation. In most cases, the intention will be to award the purchase order or contract to the lowest bidder. We reserve the right to award or not award the contract to the lowest bidder, at our sole discretion.

www.dmcmining.com



SUPPLIER SELECTION CRITERIA

Our goal is to have the best-in-kind suppliers for every commodity, product or service. These suppliers will share our standards for quality, client commitment and continuous improvement. If at any time a supplier feels that they have not been treated fairly in this selection process, contact the Director of Support Services.

The unbiased selection of suppliers is based on the following criteria, of which not all have to be met, depending on the circumstances, and product/services being procured.

- **Quality & Safety**
Meets or exceed our expectations? ISO certified? Other certification or quality endorsements? Meets or exceeds MSHA or MASHA requirements? MSDS? Risk assessment?
- **Product Price**
Lowest total landed cost? Price stability? Competitiveness?
- **Total Life Cycle Cost**
Cradle to Grave
- **Delivery and Responsiveness**
Delivers to expectations? Responds to issues quickly?
- **Technology**
Invests in up to date technology for IT and product improvement?
- **Technical Support**
On site services? Available 24/7?
- **Business Viability**
Financially stable, secure? Expected to be around in the coming years?
- **Capacity to Supply**
Has production capacity? Labour issues? Adequate plant and equipment?
- **Demonstrates Continuous Improvement**
Offers cost reduction/avoidance ideas?
- **Communications**
Always accessible? Invests in communication technology? Provides accurate documentation?
- **Education & Training**
Ability and willingness to provide education and training to own staff and our employees?
- **Interest**
Understands our business? Has a mindset focused on our goals and objectives?
- **Return Potential**
Accepts return of surplus stock? Responds to defective goods or inferior workmanship without delay and with a genuine sense of urgency?
- **Trust/Attitude**
Mutual trust? High level of confidence?
- **Environmental Policy**
Packaging return policy? Minimizes packaging? Recyclable packaging?
- **History**
Has demonstrated the above in previous contractual arrangements?