

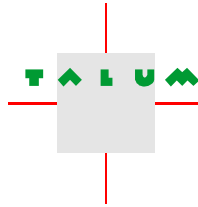
SUPPLIER MANUAL

THE PURCHASE POLICY AND THE STRATEGY OF PURCHASE

TALUM d.d. KIDRIČEVO



www.talum.si



SUPPLIER MANUAL

Our consumers expect from us to fulfil and even overfulfil their expectations regarding the quality of products and services. To meet this expectations we need reliable and qualified suppliers who are devoted to the common goals and the quality of TALUM PLC Kidričevo (referred to as TALUM).

Supplier manual contains the requirements of TALUM for its suppliers and practical guidelines for their execution.

Rights and obligations of TALUM and suppliers are agreed and determined by the purchase contract. In case the contract has not been concluded, the General requirements for purchase of goods on our purchase order which you receive when ordering the goods or service, come into force. On receipt of an order the supplier is bound to the principles and procedures in the manual.

We are grateful for your confidence and we hope that the information from the supplier manual will provide you easier business cooperation with the company TALUM.

This document is monitored and updated on the web page http://www.talum.si/pdf/home/SUPPLIER_MANUAL.pdf. Any other versions are invalid. Suppliers will be informed in writing in case of any greater change of the manual.

Regarding any further questions please contact our administrative office (Phone 02 7995126).

PURCHASE MANAGER

Mirko Veselič,

Bachelor of Science in Mechanical Engineering

A handwritten signature in blue ink, appearing to read 'Mirko Veselič', is written over the printed name.

APPENDICES

- [TALUM Purchase Policy and Strategy \(1\)](#)
- [Terms of Payment for Suppliers \(2\)](#)
- [TALUM Purchase Process \(3\)](#)

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1 INTRODUCTION

The aim of this manual is to communicate the requirements and expectations of TALUM to its suppliers with the aim of continuous improvement of products and services:

- To present expectations and requirements of TALUM regarding competitiveness of prices, quality of the products supplied and services, and timely deliveries.
- To regulate procedures in the purchase process in which suppliers are included.
- To facilitate communication and provide the information flow regarding non-compliance, solutions and ideas aiming at improvement of quality.
- To present the requirements which are necessary for quick and easy introduction of a changed product into the process of manufacture of TALUM.
- To present the process of constant improvement, proceeding of suggestions and implementation of prevention and corrective measures.

2 GENERAL REQUIREMENTS AND PROVISIONS

2.1 REQUIREMENTS OF TALUM FOR SUPPLIERS

2.1.1 Confidentiality

Both the suppliers and TALUM are allowed to use the documents and knowledge acquired in mutual business contacts only for the purpose of this business relation and consider them confidential. This confidentiality remains valid also after the end of business relation. In the same way are the suppliers obliged to bind their employees, sub-suppliers and others they cooperate with.

All technical documentation and data which are available for a supplier are business secret and the property of TALUM. TALUM requires strict confidentiality in using and keeping the documents, and on demand return of all already given documents. Production according to the documentation is allowed only for TALUM. The same requirements hold also for a supplier's sub-suppliers. Forwarding the documentation is allowed only with the written consent of TALUM. Suppliers confirm this obligation by confirmation of demand, purchase order or signing of contract.

2.1.2 Responsibility

Suppliers are damage liable to fulfil all contractual obligations and are responsible for implementing procedures defined in this manual. Supplier has to assure that products and services are in accordance with the requirements defined by TALUM in the valid technical documentation. TALUM requires from all its suppliers:

- 100 % delivery on time
- Delivery of products without non-compliances
- Continuous improvement

TALUM requires from its suppliers to implement integral quality management of its products and services which is checked with the compliance monitoring of quality of the delivered products and quality management system evaluation.

2.1.3 Quality management system

Suppliers are responsible for delivery of products accordant with the quality requirements which is provided with implementation of modern and efficient system of quality management, including the principle of “null compliance” in development and production process and in all other processes. The stress has to be on preventive methods and not on the methods of eliminating non-compliances.

2.1.4 The consequences of non-compliances

In case of non-compliance TALUM reserves its rights to request the supplier to undertake the cost due to:

- Production stoppage (at the actual costs)
- Necessary processings (at the actual costs)
- Production failure (at the actual costs)
- Costs of complaints of final costumers (at the actual costs)
- Transport and other costs by the fault of supplier (at the actual costs)
- Administrative costs of solving complaint (40 EUR)
- The contractual penalty clause due to the delay in the extent of 0,5 % of value of goods multiplying by the number of days of delay but at most of 5 % of value of delivered goods.

2.1.5 Technical documentation

Suppliers are obliged to suitably keep and maintain the received documentation. For this purpose they have to keep a register of the received documentation and register of all changes in the documentation.

Technical questions have to be solved exclusively with the responsible people in the purchasing department in TALUM. The technical documentation given to the supplier can be changed only by TALUM according to the prescribed procedures.

Suppliers are obliged to provide all documentation required by TALUM.

2.1.6. Purchasing policy and strategy

- With the aim of long-term partnership business relation as well as TALUM expectations, [TALUM Purchase Policy and Strategy \(1\)](#) has been produced to inform our suppliers.

2.1.7 Legal requirements

Regarding the supplied products and services the suppliers are responsible to follow legal requirements of EU as well as Slovene legislation.

2.1.8 Environmental safety requirements and health and safety requirements

To meet the environmental requirements, TALUM recommends the suppliers to obtain the certificate on standard ISO 140001. Suppliers are expected to have a record with the environmental consideration, achieving of goals and the programmes for improvement. Thus TALUM sent its suppliers the [Management System Evaluation Questionnaire \(5\)](#).

Before the first delivery or change of producer suppliers are required:

- All products determined with the Regulation on Security Installations (Official Gazette, Nr. 25/2006) "[EU Compliance Declaration](#)"
- Signed [Statement of Product Compliance \(8\)](#) determines that products must not contain asbestos and other fibrous material and radioactive elements
- For basic and auxiliary raw material and maintenance material in the form of substance and preparation Safety Data Sheet is required
- For dangerous substances and preparations signed [Statement of Product Compliance \(8\)](#) is required
- For products with packaging signed [Statement of Wrapping Material Compliance \(9\)](#) is required
- Suppliers working on constructions sites of TALUM have to sign Written Agreement of Work on Common Construction Site (Article Nr. 25 ZVZD, OG Nr. 56/99). In the written agreement measures are prescribed and supplier is obliged to work in accordance with the legal and our requirements in the field of environmental management and safety and health at work.
- The suppliers of chemicals and materials (substances, preparation, products) are required to give a written assurance that they are familiar with [REACH Directive \(16\)](#), that they monitor their business partners; they have to register substances important for TALUM preliminary.

2.2 OBLIGATIONS AND RESPONSIBILITY OF TALUM TO ITS SUPPLIERS

TALUM is obliged to respect all provisions of this manual and lead fair, long-term partnership relation with its suppliers. TALUM is obliged to inform its suppliers about long-term plans in order to plan the necessary activities on time. TALUM aims at satisfied customers as well as satisfied suppliers.

3 REQUIREMENTS FOR THE QUALITY MANAGEMENT OF SUPPLIERS

3.1 THE SYSTEM OF QUALITY MANAGEMENT

TALUM suggests to suppliers to establish, implement and certify the system of quality management suitable to the requirements of ISO 9001 or ISO/TS 16949. Our suppliers have to [acquire certificate ISO 9001 \(5\)](#), more important suppliers have to acquire TALUM consent through evaluation.

3.2 CONSENT OF TALUM

TALUM will send to the suppliers [Management Systems Evaluation Questionnaire \(5\)](#) to confirm the system of quality management. Within the yearly evaluation of suppliers in accordance with the policy of company [evaluation of a supplier](#) is implemented.

3.3 SUB-SUPPLIERS

TALUM's requests have to be passed to the sub-suppliers by the suppliers. All producers who are part of the purchase chain have to use suitable systems for quality management in order to assure the quality of a final product.

Considering everything stated TALUM has the right to implement assessment of quality management system of a sub-supplier. In this case a supplier is obliged to organize the assessment and take active part in it. TALUM has the right to exceptionally request a supplier to change a sub-supplier (for example, negative past experience, failed to meet the results in previous deliveries).

3.4 INCORPORATION OF TALUM COSTUMERS

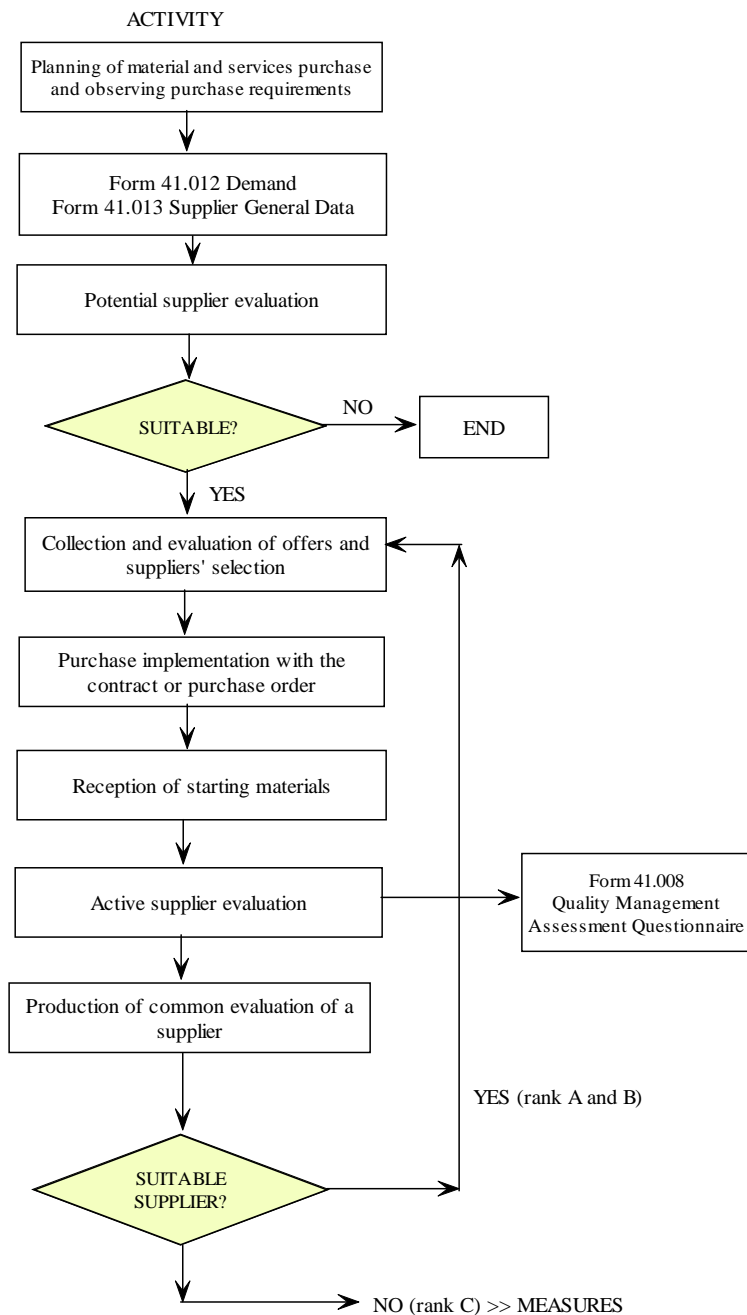
In case a customer of TALUM requests evaluation of management system quality of a supplier, the supplier is obliged to enable such an evaluation. The same is with the assessment of a sub-supplier.

4 REQUESTS FOR ACQUISITION OF A VERIFIED SUPPLIER

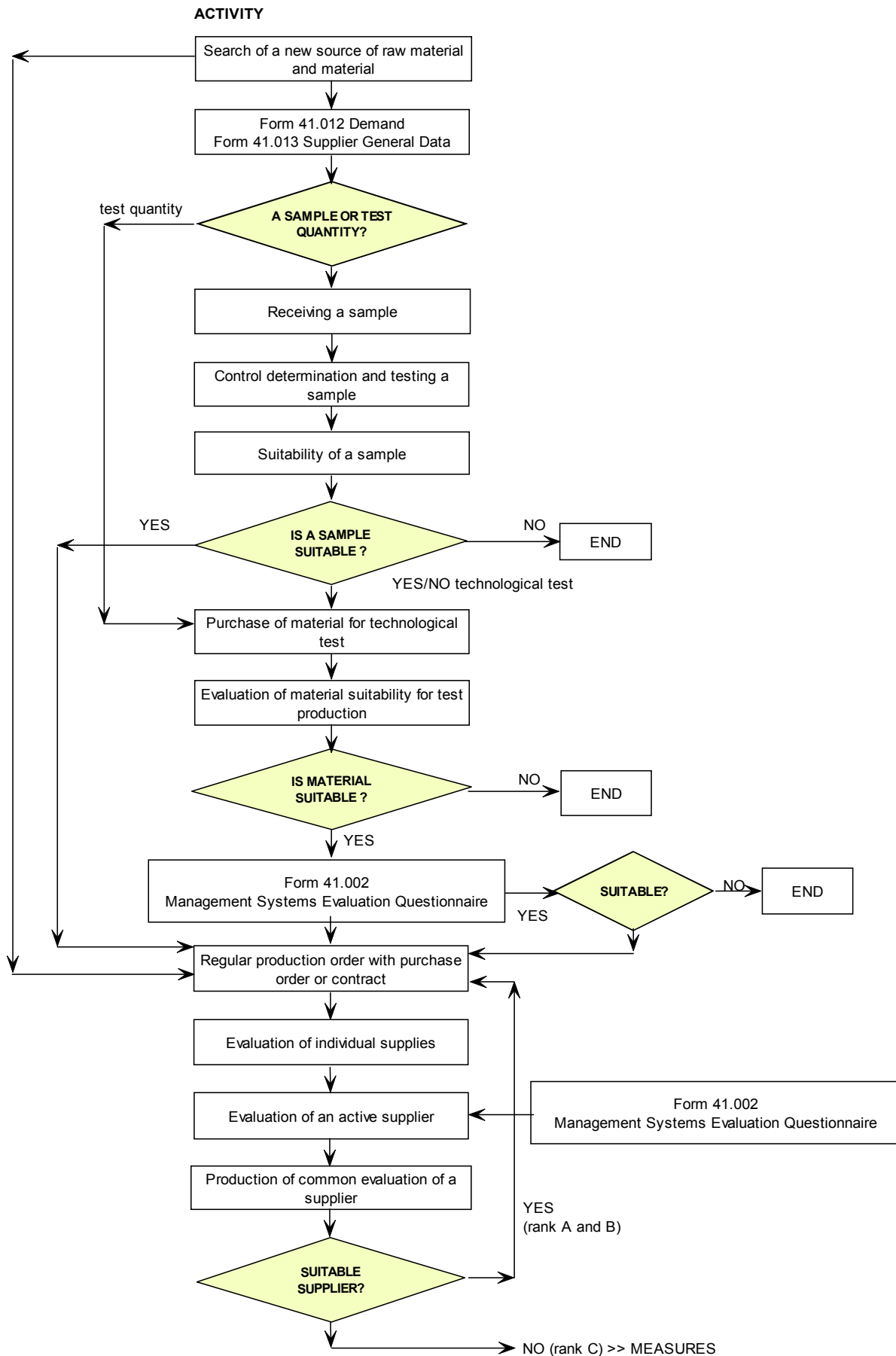
4.1 CHOICE AND VERIFICATION OF NEW SUPPLIERS

The procedure of choice and verification of a new material supplier, other materials and services are presented in the following diagrams:

