

Functional Area: Procurement

SOP: BA-PRO-1-03-A01

Procedure Name: Small Supplier Payment Policy

Revision No: 1

Effective date: 1 January 2021

Applicable Regions: Australia

Small Supplier Payment Policy

1. Overview

1.1 Purpose

To provide the framework for Boral Limited and its related bodies corporate (together, "Boral") to manage payment terms for small suppliers in Australia. This Policy has been implemented in response to Boral's voluntary commitment to the Business Council of Australia's Australian Supplier Payment Code and to ensure that small suppliers are not disadvantaged from longer payment terms. This Policy also aligns with the intent of the Payment Times Reporting Act 2020.

Boral recognises the importance of healthy cash flows for the small supplier community and their contribution to the overall success of our Australian economy.

1.2 Scope

1.2.1. This Policy provides the details on how Boral will manage their small suppliers through their Small Supplier Program ("Program"), which has been implemented as a result of Boral's commitment to the Australian Supplier Payment Code. This Policy applies to suppliers to Boral in Australia that meet the Boral definition of a 'small supplier' (as described in 2.2.1).

1.2.2. This Policy may be varied by Boral from time to time to be consistent with best practice for payment of small suppliers.

2 Small Supplier Payment Code

2.1 General Principles and Guidelines

2.1.1. The general principles and guidelines of this Policy are underpinned by the Business Council of Australia's Australian Supplier Payment Code (Appendix 1)

2.1.2. This Policy is designed to ensure that small suppliers are treated fairly and in the spirit of the Business Council of Australia's Small Supplier Payment Code.

2.1.3. Boral acknowledges the importance of providing complete and on-time payment particularly to small suppliers who may be more sensitive to cash flow movements.

2.1.4. Any supplier who meets Boral's 'small supplier' criteria (as described in 2.2.1 below) should apply to Boral to be considered for participation in the Program. Eligibility for the Program will be dependent on the supply of accurate information that demonstrates that the supplier meets the criteria outlined below in section

2.2. Eligibility and Application

2.2.1. Boral defines a 'small supplier' as a supplier who satisfies all of the following small supplier criteria (Criteria):

- a) Supplier has annual turnover in the last financial year of less than AUD 10m (exceptions may be applied for a supplier whose business is part of a consolidated group of companies)

2.2.2. Boral will consider exceptional circumstances and any other documentation that the supplier includes as part of its application. Boral may in its absolute discretion allow a supplier to be part of the Program on these exceptional circumstances.

2.2.3. To apply to participate in the Program, a supplier must:

- a) Complete the application form with the accompanying statutory declaration (Appendix 2) signed by an authorised business signatory,

for example the MD, CFO or equivalent senior officer or company director.

- b) Submit the completed application form via email to the following address: **vendor.maintenance@boral.com.au**
- c) Boral reserves the right to verify the information provided in a supplier's application through its own internal and/or external practices. Boral also reserves the right to request more information at any time from a supplier until it is satisfied that a supplier meets the required Criteria to Boral's satisfaction.

2.3 Approval and application of the Policy

2.3.1. If a supplier is determined by Boral to be eligible to participate in the Program, the supplier will receive email confirmation from Boral confirming their acceptance ("Eligibility Acceptance"). Boral endeavours to let suppliers know whether they have been accepted to participate in the Program within 30 days of Boral receiving a fully completed application that complies with this Policy.

2.3.2. Suppliers determined by Boral to be eligible to participate in the Program will have their payment terms updated automatically in the Boral system to reflect that the payment terms with that supplier will be 30 days from the date of receipt of a correct invoice by Boral or the provision of the relevant goods/services, whichever is later. These new payment terms will be applicable to invoices raised after the date of the supplier's confirmation of acceptance into the Program.

All other terms and conditions relating to the arrangement between Boral and the eligible supplier will not be affected.

2.3.3. Suppliers must inform Boral should their status change and they cease to satisfy any of the Criteria. The Supplier's must re-certify their status by resubmitting their application form with a fresh accompanying statutory declaration (Appendix 2) ("Eligibility Renewal Application") no later than the 30 days after anniversary date of their most recent Eligibility Acceptance. If the supplier does not submit an Eligibility Renewal Application by required date following each anniversary, their eligibility to participate in the Program will lapse.

2.3.4. Boral also reserves the right at any time to audit any small supplier participating in the Program for the purposes of ensuring they satisfy the Criteria and are complying with the Policy. If Boral determines that a supplier no longer satisfies any of the Criteria or the supplier otherwise does not comply with this Policy, Boral may notify the supplier that it is no longer eligible to participate in the Program and move such supplier back to Boral's standard payment terms.

