



General Conditions Of Supply For Materials, Parts & Services

Preamble

The following serves to clarify Spotless Services Australia Limited (Spotless) purchasing policy for both new and existing suppliers/manufacturers. The Procurement Department is responsible for selecting and appointing Suppliers of all goods and services used by Spotless. Our policy is for central control over the purchasing arrangements for all market segments.

Under our standard operating procedures, the best quality goods/services and customer services, appropriate to requirements, are obtained for Spotless from approved suppliers/manufacturers.

The “**Spotless Buying Directory**” clearly details all the nominated Suppliers and branded products to be used by Spotless managers and maintenance personnel, in Australia.

Spotless strive to be at the cutting edge of E-procurement in the development of the “**Spotless Electronic Buying System**” (EBS) as a consistent, accurate way of managing the purchase, costing and pricing of goods/services from Suppliers “**right goods, right price, right place, right time**”.

Spotless will continue to be closely associated with the development of quality management systems to meet internationally recognised standards as required now and in the future.

Seek to develop closer, longer-term relationships with preferred supply chain partners with manufacturers, a primary focus.

Aggressively pursue economies and efficiencies through the development of specific inventory lists for market segments, over a range of primary commodities.

Our method of operation is unique, in as much that Spotless policies, procedures and technology will continue to provide efficiencies for suppliers/manufacturers without regular representation at site level.

Consequently, our requirements are that all contact with Spotless in relation to purchasing and concerning policy matters is directed to the Spotless Procurement Manager.

Set out below is a schedule of the general conditions and requirements, concerning supply to Spotless.

Accounting

1. Invoices

Invoices must be made out to Spotless, stating our site number, name and address. All invoices must be a "tax invoice" and include the Supplier's Australian Business Number (ABN). The following must be detailed separately on the tax invoice, the GST amount, the net of GST amount and the total invoice amount.

All goods/services deliveries to sites will be accompanied by a priced and extended invoice for each transaction unless determined otherwise by Spotless. Computer generated invoices must not be altered.

2. Proof of Purchase

Title to and responsibility for the goods will pass only to Spotless, following pick up by authorised personnel or when they are delivered to the specified premises, and receipt of the goods is confirmed.

The signature and printed name of Spotless employees, or authorised officer must be obtained in all instances. Proof of purchase will also be required from the Supplier when claiming any unpaid accounts at a later date.

3. Receipt of Goods or Services

Spotless personnel receiving goods reserve the right to verify the consignment and/or the work performed, prior to signing for the goods/services. The Supplier agrees to accept "adjustment requests" issued by Spotless eg. invoiced goods not delivered and/or work orders not completed.

4. Payment of Accounts

- (a) All accounts where possible are paid by "electronic funds transfer" (EFT). There are no C.O.D. payments within Spotless.
- (b) Spotless, as a general policy, pay Suppliers no sooner than sixty (60) days after the end of each trading month.
- (c) Spotless do not reconcile a Supplier's statement to remittance advices. Suppliers are required to follow up unpaid accounts with the branches concerned. Failing resolution, this issue should be directed to the Spotless Procurement Manager.
- (d) The Spotless accounting system works on a 4,4,5 week, monthly accounting cycle.

5. Penalties and Surcharges

Administrative surcharges and sixty (60) days payment terms will be applied to unauthorised expenditure. Suppliers and Spotless personnel will be advised in writing of expired agreements prior to the application of penalties and surcharges.

Supply Relationship

1. Suppliers and manufacturers must;
 - (a) Comply with the “**Spotless General Conditions of Supply**” and meet agreed key performance indicators (KPI’s) to continue supply to Spotless.
 - (b) Attend meetings programmed by the Spotless Procurement Manager and participate in working agendas, to solve problems and achieve efficiencies.
 - (c) Maintain an excellent relationship through efficient management, and a dedicated Account Manager with the authority to make decisions.
 - (d) Ensure sufficient time, resources and focus are made available to manage the Spotless account and provide an acceptable level of “**customer service**” in relation to order processing and advice.
 - (e) Action supply complaints immediately and provide written responses to formal complaints within seven (7) days.
 - (f) Prevent sales representatives from visiting branches without a current “**Written Authority to Visit**” issued by the Spotless Procurement Manager. Authorised visits must be arranged by appointment with branch and/or site managers.
2. Suppliers and manufacturers may be invited to participate in “**Trade Fairs**” from time to time, to exhibit and/or demonstrate goods/services as well as providing product knowledge, for Spotless personnel, industry employees and clients.