a) purchase of other material and services



b) purchase of raw material in extreme conditions



4.1.1 General data

The knowledge about a supplier is important already before the purchase. With the aim of acquiring basic data about the potential supplier they are required to fulfil the [Supplier General Data Questionnaire \(4\)](#). The questionnaire is sent to the new suppliers if necessary, the decision about the importance of sending to a new supplier is left to the purchase manager.

4.2 EVALUATION OF A SUPPLIER

The evaluation of a supplier consists of:

- Evaluation of a supplier quality system.
- The evaluation of quality of purchasing is produced for the producers of [raw materials \(7\)](#), [services \(7\)](#) and [other starting materials \(7\)](#). This procedure involves the criteria such as frequency of complaints, delivery date, cooperation of a supplier, price competitiveness etc.

Joint assessment about the operation is registered in the annual report of purchase. After the final evaluation the list of suppliers which contains individual evaluations and common evaluations of a supplier is made.

Only the suppliers of strategic importance for aluminium production and production of aluminium products are evaluated.

Common evaluation of suppliers of **raw and auxiliary material** consists of the following elements:

- Evaluation of a supplier quality system – 20 %
- Quality evaluation of supply in accordance with the purchase specification – 40 %
- Quality evaluation of supply – 40 %

Common evaluation of suppliers – **performers of services** – consists of the following elements:

- Evaluation of a supplier quality system – 20 %
- Quality evaluation of service performers – 50 %
- Quality evaluation of supply – 30 %

Common evaluation of suppliers of **other starting materials** consists of the following elements:

- Evaluation of a supplier quality system – 20 %
- Quality evaluation of supply – 80 %

In case TALUM has performed external evaluation, the following rate is considered: external evaluation 30 % and common evaluation 70 %

If a supplier has considerable purchase potential for long-term cooperation with TALUM, it will be informed by the purchase department or the competent internal client about our expectations in the field of quality system evaluation and environmental management of a supplier and its sub-suppliers. Potential supplier fills in the [Management Systems Evaluation Questionnaire \(5\)](#). TALUM examines it and evaluates supplier's management system and the system of environmental management.

4.3 EVALUATION OF A POTENTIAL AND ACTIVE SUPPLIER

In case of major non-compliance in previous year TALUM performs [evaluations of verified suppliers](#). Evaluation of quality system, critical processes and products/services are considered.

During the evaluation TALUM and a supplier agree upon the possibilities for implementation of evaluation (date, field, contacts). With regard to [the conclusion of the evaluation](#), a supplier has to provide the plan of corrective actions in order to eliminate deficiencies which were established during the evaluation. TALUM has the right to inspect the efficiency of corrective actions implemented. After the evaluation of an active supplier new evaluation of the supplier is produced.

4.4 SUPPLIER RANKINGS

Suppliers are ranked into the three groups according to the proportion of the common evaluation (N) :

| RANK | STATUS FOR THE COMMON EVALUATION | CRITERIA |
|----------|---|------------------------|
| A | SUITABLE SUPPLIER wholly satisfies the needs and expectations regarding competitiveness of price, quality and deliveries deadlines. | $N \geq 90 \%$ |
| B | SATISFACTORY SUPPLIER fulfils the most of the requirements and expectations. | $90 \% > N \geq 75 \%$ |
| C | UNSUITABLE SUPPLIER does not meet TALUM requirements. | $N < 75 \%$ |

According to the categories of suppliers the following rankings are possible:

PARTNER

The supplier who has been in the rank 5 for a longer time (more than 5 years). Such supplier fulfils all requirements and expectations of TALUM (supply, target prices, quality etc.) and has had the status of the key supplier for years.

KEY SUPPLIER

The supplier in the rank A. Such supplier fulfils all requirements and expectations of TALUM (supply, target prices, quality etc.). Key supplier is financially stable and reaches the quality of products and competitive prices.

SUITABLE SUPPLIER

The supplier which fulfils most of the requirements and expectations of TALUM and shows improvement. Such supplier is in the rank B.

CONDITIONAL SUPPLIER

The supplier which only occasionally fulfils the requirements and expectations of TALUM. Such supplier is in the rank C.

After the evaluation the suppliers will be informed about the final common evaluation. The supplier in the rank B has to inform TALUM about the actions that have been taken to improve worse evaluated elements. Suppliers in the rank C are informed about the inadequate quality status. They are required to implement the actions to improve critical elements of their system.

4.4.1 Opportunities of suppliers

The aim of evaluation of suppliers is to stimulate their improvement in order to achieve better conditions for further cooperation. Preferential consideration of competitive advantages of a supplier (price competitiveness, 90 day redemption period) and meeting the requests of a supplier to establish partnership are considered.

4.5 LOSS OF SUPPLIER STATUS

A supplier can lose the status of the TALUM supplier in the following cases:

- If the supplier does not take actions to improve worse evaluated elements of assessment and inform TALUM about them half a year after it has been classified in the rank C.
- If the supplier has been classified in the rank C for more than 2 years.

5 REQUIREMENTS BEFORE SIGNING THE CONTRACT

5.1 SUPPLYING COMPETENCE OF A SUPPLIER

A supplier has to be classified on the suppliers list before starting business cooperation with TALUM. Our suppliers are expected to meet the purchase strategy and policy of TALUM.

5.2 DEMAND AND OFFER

Besides meeting the quality requirements a supplier has to have also competitive prices. Thus TALUM sends the form [Demand \(10\)](#) which contains general terms of cooperation as well as required technical documentation/requirements.

TALUM sends the demand in the following cases:

- If we are looking for a supplier of new materials, raw materials and services
- If we are changing technical requirements of a product
- If we are implementing changes in logistics (packing, transport)
- If we analyze the upstream market

Only the completed offers filled in the form [Demand \(10\)](#) or substantially equivalent form of a supplier will be considered. Supplier is responsible to check all technical and security as well as environmental data and their practicability before issuing the offer. In case the supplier cannot fulfil technical requirements, quantities to be delivered, delivery dates etc. they have to state this in the offer. Supplier is expected to submit the proposals for lowering of prices of the products in the whole period of validity of the order. Yet the functional and quality requirements have to be guaranteed. Suppliers are expected to achieve annual aims of lowering of prices by improving the processes and greater utilisation rate of reserves.

5.3 PURCHASE CONTRACT

With regard to the collected offers, market situations and the importance of the offer the manner of the purchase is defined, which could be in the following forms:

- Annual and long-term purchase contracts with monthly calls (followed by) order form (e)
- Single purchase contracts (followed by the order form)
- Order form – purchase order
- All information for supply are stated in the document for ordering starting material

Purchase contract or order form is produced with the consensus of both business partners. As a purchase contract is valid also verified offer or written confirmation of the order.

Purchase contract is signed for long-term cooperation with a supplier. By convention, the draft of purchase contract can be produced with the word processor (MS Word form) in electronic form by the supplier.

Before signing the contract the draft is sent to the business partner in the electronic form (MS Word form). Purchase contract has to include all purchase elements as well as technical and quality requirements which are integral part of a contract as appendices in the form of purchase specifications and other quality standards that define takeover and technical conditions.

In order to include all essential elements the contract is examined by the team for contract examination which consists of the members in purchase, financial, legal, production and other fields.

After the reconciliation with the supplier the purchase contract is sent to the supplier for signature.

The contract is valid after it is signed by the authorised representative of TALUM and authorised representative of the supplier.

6 REQUIREMENTS BEFORE REGULAR PURCHASE

6.1 PURCHASE PLANNING

Due to the importance of the production process we ensure basic raw material and other important material by means of contracts made for several years, whereas other materials are secured by half-yearly, quarterly and monthly orders. We obtain data regarding estimates of yearly amounts of basic raw material and other significant material from the yearly business plan, from the Technical basis document. Other material is purchased according to necessity.

We distinguish between regular services which include contract making with price lists with existing executors and periodical services, where offers are sought according to necessity. The contracts for regular services are made and settled, including the yearly price lists, for the consecutive year, no later than on the 30 November of the current year.

6.2 QUALITY ASSURANCE WITH SUB-SUPPLIERS

Products, which were purchased and built into suppliers' products from sub-suppliers, also require assurance of final product quality. Therefore we insist that the suppliers state the same demands towards sub-suppliers as TALUM does towards them.

6.3 TECHNICAL REQUIREMENTS OF TALUM

With technical requirements Talum determines technical characteristics of products manufactured by suppliers. The products must be manufactured accordingly. The requirements are stated as part of every individual order and can consist of the following documents:

- purchase specifications of Talum
- drawings, plans
- declarations of international standards
- samples of material and
- remaining documentation regarding the product or service
- The purchase specification defines the necessary and optimal quality of the incoming material and is worked out for each basic raw material used in the production process and other incoming materials, where requirements are not standardised. The purchase specification, for the materials mentioned, is an integral part of every demand and order.

6.4 PROCEDURE OF APPROVAL OF NEW RAW MATERIAL RESP. NEW SOURCES OF RAW MATERIAL

Planning of quality is of vital importance regarding its assurance, constant improvement, prevention of inconsistency and optimisation of the process.

6.4.1 Procedure

Regarding purchase of raw material from new suppliers or new sources of raw material from suppliers we require fulfilment of the following demands based on purchase specification and quality standards:

- a sample of the raw material for which quality standards are clearly stated and/or
- an agreed test quantity for a technological trial,
- samples are considered free of charge, unless agreed otherwise.
-
- TALUM carries out testing based on the provided sample and according to valid procedures resp. the test quantity is tested in regular manufacture. Based on the results of the testing we determine the appropriateness of use of the raw material and the choice of the supplier, accept one of the decisions stated below and notify the supplier:
 - **approved:** the supplier fulfils the requirements of TALUM and is allowed to proceed with delivering orders
 - **rejected:** the supplier does not fulfil the requirements of TALUM

6.4.2 Saving records and samples

For the time of purchase contract duration and also after contract expiration the supplier and TALUM are both required to save all documentation and samples, subject to the procedures, for five years resp. six months (samples). It is necessary to assure traceability of document alteration and the initial samples.

6.5 LOGISTIC REQUIREMENTS

6.5.1 Wrapping material and packaging

All consignments must be appropriately packaged and labelled. Wrapping material are all products, from whichever material intended to surround, hold together for the purpose of saving and protection, for handling, delivery or presentation from the manufacturer to the final user or consumer, regardless whether the consignment consists of raw materials or products.

Sets, consisting of several parts, are to be delivered in such a state, that the delivered pieces are put together to complete sets (it is not allowed to complement sets with additional deliveries).

The sort of wrapping material and the manner of packaging, as well as all other requirements regarding packaging, are to be stated in the contract resp. the purchase order between TALUM and the supplier. The wrapping material must correspond to TALUM's requirements and the valid environmental protection standards. TALUM's requirements are defined in the material purchase specifications. The purchase department obtains the necessary [Statement of wrapping material compliance \(9\)](#) on the prescribed form (Statement of compliance – 8th article of the Order of handling of wrapping material and waste wrapping material, Official Gazette of the Republic of Slovenia, No. 84/2006, containing all data as stated in the SIS EN 13427 standard).

6.5.2 Wrapping material labelling

Each consignment must be labelled according to the requirements of TALUM, as set forth in the contract or purchase order.

The consignment must be labelled in such a manner that it is easily identifiable, with a clearly marked content, which is traceable by accompanying documents.

6.5.3 Transport within TALUM

Drivers of vehicles delivering material and raw material to the company are required to present a corresponding supply order resp. corresponding delivery documents to security staff. Based on the presented documents the staff will allow entrance on the TALUM company premises.

At first entrance resp. expiration of validity of the statement "Duties, instructions and driver's declaration" a member of security staff fills and prints out two copies of [Duties, instructions and driver's declaration \(17\)](#). The member of staff and the driver each receive a copy for safe keeping.

Entrance of motor vehicles is usually granted during the day shift only, until 2 pm, except in extraordinary conditions and preliminary arrangement with the purchase official in charge of the purchase contract. Access to the TALUM premises and other companies located on the same premises (in continuation TALUM premises) is allowed after the necessary [permit \(17\)](#) was obtained.