2.3.5. Suppliers who qualify to participate in the Program and obtain the benefit of the new payment terms (as described in 2.3.2 above) must use the relevant Boral Purchase Order process and ensure that their invoices quote Purchase Order numbers.

2.3.6. Suppliers must also provide the electronic means of payment together with correct banking, invoice and contact details in order to remain part of the Program.

2.4 Compliance and Reporting

2.4.1. Boral will work with the Business Council of Australia to provide compliance reporting to ensure that it continues to meet the requirements of the Code. In conjunction with this, Boral may disclose information regarding its suppliers (including the information provided by suppliers to Boral as part of the Program) to the Business Council of Australia.

3 Changes to the Policy and approach

3.1 Right to review the Policy, criteria and approach

3.1.1. Boral may review this Policy (including, the Criteria) and its approach to participation in the Program at any time to ensure it is consistent with the Business Council of Australia's Australian Supplier Payment Code, market practice and Boral's own business practices.

3.1.2. Boral reserves the right to change its policy at any time and will notify participants of any such changes.

Appendix 1:

Business Council of Australia – Australian Supplier Payment Code

<http://www.bca.com.au/policy-agenda/australian-supplier-payment-code>

Appendix 2:

Application form for Suppliers and Statutory Declaration

The following document is an application to participate in Boral's Small Supplier Payment Program.

Appendix 3:

Frequently asked Questions

Q: Who is entitled to be considered a small supplier?

A: There are two criteria for a supplier to be considered a small supplier by Boral:-

- a) Supplier's annual turnover in the last financial year of less than AUD 10m (exceptions may be applied for a supplier who's business is part of a consolidated group of companies; AND
- b) Supplier has fewer than 20 employees (defined as the number of people that provide labour services to the organisation regardless of the employment status of employees being casual, permanent or part time)

Q: What does it mean to be identified as a small supplier?

A: Small suppliers will be paid 30 days from the date of receipt of a validly issued tax invoice by Boral or the provision of the relevant goods/services, whichever is later.

Q: How do I apply to be considered as a small supplier?

A: An application form with a completed statutory declaration signed by the MD, CFO or equivalent officer or a director of the supplier organisation stating that they meet the criteria is required to be submitted to Boral's small supplier code email address: vendor.maintenance@boral.com.au

Q: How do I know that my organisation is considered part of the small supplier Program at Boral?

A: Upon receipt of the relevant information, Boral will review the application. Boral endeavours to let suppliers know by email whether they have been accepted to participate in the Program within 30 days of Boral receiving a fully completed application that complies with this Policy.

Q: When will I start obtaining 30 day payment terms?

A: Boral endeavours to notify suppliers within 30 days of receipt of their application as to whether or not the application has been successful.

Q: Will I remain on the small supplier code indefinitely?

A: No. Boral will conduct an annual review of each small supplier and may also conduct an audit of any supplier participating in the Program at any time for the purposes of ensuring they satisfy the Criteria. Should a supplier no longer meet the Criteria or otherwise does not comply with this Policy, Boral will generally contact the supplier (via the email details provided in the application form) to notify them that they will revert back to Boral standard payment terms from the next payment cycle unless information can be provided to Boral's satisfaction to demonstrate that they meet the required Criteria).

Q: What if I no longer meet the criteria of a small supplier?

A: You will not be able to participate in the Program if you do not meet the required Criteria. Payment terms will revert back to the standard payment terms that Boral currently offers its current suppliers.



Application for Small Supplier Status and participation in the Small Supplier Payment Program with Boral Limited and its related entities

The following document is an application to participate in Boral's Small Supplier Payment Program.

Name (include trading as) and ABN of organisation applying for Small Supplier Status:

Name:

ABN:

As part of this application, the Organisation (Applicant), represented by the authorised signatory signing this application acknowledges the following:

- 1) The authorised signatory has read, understood and will comply with (and will ensure the Organisation complies with) Boral's Small Supplier Payment Policy "Policy".
- 2) The authorised signatory acknowledges that Boral has the right to audit the Organisation for the purposes of determining whether the Organisation satisfies the applicable criteria set out in the Policy, the declarations given by the Organisation and the Organisation's compliance with the Policy.
- 3) The authorised business understands that Boral's Policy is intended to be consistent with the Business Council of Australia's Supplier Payment Code.
- 4) The authorised signatory acknowledges that from time to time, Boral will need to make relevant disclosures of the information relating to the Organisation, the details provided by the Organisation to Boral and the Organisation's compliance with the Policy to the Business Council of Australia and by signing this application expressly consents to Boral making such disclosures.
- 5) The authorised signatory acknowledges that should the Organisation, at any point, fail to meet the required criteria to be part of Boral's Small Supplier Programme (as described in the Policy) or otherwise fails to comply with the Policy, Boral has the right to notify the Organisation that it is no longer eligible to participate in the Small Supplier Program and revert the Organisation's payment terms back to its standard payment terms for all suppliers.
- 6) The relevant point of contact person within the Applicant Organisation is:

Name:

Position:

Address:

Telephone Contact Number:

Email Address:

AUTHORISED BUSINESS SIGNATORY OF APPLICANT ORGANISATION

Signature:

Name:

Position:

Company/Organisation

Commonwealth of Australia STATUTORY DECLARATION

Statutory Declarations Act 1959



¹ Insert the name, address and occupation of person making the declaration.

