



9 October 2017

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Dear Valued South32 Supplier,

Migration from the Quadrem Network to Ariba Network

South32 is in the process of transferring its business transactions with all our Suppliers from the Quadrem Network to the Ariba Network.

Over the course of the next few weeks, you will receive a series of notifications from SAP Ariba. These will be email communications to your designated Quadrem administrator (Tpadmin) and pop-up messages in Quadrem SupplyCenter. These communications will give you detail about the migration process and required steps you need to follow to ensure you can continue transacting with South32 during the transition period and beyond.

We are making this change as SAP Ariba has made a strategic decision to transition all its Buyer and Supplier customers to the Ariba Network (see more detail attached to this letter).

In preparation for the transition you are requested to please action the following:

1. **Visit the transition Welcome page (<http://www.ariba.com/lp/welcome>)**
This page provides detailed information about the transition process, steps you will need to take for a successful transition and links to helpful resources.
2. **Update your contact info**
Make sure the Tpadmin and business contact information in your SupplyCenter account is correct.
3. **Tpadmin to share this information**
Notify any of your additional business users who transact on the current Quadrem network so they may be aware of the upcoming transition
4. **Make provision that all your impacted employees attend scheduled SAP Ariba training**
SAP Ariba will be offering scheduled online Webex training and self-study e-learning prior to going live. Please ensure all your employees attend this training as it is critical to the successful transition to the SAP Ariba Network for your organisation.

Next steps:

A go live and training schedule is being finalized for your exact transition date. In the meantime, SAP Ariba will be prompting you with emails and pop-ups in Quadrem, instructing the activation of the new Ariba Network account.

Should you have any queries regarding the migration please contact SAP Ariba at south32runsariba@sap.com or contact your South32 representative.

Yours faithfully

A handwritten signature in blue ink, appearing to read "David Richardson", written over a white background.

David Richardson
VP Supply

Addendum:



Q U A D R E M

Why are we transitioning from Quadrem to Ariba?

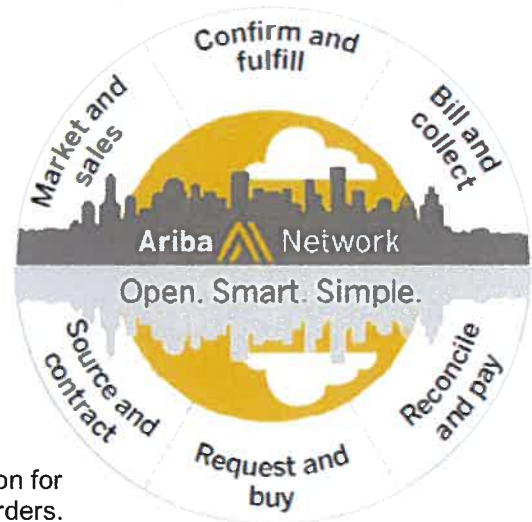
- **Quadrem software is being discontinued:**
 - Quadrem has served us well for nearly a decade.
 - The Quadrem Network was acquired by Ariba, who in turn got acquired by SAP.
 - The decision was made by SAP to discontinue the Quadrem Network and transition all Buyer and Supplier customers to the Ariba Network.
- **The Ariba Network makes it easy** for Buyers and Suppliers to collaborate on transactions, strengthen their relationships, and discover new business opportunities
 - By using the Ariba Network, buyers can manage the entire procurement process from source to settle, while controlling spending, finding new sources of savings, and building a healthy, ethical supply chain.
 - Suppliers can help buyers achieve their procurement transformation goals, while boosting customer satisfaction, simplifying the sales cycle, and improving cash flow.



- Currently the Ariba Network consists of:
 - 76% of Fortune 2000 companies registered
 - More than 2.5 million member companies
 - \$1.25 trillion in turnover
 - More than 195 million catalogue items
 - 34 million Sales leads
 - More than US\$50 billion in payments annually

Benefits of Ariba

- A modern user experience
- Easier to use
- More visibility for Suppliers of the status of their orders, payments, etc. via a Supplier Dashboard
- Small Suppliers can use the Ariba Supplier Mobile Application for PO confirmations, Invoicing and checking on the status of orders.



Why do you have to register as a Supplier on Ariba and attend the Ariba training?

- From the second quarter of 2018 South32 will be transacting with Suppliers exclusively through the Ariba Network. If your organization does not register on the Ariba Network and attend training, your orders will be processed and paid manually resulting in delays with your orders and payment timeframes.
 1. **Order**
 - Suppliers will receive all Purchase Orders via Ariba Network.
 2. **Confirm**
 - Confirmation by Suppliers on Ariba Network will be mandatory for all orders.
 3. **Receive**
 - Goods Receipt Notice (GRN) will be sent from South32 to the supplier via the Ariba Network. Goods receipt will allow the Supplier to invoice for Material Orders.
 - Service Entry Sheets will apply only to Service type orders (it will be mandatory for service invoices).
 4. **Pay**
 - Invoices will be sent electronically via Ariba Network from South32 to the supplier once the Evaluated Receipt Settlement (ERS) process has been executed in the SAP system.
 - For services, suppliers will only be able to send Invoices for approved Service Entry Sheets.
 - Suppliers will utilize the PO-Flip method of invoicing on the Ariba Network. Non-PO Invoices and Invoices from Contracts will not be supported.
 - Invoice Status Update will be sent from South32 to the Supplier at various stages of the invoice process but most importantly once it has been unblocked and cleared for payment on the Ariba Network.
 - Payment Proposal will also be sent from South32 to the Supplier once the invoice has been unblocked and will provide the Supplier with the proposed payment due date based on the payment terms.
 - Remittance Advice will be sent from South32 to the Supplier once the payment run has been executed on the Ariba Network.