6.5.4 Goods acceptance

The regular work hours for acceptance of basic and auxiliary raw material are from 7 am to 1.30 pm, other materials are accepted to 2 pm.

Acceptance of goods outside work hours

In exceptional conditions it is possible to allow the supplier resp. the transporter to deliver the goods outside regular work hours. The latter is offered to the supplier resp. the transporter in exceptional cases only. The latter occurs no more than 4 times a month.

Announcement of supplier / transporter delay:

The supplier resp. the transporter is obliged to inform the purchase official of every expected goods delivery outside regular work hours. Following data should be announced:

- vehicle licence plate number,
- number of purchase order and position,
- goods denomination,
- shape of packaging (palettes, big-bag, bulk etc.) and the number of units wrapped,
- estimated time of arrival.

7 REQUIREMENTS AT REGULAR PURCHASE

7.1 PROCESS CONTROL

Suppliers must be in charge of their work process, which should focus mainly on assuring quality deliveries. The process must be prescribed by suppliers' work instructions and must include, if necessary, control and other required documentation.

Suppliers must also use statistical tools in order to manage all processes by executing necessary corrective measures.

Suppliers are fully responsible in assuring compliance of their incoming material and must keep corresponding records of the quality of incoming goods.

7.1.1 Quality records

The supplier is obliged to keep record of all results connected to activities regarding product quality and TALUM is allowed insight at all times. The records must be saved by the supplier according to legal requirements. The latter also applies after order discontinuance.

7.1.2 Goods dispatch

Before dispatching the supplier is obliged to again check product compliance regarding prescribed requirements.

Should the order or purchase specification state, that the supplied goods require a certificate of quality (attestation, certificate of analysis, reports resp. confirmation of processing, etc.) the latter must be delivered with the consignment or be forwarded via fax or e-mail to the purchase official. The attestation must include information regarding the type of material for which the confirmation of quality was issued and the number of the purchase order. The goods must be appropriately labelled (batch number, serial number, etc) in order to establish a link between the goods and the forwarded confirmation.

The accompanying documentation of goods (supply order, CMR, etc.) must include relevant data about the supplier, the order (number of purchase order), the quantity (number of pcs resp. net and tare or gross weight, if necessary). **Should the accompanying documents not be filled out properly the goods will not be unloaded resp. will be rejected.** With deliveries via post resp. parcel delivery accompanying documents must also be included to the consignment (the documents should best be placed on the parcel side or inside).

7.1.3 Controlling sub-suppliers

The supplier assumes full responsibility regarding compliance of own incoming material and is obliged to execute appropriate control. He must keep record of the quality of incoming goods.

The supplier is obliged to demand execution of provisions stated in this manual from all sub-suppliers.

7.2 DELIVERY QUALITY

7.2.1 Non-compliance

TALUM expects all the delivered material to be in accordance with set quality requirements prescribed by the order and / or purchase specification. All non-compliant goods delivered will be rejected.

Expenses arising, as a result of the latter, will be paid by the supplier and can include the following:

- transport and handling,
- additional control,
- waste removal,
- sorting,
- completion,
- production standstill,
- sales deficit and
- administrative work.

In cases of identified non-compliance of the delivered goods TALUM withholds payment, prepares a bill of cost of occurred expenses according to a valid price list and issues an invoice to the supplier.

7.2.2 Reclamations and warnings to suppliers

When non-compliance is established TALUM initiates a reclamation process or issues a warning to the supplier.

According to the type of non-compliance the supplier is issued:

- [a record of reclamation \(11\)](#) in cases where the delivered goods are not suitable for the intended use
- [a record of reclamation –warning \(11\)](#) in cases where the quality of the goods is appropriate, however due to certain insufficiencies the time required for unloading or taking over is unnecessarily prolonged.

Non-compliance cause / cipher for reclamation can be:

- N0 – quality, non-compliance of goods delivered (deviation from chemical, physical or dimensional characteristics)
- N1 – damaged / ruined goods; the goods are extensively damaged and therefore inappropriate for further use
- N2 – the supplied goods are not in accordance with the order; the goods delivered do not correspond to the order

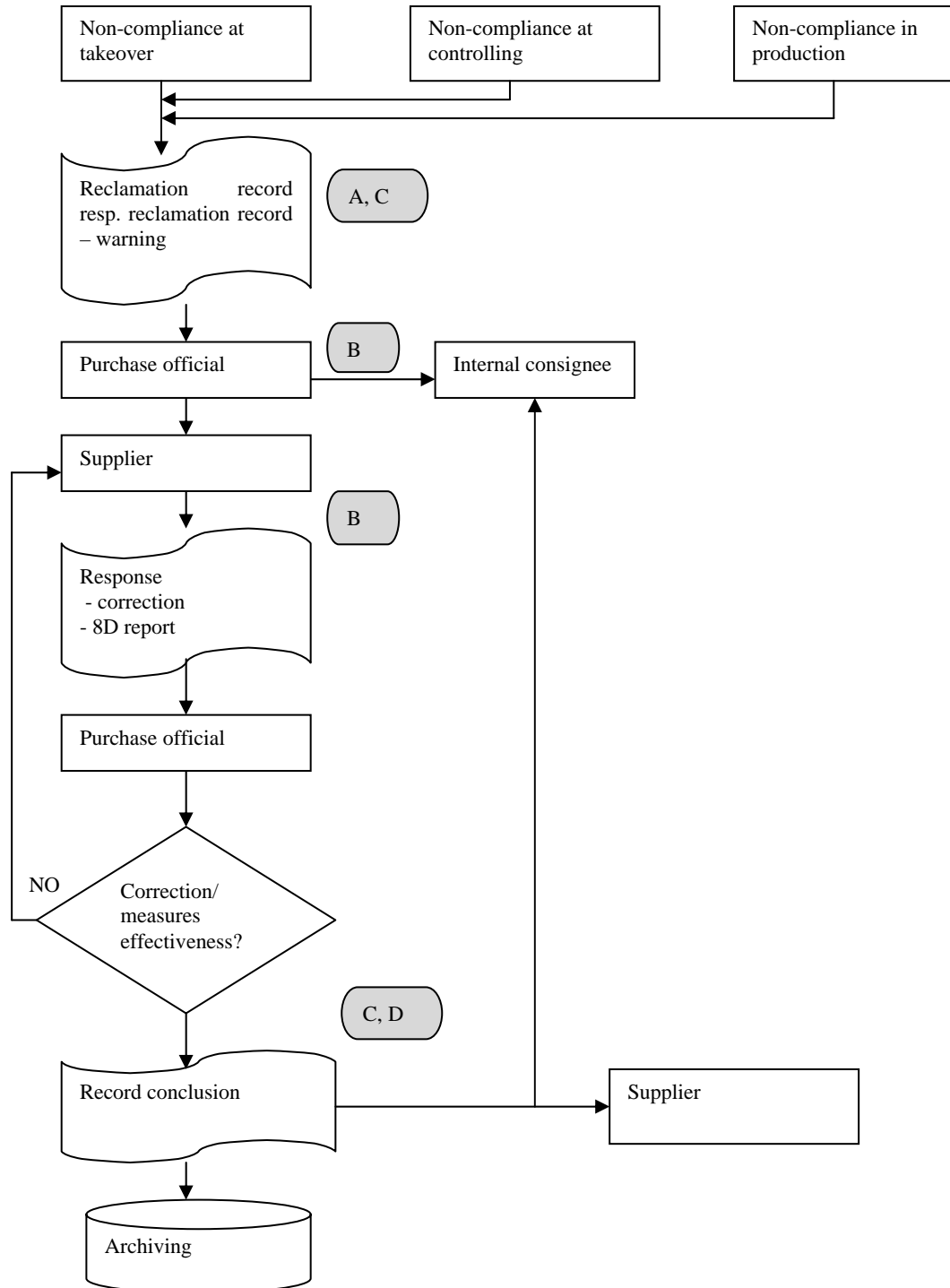
Non-compliance cause / cipher for supplier warning can be:

- N3 – inappropriate packaging; the goods are not appropriately packaged or the wrapping material is damaged
- N4 – quantity; non-compliance of quantity (deficit/ overhang)
- N5, N6, N7 – missing resp. inappropriate documentation; the documentation required at delivery was insufficient or not produced

Non-compliance can be established:

- at consignment takeover or
- during use in production.

The supplier is obliged to respond and / or suggest an acceptable solution (via telephone, fax, e-mail, reclamation record) within 48 hours of reclamation / warning receival.



All further activities must proceed in cooperation with the TALUM purchase official.

7.3 MEASURES

TALUM expects their suppliers to take immediate and effective measures in order to dismiss all causes of non-compliance and prevent reoccurrence of the latter.

7.3.1 Immediate active measures – corrections

In cases of reclamation and warning to the supplier TALUM demands an answer, required in point B, from the supplier no later than at the date stated in the [reclamation record \(11\)](#), which must include the following:

- a description of probable causes of non-compliance
- suggestions for all measures possible in order to ensure a continuous production at TALUM and for non-compliance dismissal (sorting, completion, exchange of non-compliant products, etc.).

Should the supplier not react to the received reclamation/warning TALUM will consider such action as a break of the purchase contract and will be entitled to demand reimbursement of all occurred expenses from the supplier.

Supplier responsiveness to the received reclamation/warning is considered in supplier evaluation. Based on immediately offered measures TALUM and the supplier make appropriate arrangements to carry out the most suitable one.

7.3.2 Long-term liabilities – corrective measures

In cases of non-compliance, where larger expenses occur or in cases of repetitive non-compliance, TALUM demands preparation of appropriate corrective measures from their suppliers in order to permanently dismiss non-compliance.

In the abovementioned cases TALUM forwards the form for the [8D Report \(12\)](#) together with the reclamation record. The suppliers are allowed to use their own equivalent form.

The basic intentions of this report are:

- for the supplier to identify and recognize the causes of non-compliance
- for the supplier to prepare a content and time plan of effective short and long-term measures for permanent dismissal of non-compliance causes
- self-evaluation of effectiveness of measures carried out
- evaluation of measures carried out by TALUM.

After receiving the form for the 8D report the supplier must in given time:

- meaning the term set in the reclamation record, deliver a filled out 8D report to TALUM
- and after evaluation of effectiveness of measures carried out forward a concluded 8D report.

In cases where suppliers require more time for carrying out and evaluating the effectiveness of the initiated measures, they are required to make arrangements for continuing the procedure – inform the TALUM purchase official in writing.

Should TALUM come to the conclusion that the measures proposed are insufficient the supplier must work out a new plan.

Should further deliveries identify insufficient effectiveness of measures carried out, TALUM arranges a meeting with the supplier and/or carries out supplier evaluation. The supplier is obliged to make the following possible for the evaluation team:

- performing additional evaluation of the process or system,

- insight into the production process, as well as all other documentation with the intention of preparing a collective plan of corrective and preventive measures.

TALUM will supervise carrying out of the arranged plan.

7.3.3 Delivery delay

On time delivery resp. delivery in accordance with the term set in the contract is of vital importance for TALUM. Delivery delays cause additional expenses in the process and as a result the prices of products we manufacture have to be increased.

In purchase we systematically handle and trace purchase orders where the agreed delivery term was exceeded.

Management of delivery terms begins at demand with reasonably set delivery terms. It is the supplier's obligation to thoroughly study TALUM's demands regarding delivery terms. Should the supplier be unable to meet the term agreed, he is obliged to inform the purchase official and make further arrangements. The demand form and the purchase order both include a clause of delay stating, that each day of delay is charged for in the amount from 0, 5% to a maximum of 5% of the entire order value.

Purchase orders, where the agreed term was exceeded, are printed out once a week from the business-information system and the suppliers are reminded of the delay by means of [warnings for not carried out orders](#) and are asked to make immediate delivery. The first warning is accompanied by a letter containing explanations of TALUM's company policy regarding delay. We expect the supplier to inform the purchase manager of the delay cause in writing and state a new term for the delivery of the delayed goods.

In cases, where the supplier forwards a written notice of delay to the department of internal order placement or the purchase official, the latter are both obliged to immediately notify the purchase manager. Should the supplier not respond and fail to deliver the goods, the purchase official will contact the supplier and demand a response at the next print out of delays.

Should delays occur repetitively with one supplier and with different deliveries; the warning will have a list of all purchase orders where the supplier failed to deliver the goods on time attached. When a supplier receives 8 warnings (with different orders) the purchase manager conducts an interview with the supplier. Should the supplier's delays continue the purchase department (purchase manager and official) performs an evaluation after the 12th consecutive warning and in accordance with item 7.4. ISO 9001.

The share of delivery delays of an individual supplier (no. of delayed positions / no. of total positions) in one evaluation period has an effect on supplier evaluation, which is performed yearly according to ISO 9001 by the purchase department. The consequence of the latter is ranking of suppliers into ranks B and C.

The suppliers are quarterly charged with penalties for unjustified delays (we charge from 0, 5% up to 5% of the total value of goods delayed). Notification of delay, before or after the agreed delivery term in the purchase order, does not exclude charging the supplier with interest for delay to which the recipient is entitled to as a result of goods being delayed.

7.4 ALTERATION APPROVAL

TALUM demands, that the suppliers perform no alterations after product confirmation. The latter applies to technical requirements, documentation, own purchase sources, technology and the production location. The abovementioned can be altered after previous consent of TALUM.

7.4.1 TALUM product alteration

In cases of product alteration TALUM will send an order of demand accompanied by the necessary technical documentation to the supplier. The supplier must check the possibilities of execution and work out an offer that must include a detailed list of expenses and an activity time plan, as well as stock inventory. TALUM will notify the supplier of the planned sampling date and the execution of alteration. The expenses of alteration, unapplied stock and eventual price change are to be worked out between the supplier and TALUM.