I,

(Insert Name & Position)

(Insert Company/Organisation)

make the following declaration under the Statutory Declarations Act 1959:

² Set out matter declared to in numbered paragraph.

(Insert Company/Organisation)

formally applies to Boral Limited and its entities to be considered to be eligible to participate in its Small Supplier Payment Program.

I declare that our organisation turnover is as listed below:

- Annual Turnover at the Organisation's last financial year end
\$ _____

I understand that a person who intentionally makes a false statement in a statutory declaration is guilty of an offence under Section 11 of the Statutory Declarations Act 1959, and I believe that the statements in this declaration are true in every particular.

³ Set out matter declared to in numbered paragraph.

Declaration made by:

(Signature)

Declared at:

on

of

(Place)

(Day)

(Month)

(Year)

⁴ Place, Day, Month & Year.

⁵ Signature of person before whom the declaration is made.

Before me,

(Signature)

(PRINT NAME)

(PRINT QUALIFICATION)

(PRINT full ADDRESS including Postcode)

⁶ Full name, qualification & address of person before whom the declaration is made.

Note 1 A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years – see Section 11 of the Statutory Declarations Act 1959.

Note 2 Chapter 2 of the Criminal Code applies to all offences against the Statutory Declarations Act 1959 – see section 5A of the Statutory Declarations Act 1959.

A statutory declaration under the Statutory Declarations Act 1959 may be made before –



- (1) a person who is currently licensed or registered under a law to practise in one of the following occupations:
- | | | |
|----------------------|----------------------|--------------------|
| Chiropractor | Dentist | Legal practitioner |
| Medical practitioner | Nurse | Optometrist |
| Patent attorney | Pharmacist | Physiotherapist |
| Psychologist | Trade marks attorney | Veterinary surgeon |
- (2) a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described); or
- (3) a person who is in the following list:
- Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955);
- Bailiff;
- Bank officer with 5 or more continuous years of service;
- Building society officer with 5 or more years of continuous service;
- Chief executive officer of a Commonwealth court;
- Clerk of a court;
- Commissioner for Affidavits;
- Commissioner for Declarations;
- Credit union officer with 5 or more years of continuous service;
- Employee of the Australian Trade Commission who is:
- (a) in a country or place outside Australia; and
 - (b) authorised under paragraph 3 (d) of the Consular Fees Act 1955; and
 - (c) exercising his or her function in that place
- Employee of the Commonwealth who is:
- (a) in a country or place outside Australia; and
 - (b) authorised under paragraph 3 (c) of the Consular Fees Act 1955; and
 - (c) exercising his or her function in that place
- Fellow of the National Tax Accountants' Association;
- Finance company officer with 5 or more years of continuous service;
- Holder of a statutory office not specified in another item in this list;
- Judge of a court;
- Justice of the Peace;
- Magistrate;
- Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961;
- Master of a court;
- Member of Chartered Secretaries Australia;
- Member of Engineers Australia, other than at the grade of student;
- Member of the Association of Taxation and Management Accountants;
- Member of the Australasian Institute of Mining and Metallurgy;
- Member of the Australian Defence Force who is:
- (a) an officer; or
 - (b) a non-commissioned officer within the meaning of the Defence Force Discipline Act 1982 with 5 or more years of continuous service; or
 - (c) a warrant officer within the meaning of that Act
- Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants;
- Member of:
- (a) the Parliament of the Commonwealth; or
 - (b) the Parliament of a State; or
 - (c) a Territory legislature; or
 - (d) a local government authority of a State or Territory
- Minister of religion registered under Subdivision A of Division 1 of Part IV of the Marriage Act 1961;
- Notary public;
- Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public;
- Permanent employee of:
- (a) the Commonwealth or a Commonwealth authority; or
 - (b) a State or Territory or a State or Territory authority; or
 - (c) a local government authority;
- with 5 or more years of continuous service who is not specified in another item in this list
- Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made;
- Police officer;
- Registrar, or Deputy Registrar, of a court;
- Senior Executive Service employee of:
- (a) the Commonwealth or a Commonwealth authority; or
 - (b) a State or Territory or a State or Territory authority
- Sheriff;
- Sheriff's officer;
- Teacher employed on a full-time basis at a school or tertiary education institution.