

No PO no pay policy

(no purchase order no payment)

Mineral Resources is committed to improving the way that it buys goods, services and works. A key change which has recently been implemented is a No PO - no pay policy (no purchase order no payment). Although this is not new and currently forms part of agreed standard terms and conditions of purchase, we are changing the way we enforce this policy due to the number of invoice coming from our suppliers with no PO referenced or invoices exceeding the authorised spend limit on the Purchase Order. .

Q1: What is No PO - no pay?

No PO - no pay is one of Mineral Resources key policies to ensure that goods, services and works are only delivered to us that have been ordered in accordance with our Procurement Procedure and properly authorised by an employee with authority to make a commitment on behalf of the Company and that payments are only made to suppliers and contractors where the supplied invoice references a valid official purchase order (PO) number and matches the information contained therein (unless a pre-agreed exception applies – see Q7 below for a full list).

Q2: Why a No PO - no pay policy?

No PO - no pay ensures that Mineral Resources and its subsidiaries only pays for goods, services and works which have been ordered and authorised in accordance with Mineral Resources Standard Terms & Condition of Purchase, Goods & Services Agreement, or Frame Agreement before any goods, services or works are delivered. It also ensures invoices received by the Accounts Payable team can be processed efficiently to minimise delay to suppliers and contractors. Invoices received by the Accounts Payable Team without a valid PO number and which do not match the information in the PO will be returned to the supplier and **may severely delay payment to the supplier or mean no payment at all.**

Q3: When does No PO No Pay come into effect?

The No PO - no pay policy applies now and applies to all orders for goods, services or works delivered to Mineral Resources and its subsidiaries.

Q4: How does No PO No Pay work?

No PO - no pay works by requiring all invoices submitted by suppliers and contractors to contain an official PO number AND match the information contained within the PO. In all but exceptional circumstances the PO number will be:

- Generated from Mineral Resources procurement system (see Q6)
- Provided to the supplier or contractor **before** making any deliveries

In exceptional circumstances, an Emergency PO may be supplied with limited details or description of the goods, services or works to be delivered, however this should be followed up with a valid PO within two working days. Exceptional circumstances does not include any circumstance that does not pose a threat or danger to persons, property, environment or deemed as a situation that will substantially disrupt business activity.

Any invoice received by the Accounts Payable Team that does not refer to a valid PO number and does not match the information contained in the PO will not be processed and may be returned to the supplier which could result in severe delays in the supplier being paid. There are exceptions to this general rule and these are listed in Q7.

Q5: Valid PO's?

Suppliers must not, under any circumstances, accept any verbal or written order from a Mineral Resources employee or agent unless a valid PO is given or an exception as set out in Q7 applies or it is an emergency PO. As previously mentioned **any invoice received that does not refer to a valid PO and does not match the information contained in the PO will not be processed and will be returned to the supplier**, unless it is covered by an exception (see Q7).

Q6: What is a Valid PO?

Valid PO's are Purchase Orders from Mineral Resources Procurement system, which are:

- Issued by an authorised employee
- Includes a description of all goods, services and works ordered
- Bearing a valid PO number

As set out in Q4 above, in exceptional circumstances an Emergency PO can be supplied with a valid PO number but lacking a detailed description of the goods, services and works to be delivered. In which case a complete valid PO will be issued within two working days.

Q7: What exceptions apply to the No PO no pay policy?

The following circumstances do not require a valid PO. This list is under constant review and any further changes will be communicated to our suppliers by email The Exceptions List currently covers:

- Travel expenses (flight tickets, hotels, taxis, etc.)
- Attorneys and legal services
- IT and Telephony Services ((i.e. broadband, mobile phones)
- Utilities (i.e. gas, electric, water)
- Postal Services
- Catering services and entertainment
- Payments to or on behalf of public bodies - this refers only to non-procurement related payments.
- Online purchases made with a Credit or Procurement Card
- Contracted site based services such as Drill & Blast, Explosives & rubbish collection
- Other exceptions as determined appropriate where a formal goods and services contract is in place to cover goods and services supply of a variable nature.

Q8: I have supplied goods or services to Mineral Resources and its subsidiaries, where do I submit my invoice?

All invoices must be sent electronically to the appropriate Accounts payable email address, which is specified on the Purchase Order, or alternatively suppliers have the option to utilise the Coupa supplier portal to process invoices. For suppliers with more advanced back ends systems Mineral Resources will accept cXML electronic invoicing.

Q9: Will I get paid any quicker if I refer to a PO number?

As previously mentioned **any invoice received that does not refer to a valid PO and does not match the information contained in the PO will not be processed** and will be returned to the supplier, **unless it is covered by an exception (see Q7)**. Unless agreed in advance, and in line with Mineral Resources standard terms and conditions of purchase, our standard payment terms of end of current month plus 45 days from receipt of a valid invoice (not the invoice date) will remain for all suppliers.

Q10: In the past invoices without a PO number have been paid by Mineral Resources and its subsidiaries, will

this still happen?

No. The No PO no pay policy will see invoices without a valid PO number as not being recognised and they will be returned to the supplier, unless they are covered by an exception (see Q7).

Q11: An invoice has been returned requesting a valid PO number to be provided and/or description of what was ordered updated. How can this be obtained?

You should contact the Mineral Resources employee (original requestor of parts or services) who gave the original instruction to supply the goods, services or works and ask them to provide a PO number and/or updated PO. Once obtained, please re-submit your invoice ensuring that the PO number is referenced.

Please ensure that the Mineral Resources employee or agent giving the instruction to supply the goods, services or works is authorised to do so and issues you a valid PO before making any deliveries. **Invoices received for deliveries made to Mineral Resources and its subsidiaries according to instructions received from unauthorised employees and agents will be returned unpaid.**

Q13: What should I do now?

Please ensure that all your staff who receive orders to supply goods, services or works to Mineral Resources and its subsidiaries are aware of No PO no pay and insist on being supplied with a valid PO with an accurate description of the goods, services or works to be delivered. If in doubt if the person giving instructions or placing an order is authorised to do so please contact Mineral Resources procurement at purchasing@mrl.com.au

Q14: Will I be kept informed of future changes to No PO no pay?

Yes - further information will be sent via email regarding the No Po - no pay policy.

Q15: Where do I get further information on supplying goods, services, or works to Mineral Resources?

If you have any specific questions then please email them to purchasing@mrl.com.au