7.4.2 Supplier alteration suggestion

TALUM expects its suppliers to constantly perform activities for continuous improvement with the intention of bettering quality and reliability, as well as lowering work and product expenses. The supplier actuates the demands for alteration by means of [Proposal of alteration \(13\)](#), which is forwarded to the purchase department. After considering the proposal TALUM will notify the supplier regarding their decision. In cases of proposal rejection TALUM will provide necessary explanations. Should the proposal concern product requirements TALUM will initiate the necessary procedures for document alteration.

7.4.3 Approval of non-compliance

Should the supplier become aware of product non-compliance during the production process or before forwarding, they are entitled to ask TALUM about product usability. The supplier must also forward a filled out form of the [Proposal of non-compliance approval \(14\)](#). TALUM will study the proposal and inform the supplier of its decision in writing. The decision is noted on the abovementioned form and sent back to the supplier.

The same applies to any other temporary alteration (in connection to certain tools or technology).

8 OTHER REQUIREMENTS AND EXPECTATIONS

8.1 PROGRESS PLAN

Competitiveness and business success require TALUM and their suppliers to implement and carry out a system of constant improvement. Therefore TALUM expects their suppliers to prepare an annual progress plan with stated areas of progress, the terms of execution and executants responsible.

8.1.1 Constant improvement

TALUM expects their suppliers to accept the principles of constant improvement on all levels of work organisation and all business areas, such as:

- setting up of a system for quality management, which is in favour of process improvement,
- commitment of supplier management to constant improvement,
- appointment of teams in charge of constant improvement,
- implementation of improvement based on data of key criteria for successful business operation,
- execution of regular checks of effectiveness resp. improvement results.

It is important for the supplier to set key business operation criteria and keep track of the latter based on the expectations of their buyers. IAE expects the supplier to strive towards improvement in all areas, such as:

- decreasing of unplanned standstills,
- execution of processes in the shortest time possible,
- setting of new value objectives for process optimisation.

8.1.2 Lowering of prices

Staying competitive in the world market means lowering of prices for TALUM. In order to stay competitive TALUM and their suppliers must apply a systematic approach to lowering expenses and purchase prices. However common lowering of expenses can only be successful, if both sides are committed to a long-term partnership.

TALUM is prepared to lower purchase prices according to long-term supplier contracts, comparisons of suppliers (benchmarking) and by redirecting orders to new and lower-priced suppliers. TALUM is convinced that suppliers are able to develop a process for constant lowering of expenses by means of efficient and successful application of quality improvement programmes, simultaneous development and techniques for value analysis.

Irrespective of other demands TALUM expects every supplier to additionally suggest a lowering of prices on the form [Proposal for lowering of expenses \(15\)](#). Before introducing the proposal the supplier is required to obtain a written approval from TALUM. Every lowering of expenses and prices will be considered by TALUM in supplier evaluation.

8.1.3 Education

Management of business processes requires acquisition of new knowledge from all employees. TALUM expects their suppliers to:

- prepare a list of the necessary knowledge and qualification,
- work out a yearly plan of education and qualification training
- check education execution,
- perform an analysis of education effectiveness.

8.1.4 Measurement of contentment according to IAE

Next to the annual supplier evaluation the latter has the possibility of acquiring an additional opinion form TALUM via contentment questionnaire. Suppliers can prepare their own questionnaires or go about it in an informal manner. Either way they are presented with possible areas of improvement.

8.1.5 Internal evaluation

The effectiveness of a proper quality management system must be supplier monitored by means of internal evaluations. Based on evaluations and a plan of non-compliance dismissal the supplier is able to maintain an efficient system of quality management.

9 ATTACHMENTS

LIST OF DOCUMENTS

[TALUM Purchase politics and strategy \(1\)](#)

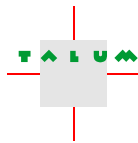
[Terms of payment for suppliers \(2\)](#)

[TALUM purchase process\(3\)](#)

[REACH directive \(16\)](#)

LIST OF FORMS

1. [General data of supplier \(4\)](#)
2. [Management systems evaluation questionnaire \(5\)](#)
3. [Supplier evaluation questionnaire \(6\)](#)
4. [Tracking of supplier quality-supplier of material \(7\)](#)
5. [Tracking of supplier quality-supplier of services and energy \(7\)](#)
6. [Tracking of supplier quality-supplier of raw materials \(7\)](#)
7. [Statement of product compliance \(8\)](#)
8. [Statement of wrapping material compliance \(9\)](#)
9. [Demand \(10\)](#)
10. [Reclamation record \(11\)](#)
11. [8D Report\(12\)](#)
12. [Proposal of alteration \(13\)](#)
13. [Proposal of non-compliance approval \(14\)](#)
14. [Proposal for lowering of expenses \(15\)](#)
15. [Duties, instructions and driver's declaration \(17\)](#)



Lahkota prihodnosti

PURCHASE POLITICS AND STRATEGY

Talum is a contemporary production company, which produces primary aluminium and aluminium products of the highest quality. The company's developmental strategy focuses on increasing the extent of production and at the same time assuring first-class quality, protection of environment, as well as providing a safe and healthy work environment.

PRINCIPLES OF PURCHASE POLITICS

Suppliers are considered partners. A good cooperation with suppliers is an important element in the improvement of business' quality. We bind ourselves to inform our suppliers in accordance with our activities and operating guidelines.

PURCHASE STRATEGY

Keeping track with the requirements of marketing and development also calls for a globalisation of purchase sources and the construction of a suppliers' web, which are capable of supplying raw materials and other components of suitable quality at competitive prices. The accepted purchase strategy is targeted at a constant purchase cost lowering.

1. OUR EXPECTATIONS

- The development of suppliers, stimulating innovativeness and partnership based on long-term business relations with suppliers and globalisation of purchase are factors, which are going to help us achieve the set objectives defined in TALUM's company politics.

2. SUPPLIER EVALUATION

- Constructing a system, which makes it possible to control all aspects of purchase, is based upon the requirements of our buyers to customers. An important part of integrated guidance systems is a systematic evaluation of purchases and suppliers.
- Evaluation of suppliers means additional control of the overall quality of purchased goods and services, which is in the best interest of the buyer and supplier. The purpose of supplier' evaluation is to gain a more detailed notion of the supplier and to alleviate the choice of supplier in order to expand cooperation on one hand and to execute more effective corrective measures on the other.
- The supplier target group, evaluated based on these criteria, is chosen on behalf of purchase value in the previous period resp. according to the strategic relevance of the supplier.

Criteria of supplier evaluation:

- **The suppliers approach and attitude**
Evaluates the suppliers' attitude, their initiative, degree of responsiveness, focus on detail and communication.
- **Technical support**
The supplier must demonstrate an appropriate level of support according to the level of pretentiousness of the offered products, which also includes information about new and existing products, assembly support, information about eventual product or process modification, purchase support etc.
- **The quality of supplied material and services**
Indicates statistical proof of the supplier regarding the quality of the purchased goods; evaluates their ability to suit our requirements, expectations and demands.
- **Adequacy of consignment**
Includes evaluation of packaging, material labelling and the required accompanying documents.
- **Supply accuracy**
Evaluates the suppliers' capability to meet demands of a timely purchase of the quantity previously agreed upon.
- **Competitive prices**
Evaluates the process of directing activities towards cost management and assuring an optimal purchase, which also includes information about cost, lowering cost, efficiency of new production programmes etc.

Based on the acquired evaluation and the evaluation system the suppliers are classified into ranks:

| | |
|---|-----------------------|
| A | SUITABLE SUPPLIER |
| B | SATISFACTORY SUPPLIER |
| C | UNSUITABLE SUPPLIER |

and the set objectives are categorised as followed:

- I. PARTNER
- II. KEY SUPPLIER
- III. SUITABLE SUPPLIER
- IV. CONDITIONAL SUPPLIER

Suppliers ranked as partners and key suppliers of TALUM should be included as suppliers as soon as possible, maybe even in the phase of new product development, which would provide them with the opportunity of expanding business cooperation. The evaluation of a supplier is going to be of great importance, regarding the share of purchase with the individual supplier, when several purchase sources have to be considered.

The evaluation is carried out once a year, according to the evaluation criteria. The results are forwarded by TALUM to the suppliers with a requirement for corrective measures, if necessary (rank C).

3. HOLISTIC MANAGEMENT

- Increasing market competitiveness demands continuous improvement of operating processes and calls for a constant reduction of expenses in all areas. It is possible for a company to achieve a high profit on account of their suppliers, however this win-lose strategy stands a small chance of long-term success.
- We, at TALUM, believe, that efficient expense management in purchase depends on the solidity of supplier's chains, as well as successful cooperation with our suppliers in following matters:
 - Identifying of expenses and causes of the latter in supplier chains
 - Measurement of expenses
 - Careful management of expenses
- We expect full cooperation of our suppliers in the process of holistic purchase management in order to achieve our aims regarding expense management.

4. THE PROCESS OF HOLISTIC QUALITY MANAGEMENT

- The process of holistic purchase management realizes company policy and strategy and is included in integrated company management systems.
- The holistic purchase management combines education and development of suppliers through systematic evaluations and stimulation of their innovativeness as an expense reducing generator. It is our desire, that suppliers become more involved in management and reduction of purchase expenses.
- The process enables and improves communication between the supplier and the buyer with the intention of increasing the competitive ability in the supply chain and added value for TALUM as well as the suppliers.

5. STIMULATING INNOVATIVENESS

- Stimulating continuous improvement or innovativeness of suppliers urges the suppliers to cut expenses, which is favourable for the business operation of TALUM as well as the supplier.

Taking part in the innovation process strengthens the trust and respect in the supplier chain, which is essential for all long-term business relations.

The importance of supplier innovativeness

- The supplier is best acquainted with the product he manufactures.
- The supplier can easily identify expense sources.
- The supplier has the best knowledge of modern technology for his area of production.

- The stimulation of innovativeness is primarily a method with the help of which the supplier becomes more actively involved in incentives regarding expense reduction. The process allows the supplier to make suggestions, regarding the reduction of product and service expenses in the purchase sphere. The evaluation system of TALUM also includes an assessment of the supplier's price competitiveness.

Benefits of stimulating innovativeness:

- The supplier is actively involved from the time of product resp. process development, which is considered as acknowledgment and consideration of the mentioned supplier.
- Reduction of expenses.
- Mutual distribution of savings.
- An opportunity for business expansion.

6. THE PROGRAMME OF EXPENSE REDUCTION IN THE PURCHASE CHAIN

- The supplier provides a plan resp. a proposal for the reduction of expenses for products or services, which they provide for TALUM, via form by means of which the suggestions are recorded in the purchase department.
- The work unit, that the suggestion was intended for, reviews the proposal and prepares an evaluation of the latter in due time. The supplier will be notified of proposal acceptance or rejection by the work coordinator of the purchase department.
- All accepted or approved proposals have a positive effect in evaluating the price competitiveness of the supplier.
- The basic aim of stimulating innovativeness in suppliers and introducing the system of evaluation of suppliers is to achieve constant improvement and cost reduction in the supplier chain. The latter assures increasing the competitive advantage of TALUM and long-term stability for the supplier.

7. SOURCING – RESEARCH OF THE PURCHASE MARKET

TALUM uses purchase market research (sourcing) as a means of managing and creating purchase strategies. It is used as a helpful tool in examining achievements in individual purchase activities and offering possibilities to new potential suppliers. We also practice the »ad hoc« research method of the purchase market with a limited time period.

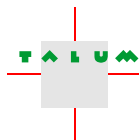
Kidričevo, March 2009

Purchase manager TALUM
Mirko Veselič, univ./deg. building eng.



TALUM d.d., KIDRIČEVO

Tovarniška cesta 10, 2325 Kidričevo, Slovenija,
tel: +386 2 7995 125, @fax: +386 1 3007 694, mail: mirko.veselic@talum.si



Lahkota prihodnosti

**TALUM, joint-stock co.
PURCHASE DEPT.**

Kidričevo, 10. March 2009

No.: MV 294 / 09

Terms of payment for suppliers in 2008

Dear business partner

Keeping track with the requirements of marketing and development also calls for a globalisation of purchase sources and the construction of a suppliers' web, which are capable of supplying raw materials and other components of suitable quality at competitive prices and at acceptable payment terms for TALUM.

Considering the production and business processes of company operation, purchase presents one of the processes, which assures the necessary raw materials, materials and services required in the production of aluminium and aluminium products.

In selling aluminium products and by-products in the global market, we meet buyers, who demand a 90 day, or more, payment postponement.

Considering the latter we have reached the decision to expect and demand payment for all supplied materials and services within 90 days in 2008 and further.

