



# NISSAN SMALL SUPPLIER PAYMENT POLICY

## 1. OVERVIEW

Nissan Motor Co. (Australia) Pty Ltd (**Nissan**) is aware of the significant impacts and financial strain small businesses face as a result of late payment or unfair payment terms. Nissan procures goods and services from many large and small companies that in turn enable Nissan to perform as a strong business and support our dealer network and our customers. Nissan recognises the importance of maintaining strong long-term partnerships with all our suppliers through fair and equitable dealings. Nissan is committed to building trade relationships with small business and recognises that payment terms are an important component of our commercial arrangements with small suppliers.

## 2. PAYMENT TERMS FOR SMALL SUPPLIERS

Where a supplier meets Nissan's definition of a "small supplier" (see section 3), Nissan will offer payment terms of 30 days from receipt of a correctly rendered tax invoice (in accordance with the requirements notified by Nissan to the supplier from time to time).

Nissan will use best endeavours to pay all invoices on time, provided procurement and invoicing between Nissan and the supplier is conducted electronically, the invoice is submitted to the correct email account and clearly references the purchase order to which the invoice relates. Nissan recommends that suppliers contact their Nissan business unit representative to discuss any changes which may need to be made to supplier's processes to enable them to accept digital purchase orders, issue digital invoices and accept electronic payment.

## 3. DEFINITION OF SMALL SUPPLIER

For the purposes of this policy, a supplier is considered to be a "**small supplier**" if:

- the supplier is an Australian registered business with an Australian Business Number (ABN);
- the supplier had revenue of no more than AU\$10 million in the last financial year (excluding businesses that are part of a consolidated group of companies). Evidence of total revenue should be submitted with the registration form and verified by a member of an independent professional accounting body and include their name, title, company and professional membership number.

## 4. HOW TO INITIATE THE CHANGE IN PAYMENT TERMS

Any supplier that satisfies Nissan's "small supplier" definition can submit a request for a change to payment terms via the registration form at Appendix 1.

Regular reviews will be performed to assess whether suppliers continue to satisfy the definition of a small supplier. If a supplier ceases to do so, they may be contacted to re-negotiate their payment terms.

## 5. APPROVAL AND APPLICATION OF THE POLICY

Eligibility for the program will be dependent on the supply of accurate information that



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demonstrates that the supplier meets the criteria outlined in section 3 above. Nissan will consider exceptional circumstances and any other documentation that the supplier includes as part of its application. Nissan may in its absolute discretion allow a supplier to be part of the program on these exceptional circumstances.

Nissan reserves the right to verify the information provided in a supplier's application through its own internal and/or external practices. Nissan 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 Nissan's satisfaction.

If a supplier is determined by Nissan to be eligible to participate in the program, the supplier will receive email confirmation from Nissan confirming their acceptance. Nissan endeavours to let suppliers know whether they have been accepted within 30 days of Nissan receiving a fully completed application that complies with this policy.

Eligible suppliers will have their payment terms updated automatically in the Nissan system. The 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 Nissan and the eligible supplier will not be affected.

Eligible suppliers must use the relevant Nissan Purchase Order process and ensure that their invoices quote Purchase Order numbers. Suppliers must also provide electronic means of payment together with correct banking, invoice and contact details in order to remain part of the program.

### **6. COMPLIANCE AND REPORTING**

Suppliers must inform Nissan should their status change and they cease to satisfy any of the Criteria.

Nissan reserves the right to audit any small supplier. If Nissan determines that a supplier no longer satisfies any of the criteria or the supplier is otherwise not compliant with this policy, Nissan may notify the supplier that it is no longer eligible to participate in the program and move such supplier back to Nissan's standard payment terms.

### **7. CHANGES TO THE POLICY AND APPROACH**

Nissan may review this policy (including, the eligibility criteria) and its approach to participation in the program at any time.



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## APPENDIX 1: SMALL SUPPLIER REGISTRATION FORM

Nissan’s standard payment terms are sixty (60) days from receipt of a correctly rendered tax invoice. The purpose of this form is for a supplier to request either an exemption from these payment terms or, if already on sixty day payment terms, to change their business' classification in accordance with the eligibility criteria outlined in this Nissan Small Supplier Payment Policy.

### Business Details

Registered Business/Company Name

Registered Business/Company Number (e.g. ABN, ACN)

Nissan Supplier Number (if known)

Which Nissan Business Unit do you predominantly do business with?

i.e. Marketing, Aftersales etc.

### Contact Details

Contact Name

Contact phone number

Contact email address

Preferred Contact Method (if required)

Phone

Email

### Financial Details

Is your total business revenue below \$10m p.a.?

Yes

No

Evidence of annual revenue should be submitted with this form and verified by a member of a professional accounting body on signed letterhead and include their name, title, company and professional membership number. Validation from any of the below professional accounting bodies is acceptable.

- Institute of Public Accountants
- CPA Australia
- Chartered Accountants Australia and New Zealand.

Based on your submitted form and accompanying financial documentation, you may qualify as a Small Supplier to Nissan. By submitting this form, you authorise Nissan to assess your eligibility as a 'Nissan Small Supplier' and, where successful, for your Payment Terms to be updated to no greater than 30 days. Nissan will continue to review your company financial status and require you to resubmit all information annually.

All completed forms should be submitted via email with a certified copy of your revenue statement to [Procurement@nissan.com.au](mailto:Procurement@nissan.com.au)