Prices

1. All items and prices will be approved by the Spotless Procurement Manager. Applications for price rises during a fixed term, will not be accepted. All applications for price movements must be in accordance with “**Spotless Guidelines for Approved Suppliers and Manufacturers**”.
2. Offers to the business segments or responses to tenders will be confidential and accepted or rejected at the discretion of the Spotless Procurement Manager. The lowest price will not necessarily be accepted.
3. Applications for all price movements are to be made to the Spotless Procurement Manager. Submissions are required at least four (4) weeks prior to the date of effect, or the conclusion of fixed pricing. The Supplier is required to submit details of the change in costs motivating the price movements.
4. Only approved products and prices will be imported into the “**Spotless Electronic Buying System**” (**EBS**), following approval by the Spotless Procurement Manager. All approved Suppliers prices and products will be set up on a “**Supplier Data Template**”, in approved **EBS** format as an “**Excel File**” on disc or transmitted via e-mail.
5. Incentive buys, bonuses and/or special offers are not attractive in themselves but should be reflected in the offered price. Gifts and rewards must not be offered to any staff under any circumstances.

E-Commerce

1. Suppliers must have the capacity to provide high quality data analysis.
2. Data must be provided in the agreed form and required frequency, ideally transmitted in electronic format.
3. E-mail and facsimile order receiving capacities must be adequate to process orders promptly and efficiently, as agreed.
4. All Suppliers must complete the agreed **EBS** prices template in accordance with Spotless actual purchasing requirements.

Goods and Services

1. Only the good/services specified by the Spotless Procurement Manager are to be supplied to Spotless and all new or varied services require approval. The Spotless Procurement Manager will advise Spotless managers and maintenance personnel of all goods/services through “**Spotless Individual Branch Buying Directions**”.
2. All items not featured in the “**Spotless Buying Directory**” require the approval of the Spotless Procurement Manager, prior to procurement. Unlisted services remain outside the standard operating system until certified by the Spotless Procurement Manager.
3. In all instances the merchandise supplied to Spotless must be of suitable product quality commensurate for the intended purpose. Where specified the products supplied must be in accordance with Spotless specifications, when determined in relation to brand product quality and unit size.
4. Manufactured brand products must be packaged and labelled in accordance with all applicable standards of quality and all other requirements of any Federal, State or local government statutes, by-laws, regulations, standards or codes and any applicable voluntary standards and codes and general industry practice.

Pick-Up Orders & Deliveries

1. Orders must be in accordance with established inventory lists and the agreed range of Spotless' requirements.
2. Spotless personnel must be consulted if orders cannot be fulfilled prior to despatch, to enable orders to be varied to meet operational requirements.
3. Spotless will not pay any additional costs for goods associated with product substitutions as a result of orders being varied by the Supplier.
4. Spotless personnel must be consulted if work orders cannot be fulfilled as planned to enable work to be rescheduled and/or cancelled.
5. The Supplier must provide contingency plans to overcome extraordinary circumstances such as breakdown of computer systems, plant, equipment and delivery vehicles.

Quality Management Systems

1. Manufacturers and Suppliers are required to demonstrate that their business is based on planned systematic actions necessary to provide adequate confidence that the goods/services will satisfy the given requirements and at least meet minimum standards eg; certification to **ISO9001/2**.
2. Personnel servicing Spotless sites must be neatly attired in clean uniforms.
3. The Spotless Procurement Manager maintains the right to visit and inspect Supplier or manufacturer's premises from time to time.
4. The Supplier is required to at all times comply with Spotless insurance and indemnity requirements and maintain current policies and Public and Products Liability, Motor Vehicle Third Party, Property Damage, Crime/Theft and Workers Compensation.
5. The Supplier is required to comply with the Occupational Health and Safety Act and associated statutory requirements to minimise risks and hazards in the supply of goods/services. Weights of individual packages are not to exceed legislated standards.
6. Suppliers of equipment, furniture, personal equipment/clothing and chemicals are required to meet all Australian standards and occupational health and safety requirements. Material safety data including instructions, precautions associated hazards, design and instructions etc. are to be provided.
7. The Supplier is required to take reasonable steps to assist in maintaining industrial harmony and prevent disruption to the provision of goods/services to Spotless.
8. The Supplier is required to manage waste and pollution in an environmentally responsible manner in accordance with accepted Australian and international standards.