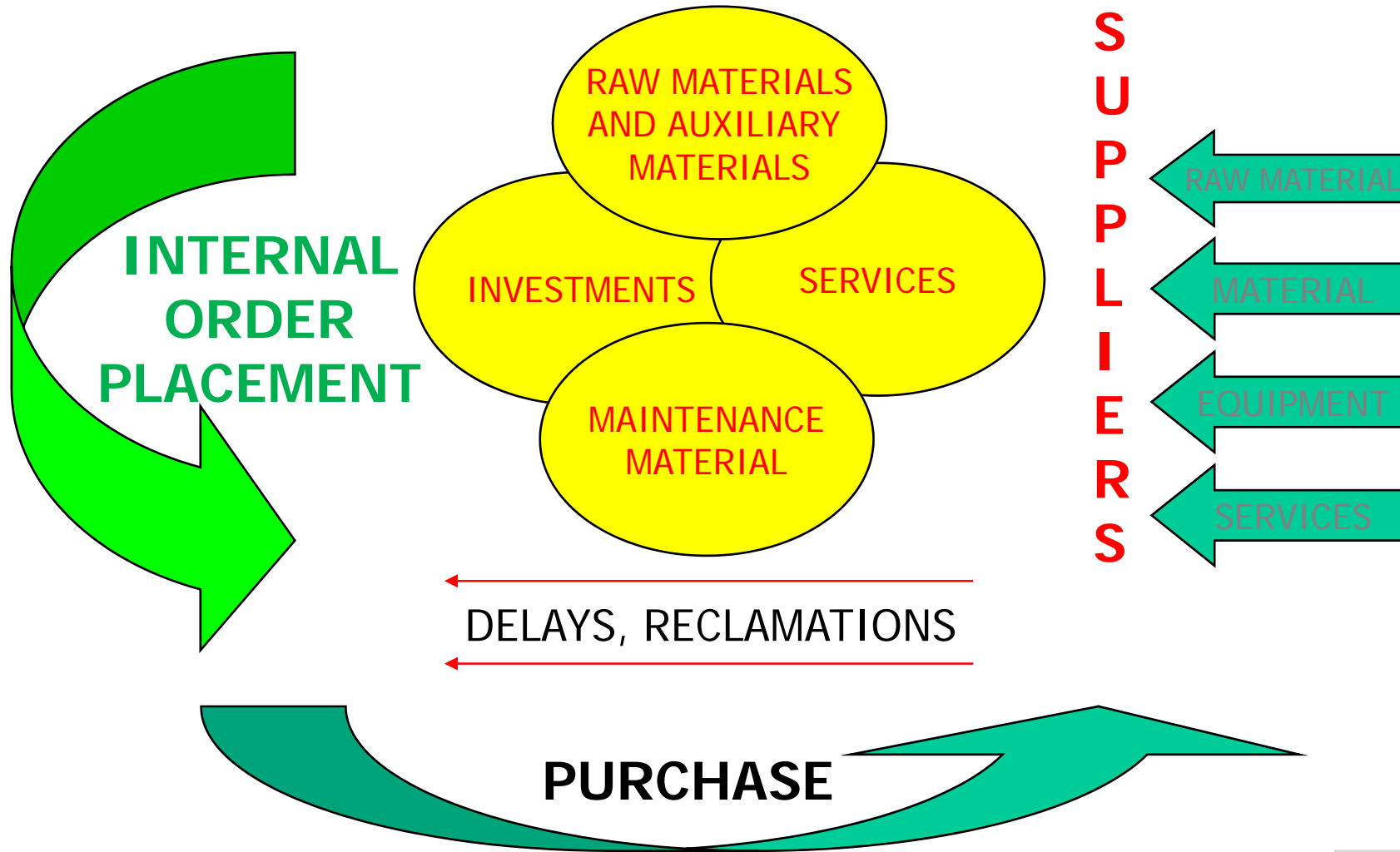
Respectfully!

Purchase manager TALUM
Mirko Veselič, univ. deg. building eng.

TALUM d.d., KIDRIČEVO

Tovarniška cesta 10, 2325 Kidričevo, Slovenija,
tel: +386 2 7995 125, @fax: +386 1 3007 694, mail: mirko.veselic@talum.si

PURCHASE PROCESS



PURCHASE AREAS - TALUM

| GROUP | PURCHASE ITEM |
|-------|--|
| AA | Hydrated alumina, petrol coke, coal-tar pitch, alloying supplements, waste aluminium |
| DI | Small inventory (up to 1 year) |
| DT | Small inventory (over 1 year) |
| EH | Maintenance material (for machines, electrical parts, general use) |
| KL | Other material |
| MA | Fuel & lubricant |
| MM | Packaging |
| OS | Assets |
| RD | Spare parts (for machines, electrical parts, general use) |
| RO | Spare parts - assets (for machines, electrical parts, general use) |
| JJ | Protective means |
| OO | Stationary |
| IT | Investments |
| UO | Services |

COMMUNICATION

PURCHASE

DEMAND
INTERNAL ORDER PLACEMENT

specification of demands regarding
material and services,
delivery terms,
order quantity - stock,
revision of transactions – ordering system
terms of payment,
delivery reliability

INTERNAL
ORDER
PLACEMENT

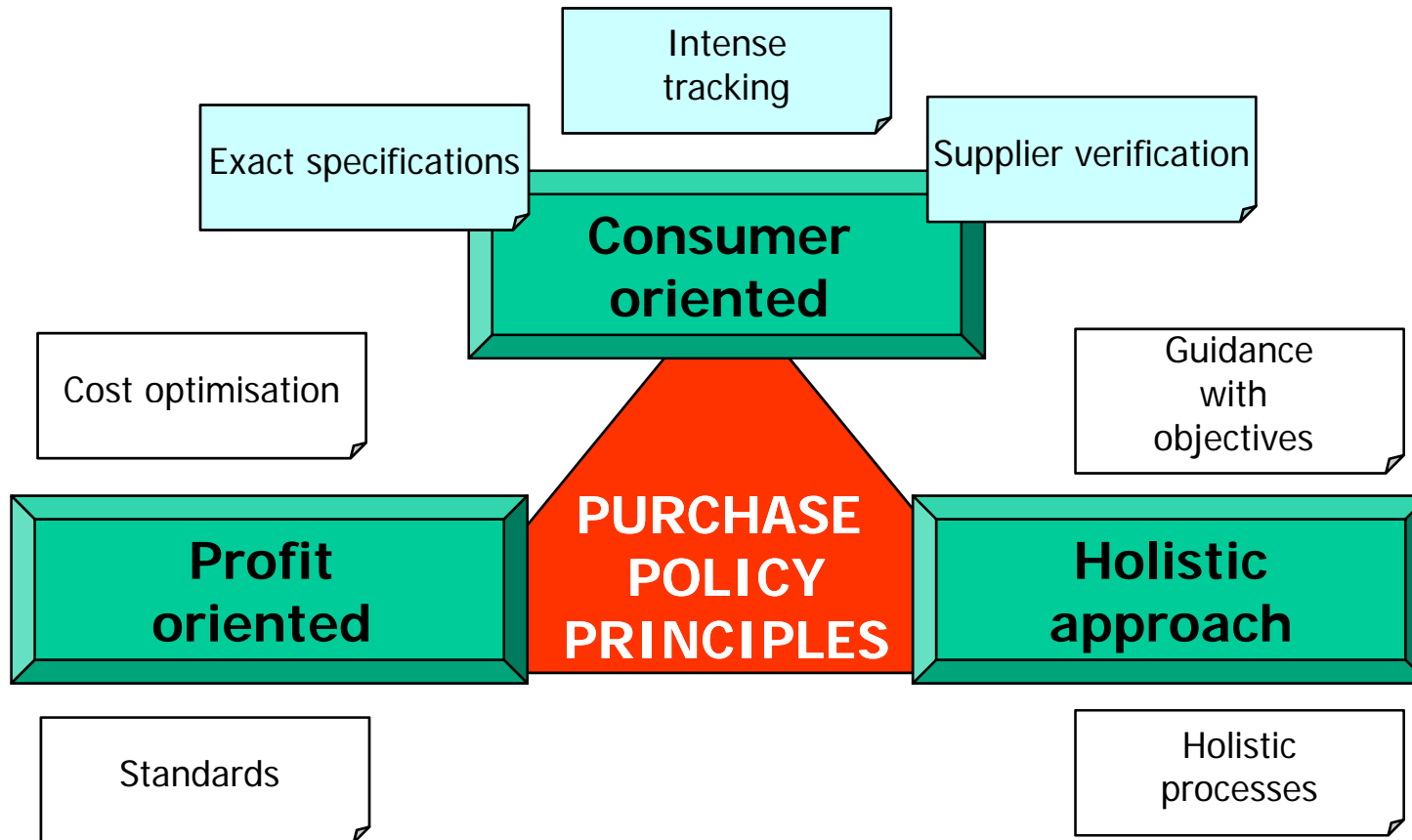
SUPPLIERS

REQUEST
PURCHASE

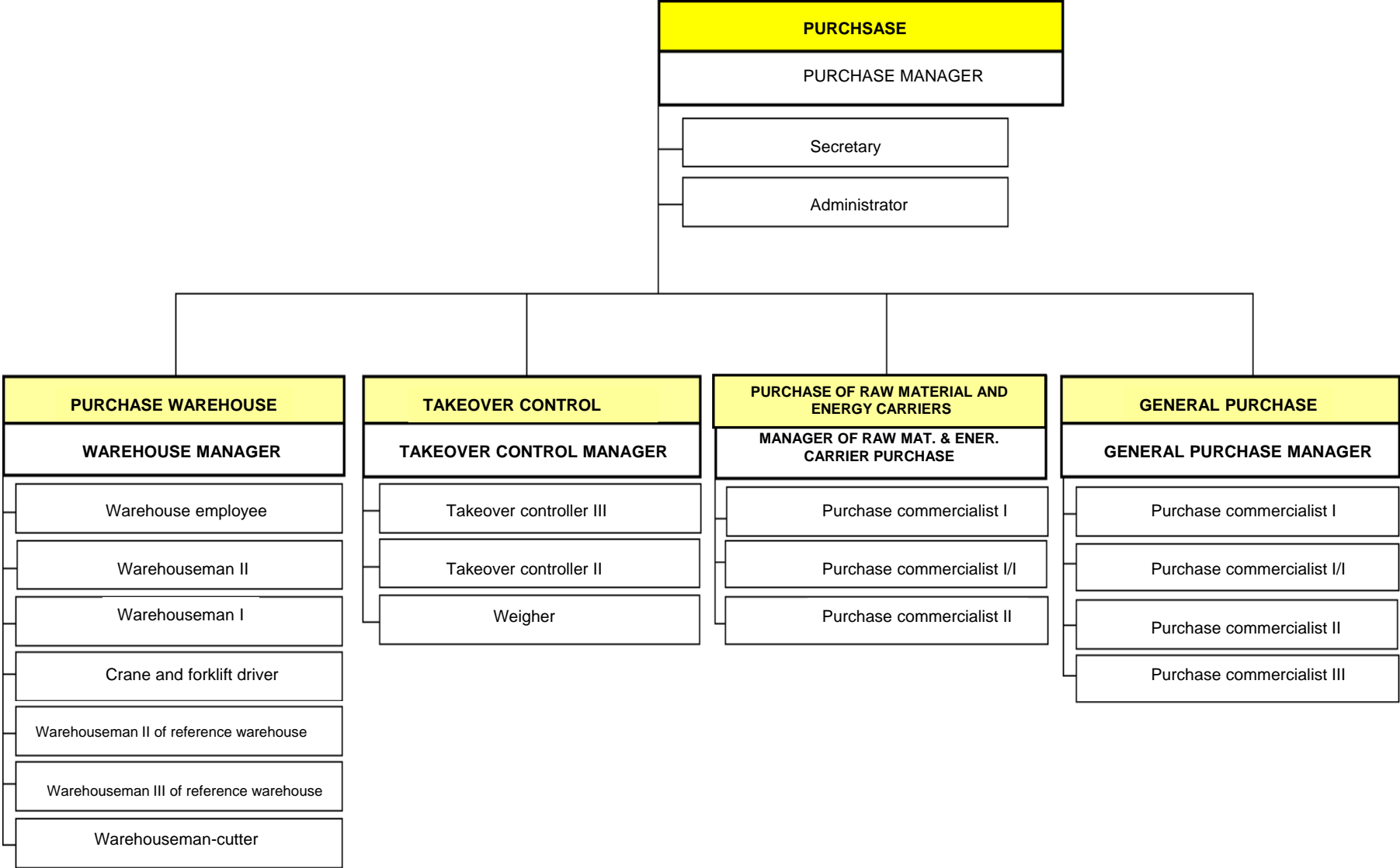
PROCESS PURCHASE SCHEME

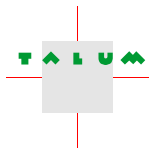


PURCHASE POLICY



PURCHASE ORGANISATION CHART - TALUM





GENERAL DATA OF SUPPLIER

FILLED OUT BY SUPPLIER

| | |
|------------------|--|
| Name of supplier | |
| Address | |

| | | | |
|-----------------------------|--|---------------------------------------|--|
| Internet / URL | | Telephone | |
| Mail | | Fax | |
| Tax number | | Transaction account | |
| Index number | | Financial turnover of supplier €/year | |
| Number of company employees | | Payment term - in days | |
| Type of activity | | | |
| Main products | | | |

| Acquired certificates | Date of acquisition | Institution |
|---|---------------------|-------------|
| <input type="checkbox"/> certificate ISO 9001: 2000 | | |
| <input type="checkbox"/> certificate ISO 14001 | | |
| <input type="checkbox"/> certificate OHSAS 18001 | | |
| <input type="checkbox"/> integration ISO 9001:2000, ISO14001, OHSAS 18001 | | |
| <input type="checkbox"/> certificate ISO/TS 16949 | | |
| <input type="checkbox"/> certificate ISO 17025 | | |

| Business management and areas | Name, surname | Mail |
|-----------------------------------|---------------|------|
| General manager | | |
| Sales manager | | |
| Purchase manager | | |
| Production and technology manager | | |
| Quality management representative | | |
| Contact person for TALUM | | |

| Carried out evaluations of supplier's customers | Date of evaluation | Area of evaluation |
|---|--------------------|--------------------|
| | | |
| | | |

*. Filled out by TALUM

| | | | |
|------------------|--|--------------------------------|--|
| Data acquired by | | Approved by – purchase manager | |
| Date | | Date | |

| | | | |
|-------------------------|--|-----------------------------|--|
| Execution of Baan entry | | Number of Baan supply order | |
| Date | | | |

OBR 41.013.01 – OP 41.500

Supplier: _____ Baan : _____

Address: _____

Contact person: _____

Tel/Fax/E-mail: _____

QUALITY MANAGEMENT SYSTEM QUESTIONS:

1. Is there an existing system for quality management?
(ISO 9001 ISO/TS 16949 QS 9000 VDA 6 _____)?
- established
 in process
 establishment of system planned in: _____ ,
 no activity.

If your company is certified and you are going to forward **a copy of the certificate** no further questions need to be answered.

2. Is there an existing procedure of continuous improvement?
 Useful suggestions; if yes: number of suggestions carried out in the last year _____
 Quality society; if yes: number of improvements carried out in the last year: _____
 other: _____
 non existent.
3. Is there an ordered and well maintained archive of technical documentation?
 YES NO
4. Is the incoming material inspected; the new material sampled and confirmed?
 YES
 PARTIALLY
 NO
5. Is supplier evaluation performed?
 YES
 NO
6. Are all demand requirements identified and order coordinated?
 the possibilities of execution are examined before order acceptance
 the possibilities of execution are examined after order receipt
 NO

7. Is feasibility analysis included in contract examination? YES NO

8. Is there a control plan? YES NO

9. Which are important product characteristics and/or process parameters?

10. Are important product characteristics and process parameters measured?

- YES, all
- some
- NO

11. Are appropriate measures carried out for received customer reclamations?

- for all received reclamations
- only on customer demand,
- NO.

Who is in charge of a functioning reclamation system? _____

Date:

Filled out by (Name, signature):

ENVIRONMENT MANAGEMENT SYSTEM QUESTIONS

1. Is there an existing system of environment management?

(ISO 14001 directive EMAS according to EC/761/2001 _____)?

established

in process

establishment of system planned in: _____ ,

no activity.

If your company is certified and you are going to forward **a copy of the certificate** no further questions need to be answered.

2. Is there a periodical environmental report prepared according to the sphere of your activity?

YES,

planned in (year): _____ ,

NO.

3. Is suitable training provided for your employees regarding legislation and appropriate environment treatment in normal and emergency states?

YES

NO

4. Are special procedures prescribed in handling of the following:

| | waste material, | waste water, | air emissions and | pollutants |
|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| YES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| NO | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Not assessable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5. Are your emissions within legally set bounds?

YES NO

6. Are there defined environmental measures for: economizing of natural sources (water, energy, and raw materials), waste and emission reduction as well as future inconsistencies arising from legal and other claims? If not, are such measures planned for the future? Environmental measures:

7. Is there a worked out concept of used materials return (packaging, electrical and electronic equipment, batteries, etc.)?
- re-use,
 - material remake by means of recycling ,
 - energetic remake,
 - no.
8. Are ecological criteria taken into consideration with product packaging?
- minimum use of packaging material,
 - re-use,
 - material remake by means of recycling ,
 - energetic remake,
 - no.
9. Are there established procedures for handling of chemicals?
- REACH assessable (registration/evaluation/authorisation of chemicals) according to EC/1907/2006,
 - we are the final user of chemicals,
 - we are manufacturers/suppliers/distributors of chemicals,
 - we are non assessable according to the Law on chemicals.

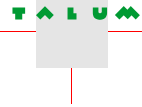
Date:

Filled out by (Name, signature):

Supplier Assessment Questionnaire
Assessment Number:

| | | | |
|-----------------------------------|--|---------|--|
| Company: | | Phone: | |
| Address: | | Fax: | |
| ASSESSMENT CONTACT PERSON: | | | |
| Name and Surname:: | | Phone: | |
| Position, Department: | | E-mail: | |

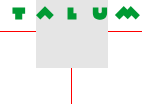
| | | | |
|--|---|-------------------------|--|
| GENERAL INFORMATION | | | |
| Ownership: | | Number of Employees: | |
| Product Assessed: | | Production Capacity: | |
| Main Buyers: | | % for Talum: | |
| SYSTEMS: QUALITY, ENVIRONMENTAL MANAGEMENT, HEALTH AND SAFETY | | | |
| Quality: | <input type="checkbox"/> ISO 9001 <input type="checkbox"/> ISO/TS 16949 | Other: | |
| Environmental Management: | <input type="checkbox"/> ISO 14001 | Other: | |
| Health and Safety: | <input type="checkbox"/> OHSAS 18001 | Other: | |



Supplier Assessment Questionnaire

| | |
|--|---|
| <p>Evaluation Key:</p> <p>NA – not assessed (not counted in average score calculation)</p> <p>1 – not applicable 3 – meets the requirements, improvements possible</p> <p>2 – needs improvement 4 – meets the requirements entirely</p> | <p>Rank:</p> <p>A Applicable ≥ 90 %</p> <p>B Satisfactory 75 % - 89 %</p> <p>C Not applicable < 75 %</p> |
|--|---|

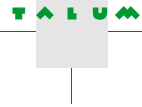
| 1. SYSTEMS-MANAGEMENT | | | |
|--------------------------------|---|--|------------|
| No. | Question | Comment (WHAT, WHEN, WHAT KIND, HOW, WHO...) | Evaluation |
| Management | | | |
| 1 | Are members of the management staff meeting regularly to analyse the efficiency of the system (internal audits, complaints and claims, objectives, nonconformities...), and do these meetings result in analysis-based actions? | | |
| 2 | Are the defined company goals and procedures measurable? | | |
| Documentation | | | |
| 3 | Is there a procedure / method of documentation management in place to ensure regular updating of documents and the replacement of obsolete documents, where and when necessary? | | |
| Continuous Improvements | | | |
| 4 | Are there any tools available for continuous improvements (collecting of useful suggestions, motivation of employees etc.)? | | |
| 5 | Is there a procedure / method in place to measure consumer satisfaction, and are there any improvement actions (resulting from corresponding analyses)? | | |
| Suppliers | | | |
| 6 | Is there a procedure / method in place to support the choice and assessment of suppliers? | | |
| 7 | Are input materials reclaimed if necessary, and does the range of input control depend on the supplier assessment / verification? | | |
| Training | | | |
| 8 | Is there a procedure / method in place to identify the training needs of the employees, and to offer training to all the employees? | | |
| 9 | Is the level of satisfaction in employees being kept track of? | | |



Supplier Assessment Questionnaire

2. THE QUALITY OF THE PROCESS AND PRODUCT

| No. | Question | Comment (WHAT, WHEN, WHAT KIND, HOW, WHO...) | Evaluation |
|-----|--|--|------------|
| 10 | Is there a routine in place to ensure continuous improvements (further development) in the process of manufacture / products? | | |
| 11 | Are high technical standards and innovation maintained, and is the company specialised to produce specific products? | | |
| 12 | Are there capacities available and is the planned range of production mastered and achieved? | | |
| 13 | Is there input material control performed, and how is it carried out? | | |
| 14 | Are the storage conditions appropriate and is the condition of input materials and stored products inspected adequately? | | |
| 15 | Are there a control plan, a diagram of operations (process flow chart) and guidelines for work (work instructions) in place? | | |
| 16 | Does the process of manufacture include health and safety mechanisms and tools for dealing with the environment (preventive means, marked paths, appropriate waste management strategies etc.)? | | |
| 17 | Is there a basic objective set regarding environmental management, and does a corresponding programme to be implemented identify detailed environmental short- and long-range objectives? | | |
| 18 | Are important product characteristics and manufacturing process parameters controlled, and are they within limits prescribed by the regulations? | | |
| 19 | Is there appropriate product identification provided during the procedure, and are end products marked according to the requirements of Talum? | | |
| 20 | Are nonconforming products adequately marked and are nonconformities inspected and analysed? Do these analyses result in corresponding corrective actions? | | |
| 21 | Is it guaranteed that the final inspection and testing are carried out according to the requirements of Talum? | | |
| 22 | Is the final inspection / testing (product release) carried out by members of staff that are not directly dependent on production rate? | | |
| 23 | Is there a procedure / method in place that ensures accurateness of the inspection and measuring devices, or a calibration system that ensures such equipment to be periodically calibrated to the required precision? | | |
| 24 | Is there a system in place to control preventive maintenance of the equipment, tools, instruments, and devices: plan and guidelines? | | |



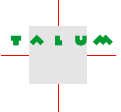
Supplier Assessment Questionnaire

3. PURCHASE AREA

| No. | Question | Comment (WHAT, WHEN, WHAT KIND, HOW, WHO...) | Evaluation |
|-----|--|--|------------|
| 25 | How is communication with Talum kept up (response time, accessibility, form / means of communication)? | | |
| 26 | How is the response to demand; is the feasibility of the order(s) appropriately tested? | | |
| 27 | What is the pricing strategy like? | | |
| 28 | What are the terms and conditions of payment? | | |
| 29 | What are the terms and conditions of delivery? | | |
| 30 | Is track being kept of the delivery delays (delivery after the deadline)? | | |
| 31 | Does the company have a corresponding plan of actions for managing emergency events (strikes, damage, technical trouble etc....)? | | |
| 32 | Which are the steps to ensure that the buyer is provided with all the necessary documentation on purchasing a product? | | |
| 33 | Is there any established procedure in place to examine and process the claims; is the response time appropriate; does the analysis of claims generate corresponding actions? | | |

| | | |
|--|--------------------------------------|--|
| Total Sum: | | |
| $Evaluation = \frac{TotalSum}{numberofquestions * 4} * 100$ | Evaluation: | |
| Rank: A Applicable ≥ 90 % B Satisfactory 75 % - 89 % C Not applicable < 75 % | Rank According to Evaluation: | |

| | | | |
|---------------|-----------|-------|------------|
| Completed by: | Position: | Date: | Signature: |
|---------------|-----------|-------|------------|

| | | |
|--|--|--------|
|  PURCHASE | TRACKING SUPPLIER QUALITY SUPPLIER OF MATERIAL | Datum: |
|--|--|--------|

Supplier ID:
 Supplier name:
 Supply area:
 Evaluation period:
 Value of trade in €:

1. Payment terms

| | |
|---------------------------------|---|
| 90 days and up | 5 |
| 75 days up to less than 90 days | 4 |
| 60 days up to less than 75 days | 3 |
| 45 days up to less than 60 days | 2 |
| less than 45 days | 1 |

2. Delivery delays

| | |
|-------------------------|---|
| no delays | 5 |
| less than 10% | 4 |
| 10% up to less than 20% | 3 |
| 20% up to less than 30% | 2 |
| 30% and more | 1 |

3. Number of claim and warning records

| | |
|------------------------------|---|
| no claim and warning records | 5 |
| 1 up to less than 4 points | 4 |
| 4 up to less than 7 points | 3 |
| 7 up to less than 10 points | 2 |
| 10 points and more | 1 |

4. Speed of solving claim records

| | |
|-------------------------------|---|
| no claim and warning records | 5 |
| solves quickly (before term) | 4 |
| solves in term | 3 |
| solves slowly (after term) | 2 |
| has to be reminded many times | 1 |

maximum points: 20
 total score:
 total score -%:
 pondered score of supply:
 supplier's rank: **A** >=90% 75<= **B** <90 **C** <75

| | Date | Evaluator | Signature |
|------------------------|------|-----------|-----------|
| Purchase commercialist | | | |
| Purchase manager | | | |

OBR 5400.001.01 - ND 5400.001

| | | |
|--|---|--------|
|  PURCHASE | TRACKING SUPPLIER QUALITY SUPPLIER OF SERVICES AND ENERGY | Datum: |
|--|---|--------|

Supplier ID:
 Supplier name:
 Supply area:
 Evaluation period:
 Value of trade in €:

I. Quality evaluation of supply

1. Payment terms

| | |
|---------------------------------|---|
| 90 days and up | 5 |
| 75 days up to less than 90 days | 4 |
| 60 days up to less than 75 days | 3 |
| 45 days up to less than 60 days | 2 |
| less than 45 days | 1 |

II. Quality evaluation of service performers

2. Assurance of required documentation and data

| | |
|---------------------------------|---|
| always assures documentation | 5 |
| usually assures documentation | 4 |
| sometimes assures documentation | 3 |
| rarely assures documentation | 2 |
| never assures documentation | 1 |

3. Services finished in agreed term

| | |
|-----------|---|
| always | 5 |
| usually | 4 |
| sometimes | 3 |
| rarely | 2 |
| never | 1 |

4. Is he willing and able to give advice if needed?

| | |
|-----------|---|
| always | 5 |
| usually | 4 |
| sometimes | 3 |
| rarely | 2 |
| never | 1 |

maximum points of supply: 5

maximum points of services: 15

total score of supply:

total score of services:

total score -%:

total score -%:

pondered score of supply:

pondered score of supply:

supplier's rank according to supply evaluation:

A >=90% 75<= **B** <90 **C**<75

supplier's rank according to services evaluation:

A >=90% 75<= **B** <90 **C**<75

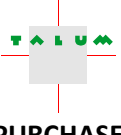
| | Date | Evaluator | Signature |
|------------------------|------|-----------|-----------|
| Purchase commercialist | | | |
| Purchase manager | | | |

OBR 5400.001.02 - ND 5400.001

TALUM d.d. KIDRIČEVO

Tovarniška cesta 10, 2325 Kidričevo, Slovenija

Tel.: +386 (0)2 7995 125, E-fax: +386 (0)1 3007 694, www.talum.si

| | | |
|---|---|--------|
|  | TRACKING SUPPLIER QUALITY SUPPLIER OF RAW MATERIALS | Datum: |
|---|---|--------|

Supplier ID:
 Supplier name:
 Supply area:
 Evaluation period:
 Value of trade in €:
 Raw material:
 Received quantity in evaluation period:
 Total received quantity in evaluation period:
 Received quantity in evaluation period -%:

1. Payment terms

| | |
|---------------------------------|---|
| 90 days and up | 5 |
| 75 days up to less than 90 days | 4 |
| 60 days up to less than 75 days | 3 |
| 45 days up to less than 60 days | 2 |
| less than 45 days | 1 |

2. Number of claim and warning records

| | |
|------------------------------|---|
| no claim and warning records | 5 |
| 1 up to less than 4 points | 4 |
| 4 up to less than 7 points | 3 |
| 7 up to less than 10 points | 2 |
| 10 points and more | 1 |

3. Speed of solving claim records

| | |
|-------------------------------|---|
| no claim and warning records | 5 |
| solves quickly (before term) | 4 |
| solves in term | 3 |
| solves slowly (after term) | 2 |
| has to be reminded many times | 1 |

4. Supplier's adaptability to Talum's needs and requests

| | |
|------------------|---|
| always adapts | 5 |
| usually adapts | 4 |
| sometimes adapts | 3 |
| rarely adapts | 2 |
| never adapts | 1 |

5. Assurance of required documentation

| | |
|---------------------------------|---|
| always assures documentation | 5 |
| usually assures documentation | 4 |
| sometimes assures documentation | 3 |
| rarely assures documentation | 2 |
| never assures documentation | 1 |

| | | |
|---|---|--------|
|  | TRACKING SUPPLIER QUALITY SUPPLIER OF RAW MATERIALS | Datum: |
|---|---|--------|

6. Comparable supplier prices

| | |
|---|---|
| has the most competitive price | 5 |
| 0 up to less than 5 % more expensive than the most competitive | 4 |
| 5 % up to less than 8 % more expensive than the most competitive | 3 |
| 8 % up to less than 10 % more expensive than the most competitive | 2 |
| more than 10 % more expensive than the most competitive | 1 |

7. Delivery accuracy

| | |
|---|---|
| always sticks to agreed delivery term | 5 |
| usually sticks to agreed delivery term | 4 |
| sometimes sticks to agreed delivery term | 3 |
| often doesn't stick to agreed delivery term | 2 |
| usually doesn't stick to agreed delivery term | 1 |

maximum points: 35

total score:

total score -%:

pondered score of supply:

supplier's rank: **A** >=90% 75<= **B** <90 **C**<75

| | Date | Evaluator | Signature |
|------------------------|------|-----------|-----------|
| Purchase commercialist | | | |
| Purchase manager | | | |

OBR 5400.003.01 - ND 5400.001

STATEMENT OF COMPLIANCE

Company name and addresses:

hereby fully responsible declare that products:

for which this statement applies are in compliance with the following standards/directives/statements:

- *Directive 76/769/EC and modifications relating to restrictions on the marketing and use of certain dangerous substances and preparations,*
- *Not include asbestos and other fibrous materials (ceramic and mineral),*
- *Not include radioactive elements (natural radioactivity is excluded).*

This Statement of Compliance is issued for **TALUM, d.d., Kidričevo** upon its request.

Date:

Signature of the in charge person and stamp of the company

STATEMENT OF COMPLIANCE OF PACKAGING

Statement of compliance, required by 8th Article of Rules on packaging and waste packaging management (Off. J. RS 84/2006) relating to EU Directive 94/62/EC, which includes the data required by EN 13427.

| | |
|---------------------------------------|-----------------------|
| Packaging identification or product*: | Assessment reference: |
|---------------------------------------|-----------------------|

*for the same packaging used for different products only one Statement of conformity is needed.

| |
|---|
| Identification of principal materials used: |
|---|

Part 1 Summary of assessment

| Standard/Report | Assessment requirement | Claim | Note |
|--------------------------------------|--|---|------|
| 1.1. Prevention by source reduction | Ensure only minimum adequate amount of material in the packaging system (EN 13428) | <input type="checkbox"/> YES | |
| 1.2. Heavy metals | Ensure below maximum permitted levels for components (CR 13695-1:2000); $\sum \{Cr(VI), Cd, Pb, Hg\} < 0,01 \%(m/m)$ | <input type="checkbox"/> YES | |
| 1.3. Dangerous substances | Ensure in compliance with EN 13428 | <input type="checkbox"/> YES | |
| 2. Reuse | Ensure reusability in all terms of the standard for the functional unit of packaging (EN 13429) | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| 3.1. Recovery by material recycling. | Ensure recyclability in all terms of the standard for the functional unit of packaging (EN 13430) | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| 3.2. Energy recovery | Ensure energy recoverability in all terms of the standard for the functional unit of packaging (EN 13431) | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| 3.3. Organic recovery | Ensure compostability in all terms of the standard for the functional unit of packaging (EN 13432) | <input type="checkbox"/> YES <input type="checkbox"/> NO | |

NOTE. Conformity with EN 13427 requires affirmative responses to sections 1.1,1.2, 1.3 and to at least one of 3.1; 3.2; 3.3. In addition, where a claim of reuse is made section 2 should also record affirmative responses.

Part 2 Statement of conformity

In the light of the assessment results recorded in part 1 above, this packaging is claimed to comply with the requirements of EN 13427.

Signed on behalf of (Name and address of supplier¹)

Signature:

Position:

Date:

¹) Supplier as defined in EN 13427.

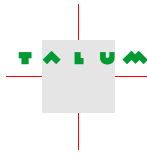
This Statement of Compliance is issued for **TALUM, d.d., Kidričevo** upon its request.

OBR 1700.103.01 - ND 1700.114

TALUM d.d. KIDRIČEVO

Tovarniška cesta 10, 2325 Kidričevo, Slovenija

Tel.: +386 (0)2 7995 125, E-fax: +386 (0)1 3007 694, www.talum.si



INQUIRY

| | |
|-----------------------------------|--|
| RETURN TO ADDRESS: | |
| TALUM d.d., KIDRIČEVO | |
| Tovarniška 10, 2325 KIDRIČEVO, SI | |
| Telephone: | |
| E-fax: | |
| E-mail: | |
| Fax: | |
| Contact Person: | |
| Contact for technical questions: | |

| | |
|----------------------------------|--|
| SUPPLIER: | |
| | |
| Telephone: | |
| E-fax: | |
| E-mail: | |
| Fax: | |
| Contact Person: | |
| Contact for technical questions: | |

| | |
|-------------------------|--|
| INQUIRY NO. | |
| Date of Inquiry: | |
| Enclosures: | |
| Inquiry Return Till: | |
| Expected Delivery Date: | |
| Payment Term: | |
| Remarks: | |

| | |
|-------------------|--|
| OFFER NO. | |
| * Offer Date | |
| Enclosure | |
| * Offer Validity: | |
| * Delivery Date: | |
| * Payment Term: | |
| Remarks: | |

INQUIRY/OFFER FOR:

| No. | Ident. TALUM | Material/Service description | Delivery date | Unit | Quantity | * Price €/unit | * Discount% |
|-----|--------------|------------------------------|---------------|------|----------|----------------|-------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |

Please check up if you can assure expected delivery date. If you cannot confirm it, **necessarily** indicate your alternative delivery term, because we rely on 100 % punctuality of delivery terms. If you do not define modified delivery term, we assume your delivery on our expected delivery date.

General conditions of purchase http://www.talum.si/pdf/home/SUPPLIER_MANUAL.pdf

TALUM / Purchase / Referee

SUPPLIER

Offers should be returned by requested date and all fields with * remark, should be filled in. Otherwise offer will not be taken into account.

| | | | | |
|--|--------------------|--|------|--|
|  Purchasing Dep. | CLAIM ORDER | | | |
| | | | Date | |

| | | | | | |
|---------------------------|--|--|----------------------------------|----------------------------------|--|
| Supplier | | | Purch.order/Purch.Referee | | |
| Delivery No./ Date | | | Receipt No./ Date | | |
| Claim Quantity | | | Reception Controller | | |
| Discordance Cipher | | | <input type="checkbox"/> CLAIM | <input type="checkbox"/> WARNING | |

Established discrepancy/ claim on material:

| A TALUM's ACTIVITIES | EXECUTER | DATE |
|--|-----------------|-------------|
| <input type="checkbox"/> A1 – Distribution of CO to internal orderer, Purchasing Referee , Purchasing Manager | | |
| <input type="checkbox"/> A2 – Distribution of CO to Supplier of claimed goods | | |
| <input type="checkbox"/> A3 – Conditional receipt with reduced value compensation | | |
| <input type="checkbox"/> A4 – Refusal because of unsuitability | | |
| <input type="checkbox"/> A5 – Debit-note of 40 € for administration claim costs | | |
| <input type="checkbox"/> A6 – Debit-note for production interruption because of unsuitable delivery of goods | | |

| B SUPPLIER's COMMITMENTS | | EXECUTION DATE | REALIZATION DATE |
|---------------------------------|---|-----------------------|-------------------------|
| IMMEDIATE MEASURES | | | |
| <input type="checkbox"/> | B1 – Substitution of missing or damage goods | | |
| <input type="checkbox"/> | B2 – Delivery of suitable goods as substitute for unsuitable delivery | | |
| <input type="checkbox"/> | B3 – Written answer on receive claim (cause of discrepancy, measures for solution) | | |
| LONG-TERM COMMITMENTS | | | |
| <input type="checkbox"/> | B4 - 8D report | | |
| <input type="checkbox"/> | B5 – Discussion with Supplier in TALUM | | |

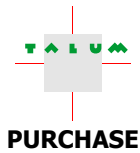
| C TALUM's REFERENCE DOCUMENTS | EXECUTER | REALIZATION DATE |
|---|-----------------|-------------------------|
| <input type="checkbox"/> C1 – Chemical or other analysis for claimed goods | | |
| <input type="checkbox"/> C2 – Note of WU / Departments | | |
| <input type="checkbox"/> C3 – Supplier's written answer on Claim Order | | |
| <input type="checkbox"/> C4 - 8D report (fulfil from Supplier) | | |
| <input type="checkbox"/> C5 – Other notes , photographs ... | | |

| D TALUM's FINAL MEASURES AND ACTIVITIES | | | |
|--|--|-------------|--------|
| <input type="checkbox"/> | D1 – Technical solution of CO | Responsible | Vindis |
| | <input type="checkbox"/> completion <input type="checkbox"/> permission <input type="checkbox"/> alternative use <input type="checkbox"/> refusal <input type="checkbox"/> exchange <input type="checkbox"/> supplement delivery <input type="checkbox"/> others | | |
| <input type="checkbox"/> | D2 – Business solution of CO | Responsible | |
| | <input type="checkbox"/> compensation for administration claim costs | | € |
| | <input type="checkbox"/> compensation or reduced value for missing goods | | € |
| | <input type="checkbox"/> compensation for production interruption because of unsuitable delivery of goods | | € |
| <input type="checkbox"/> | D3 – Distribution of CO conclusion to internal orderer and to Supplier (mail – pdf) | | |

| | | |
|---|----------------------------------|--|
|  | <h2>8D poročilo / 8D Report</h2> | Številka xx / 20xx Datum / Date xx.xx.xxxx Stran / Page 1 |
|---|----------------------------------|--|

| | | | |
|---|--|--|--|
| Dobavitelj / Supplier / Lieferant: | Odjemalec / Customer / Kunde: TALUM d.d. Kidričevo Tovarniška 10, 2325 Kidričevo | Št. rek. kup. / CustomerClaimNo: | |
| | | Datum / Date: | |
| | | Št. rek. dobav. / SupplierClaimNo.: | |
| | | Št. naročila / SalesOrderNo: | |
| Proizvod / Product / Produkt | | | |
| 1 Člani tima (najprej vodja) / Members of Analysis Team (Team Leader First) / Teammitglieder (Teamleiter zuerst) | | | |
| 2 Opis problema / Problem Description / Problembeschreibung | | | |
| 3 Takojšen ukrep(i) / Interim Containment Action(s) / Sofortmaßnahme(n) | | Odgovoren / Responsible | Datum izvedbe / Implem. date |
| | | | |
| 4 Glavni vzrok(i) napake / Root Cause(s) / Fehlerursache(n) | | | |
| 5 Trajni korektivni ukrep(i) / Permanent Corrective Action(s) / Langfristige Korrekturmassnahme(n) | | Odgovoren / Responsible | Rok /Planned Implem. date |
| | | | |
| 6 Uvedba in preverjanje učinkovitosti trajnih kor. ukrepov / Implementation and Validation of Efficiency of the Permanent Corrective Action(s) / Einführung und Überprüfung der Effizienz der Langfristige Korrekturmassnahme(n) | | Datum izvedbe / Implem. date | Datum validacije / Validation date: |
| | | | |
| 7 Preventivni ukrep(i) za preprečitev ponovitve / Action(s) to Prevent Recurrence / Fehlerwiederholung verhindern | | Odgovoren / Responsible | Datum izvedb / Implem. date |
| | | | |
| 8 Zaključek, opombe / Completio, Remarks / Abschluß, Bemerkung | | Odgovoren / Responsible | Datum zaključitve /Close date |
| | | | |

OBR 44.019.01 – OP 44.502

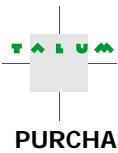


PROPOSAL OF ALTERATION

No.
Date:

| | | | |
|---|--|--|---------|
| <input type="checkbox"/> Technology alteration <input type="checkbox"/> Material alteration <input type="checkbox"/> Production location alteration | <input type="checkbox"/> Construction alteration <input type="checkbox"/> Supply source alteration <input type="checkbox"/> Other..... | Desired date of execution: | |
| SUPPLIER DATA | | PERSON RESPONSIBLE FOR SUPPLIER | |
| Name: | | Name: | |
| Address: | | Work post: | |
| | | Telephone: Fax: | E-mail: |
| Product ID number: | | No. of products on stock: | |
| ALTERATION | | | |
| Detailed description of proposed alteration: | | | |
| Argumentation: | | | |
| Enclosed documentation (sketches, test reports, FMEA, PPAP): | | | |
| Effect of alteration on price: <input type="checkbox"/> DA <input type="checkbox"/> NE | Explanation: | | |
| Supplier signature: | | Date: | |
| TALUM DECISION | | | |
| <input type="checkbox"/> Proposal granted | <input type="checkbox"/> Proposal rejected | <input type="checkbox"/> Required PPAP procedure | |
| Opinion: | | | |
| Signature: | | Date: | |

OBR 41.010.01 – OP 41.500

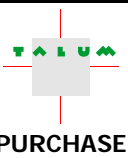


PROPOSAL OF NON-COMPLIANCE APPROVAL

No.:
Date:

| SUPPLIER DATA | | PERSON RESPONSIBLE FOR SUPPLIER | |
|--|--|---|---------|
| Name: | | Name: | |
| Address: | | Work post: | |
| | | Telephone: | E-mail: |
| | | Fax: | |
| Product name: | | Quantity of non-compliant products: | |
| Product ID number: | | Order No.: | |
| Standard: | | | |
| Supplier notice No.: | | | |
| Supplier signature: | | Date: | |
| DESCRIPTION OF NON-COMPLIANCE | | | |
| | | | |
| CAUSE OF NON-COMPLIANCE | | | |
| | | | |
| CORRECTIVE MEASURES | | | |
| | | | |
| TALUM DECISION | | | |
| <input type="checkbox"/> Proposal rejected | | <input type="checkbox"/> Proposal approved (for stated quantity only) | |
| Cause of rejection: | | | |
| | | | |
| Signature: | | Date: | |

OBR 44.020.01 – OP 44.502

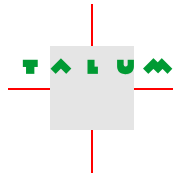


PROPOSAL FOR LOWERING OF EXPENSES

No.:
Date:

| | | | | |
|------------------------------------|---|--|--|------|
| TALUM | No. of proposal | Supplier Baan number | Receipt date | |
| | SUPPLIER DATA | | PERSON RESPONSIBLE FOR SUPPLIER | |
| SUPPLIER | Name: | | Name: | |
| | Address: | | Work post: | |
| | | | E-mail: | |
| | | | Telephone: | Fax: |
| | PROPOSAL DATA | | | |
| | Type of proposal | | Product code and name: | |
| | <input type="checkbox"/> purchase <input type="checkbox"/> quality <input type="checkbox"/> logistics | | | |
| | Proposed improvement: | | | |
| | Detailed description of proposition (use an extra sheet of paper if needed, add sketches, test results etc.): | | | |
| | Estimated quantity: | | Estimated time for implementing the proposition: | |
| | Estimated value of investment (supplier): | | Estimated value of investment (IAE): | |
| | Estimated year savings (supplier): | | Estimated year savings (IAE): | |
| Current price per unit of measure: | | New price per unit of measure: | | |
| Supplier signature: | | Date: | | |
| TALUM | % of expense reduction: | | | |
| | Organization unit | Opinion | Signature of responsible person | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | TALUM DECISION | | | |
| | <input type="checkbox"/> Proposal approved | <input type="checkbox"/> Proposal accepted | <input type="checkbox"/> Proposal rejected | |
| | Date of conclusion: | Signature of responsible person: | | |

OBR 41.015.01 – OP 41.500



SUPPLIER NOTIFICATION

August 2008

SUBJECT: **REACH directive EC No. 1907/2006**

REACH – the new European directive (EC), No. 1907/2006, which includes **R**egistration, **E**valuation, **A**uthorisation and Restriction of **C**hemicals-REACH, has been in effect since 1 June 2007; all provisions have been valid entirely since 1 June 2008. The directive defines handling of chemicals on EU level, establishes a better overview regarding safe handling of chemicals and decreases health and environmental risks arising from chemicals. The REACH order applies to all chemicals and products used in work and technological processes. Producers and importers of chemicals produced outside the EU area or imported into the EU in the amount of one ton or over, will have to carry out a pre-registration resp. registration of a chemical in order to keep producing and importing the same.

The REACH order determines, that producers, importers and other participants in the supply chain (from distributors to professional consumers) provide all necessary data regarding the characteristics of chemicals and suggest ways on how to minimise risks when using the product, as well as inform consumers about safe use and eventual harmful influences.

Main objectives of the REACH order:

- Improve the level of health protection
- Improve the level of environment protection
- Stimulate innovativeness and permanent operation of the chemical industry

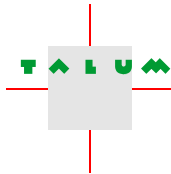
One of the main intentions is that chemicals which represent a greater risk regarding health and environment be replaced by safer chemicals and technological processes. The term chemical denotes substances of different forms (matter, preparation). The matter is a chemical element and its compounds. The preparation is a compound or solution, consisting of at least two parts, such as colour, pulverised varnish, diluter and cleansing agents. Chemicals can be found in a number of products. The product is an object, whose specific shape or surface is defined by function rather than its chemical structure (e.g. skis, tires, textile, furniture, household appliances).

The REACH directive includes all materials: matters, preparations and products. The system is applicable to all chemicals and is not limited to those labelled hazardous.

The REACH order does not apply exclusively to the chemical industry, but to all participants in the supply chain: producers, importers, distributors, other professional users, such as companies and tradesmen (e.g. dry cleaners' shops), as well as manufacturers of products (e.g. parts for the car industry, producers of kitchen appliances, producers of furniture, producers of plastic products etc.).

TALUM d.d. KIDRIČEVO

Tovarniška cesta 10, 2325 Kidričevo, Slovenija
Tel.: +386 (0)2 7995 125, E-fax: +386 (0)1 3007 694, www.talum.si



The REACH directive is going to include following procedures:

Pre-registration of matter: Entries of matter in the EU register within the timeframe 1 June 2008 to 1 December 2008.

Registration of matter: completion of pre-registration based on a worked out technical file and chemical safety report (from 1 December 2008 to 31 May; depending on matter weight and level of harmfulness).

Evaluation of matter: evaluation of risk presented by especially “problematic” matter regarding health and environment; determination of matters to be prohibited.

Authorisation of matter: approval of use of prohibited matters.

With the intent of further cooperation Talum invites its suppliers to get acquainted with the abovementioned directive and fulfil its requirements, since they present a necessary condition to establish a successful partnership. Talum expects its suppliers to register all matters and to include specific uses (for the aluminium industry) in the registry file.

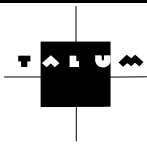
Furthermore Talum expects suppliers to provide sufficient information regarding matter, preparation and product they are supplying, since it is the only way to fulfil legal requirements as set in the REACH directive.

Responsible for carrying out and initiating the REACH directive at Talum:

Contact: Dr. Marko Homšak

Tel: 00386 2 7995 360

Mail marko.homsak@talum.si



DUTIES, INSTRUCTIONS AND DRIVER'S DECLARATION

DUTIES AND INSTRUCTIONS FOR DRIVERS:

1. Entry to the premises of Talum or another company at this location (hereinafter referred to as "premises of Talum") is permitted with the attendant of Talum or the attendant of the company visited.
2. Children and other family members of the driver are prohibited from entering the premises.
3. At the premises of Talum you are obliged to take into consideration and follow the instructions and warnings regarding the environmental protection, safety, and health at work.
4. You are obliged to follow the road signage and the rules regulating the traffic at the premises of Talum. Speed regulation in Talum:
 - main road 30 km/h,
 - production area 10 km/h,
 - production premises 5 km/h.
5. Traffic is prohibited on the production premises, with the exception of loading and unloading of cargo on routes designated by the Talum attendant or the attendant of the company visited.
6. Use of personal protective equipment in the production area is obligatory. The Talum attendant will provide the driver with the personal protective equipment in the reception office.
7. In case of emergency (fire, injury, leak of hazardous substance) **contact the following phone number: 02 / 7995 333.**
8. Open fire and smoking are prohibited at the premises of Talum.
9. Filming and/or taking photographs are prohibited at the premises of Talum.
10. The use of broadcasting stations on the premises of Talum is prohibited.
11. Talum d.d. cannot be held liable for any damage suffered at the premises of Talum.

DRIVER'S DECLARATION

I hereby declare, that I am acquainted with the duties and instructions for the driver. In case of any kind of injury, which I might suffer while driving, moving, or staying at the premises of TALUM d.d., I will waive any claim for damages. I bind myself to compensate any damage, caused with a motor vehicle, by fault on my part, to Talum or any other legal or natural person at the premises of Talum. I declare, that there are no unauthorized fellow passengers in the vehicle.

Name and
Surname: _____

Employer: _____

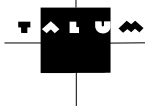
Date: _____

The record of entries and exits of the visitor, which contains the above mentioned personal data, is kept for the safeguarding of assets and order on the premises of the TALUM d.d., Kidričevo. The data is stored for a period of 3 years, after which it is deleted or otherwise destroyed.

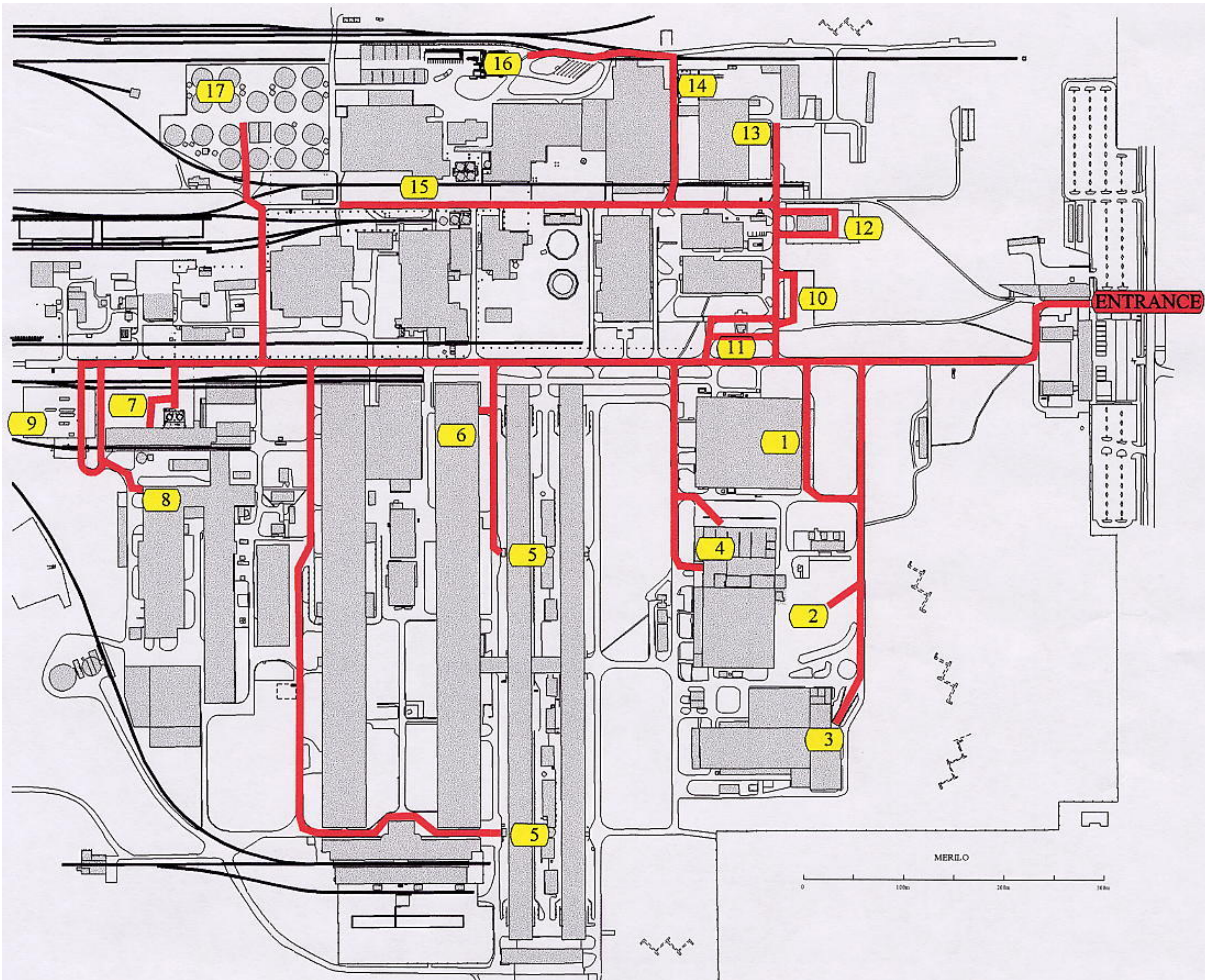
As a visitor to TALUM d.d., I herewith give permission, that a database of my personal data be opened, to store, process, and use the data as necessary, and to release the data to third parties in line with valid regulations.

Signature: _____

Period of declaration validity: 1 Year



DUTIES, INSTRUCTIONS AND DRIVER'S DECLARATION



Legend:

| | | | |
|-----------------|---------------------------------------|-----------|--------------------------|
| ENTRANCE | ENTRANCE INTO TALUM | 11 | GAS STATION, WEIGHBRIDGE |
| 1 | SILICON, RODS, PRIMARY FOUNDRY ALLOYS | 12 | FUELS AND LUBRICANTS |
| 2 | AL-EXTRUSION BILLETS | 13 | SUPPLY WAREHOUSE |
| 3 | EVAPORATOR, AL-DISCS | 14 | WASTE COLLECTION POINT |
| 4 | AL-SCRAP | 15 | SILKEM |
| 5 | HYDRATED ALUMINA | 16 | ASPHALT PLANT |
| 6 | ALUMINIUM-FLUORIDE, "PHAL" MASS | 17 | EKO LES |
| 7 | PETROLEUM COKE, COAL TAR PITCH | | |
| 8 | CARBON MATERIALS | | |
| 9 | LPG | | |
| 10 | PARKING PLACE FOR TRUCKS AND LORRIES | | |

| | |
|----------------------------------|------------|
| TALUM d.d., KIDRIČEVO | |
| TRANSPORT ROADS TALUM | |
| BOGDAN Rudi | |
| Date: 2005.03.25 | V-34369/00 |