

# AMA GROUP

## Employee Purchases from Supply Division

### 1. Background

ACM Auto Parts sells a range of high quality recycled and new vehicle parts to the collision and mechanical repair markets and the retail market. ACM Auto Parts purchases, or dismantles from vehicles, various parts and stores them for sale, providing a cost-effective supply chain solution.

These parts are also made available for all AMA Group staff to purchase at a discounted rate.

These guidelines outline the procedure to be followed for employee purchases and the guidelines as they will be applied in each case.

### 2. Scope

This guideline applies to all AMA Group employees only.

### 3. Pricing for Parts

As per the Procurement Policy, the following pricing will apply and is non-negotiable:

Category	Price to Employee
Warehouse located parts excluding accessories	10% discount off list price
Accessory items	Refer to eBay
Non-inventoried parts	Request pricing table
New Inventoried Parts	10% discount off list price

### 4. Parts Purchase Procedure

1. Employees wishing to purchase parts contact an ACM Auto Parts Sales Representative on 1800 226 727 to request a sale price, advising that they are an AMA Group employee and which business unit they work in.
2. The ACM Sales Representative requests approval for the sale from a sales team leader, then provides the price to the employee.
3. On receipt of the price, the employee has 24 hours to confirm or decline the purchase with the Sales Representative.
4. Standard freight costs apply if the part is not being collected from its stored location.
5. Once committed to buying the part(s), full payment and collection of the parts (if not being shipped) is required within 48 hours of receipt of the quote.
  - a Please note: payment for discounted parts must be made up-front, not as a staff loan to be deducted from pay.
6. Parts will be release once payment has been received or funds have cleared.

## 5. Employee Parts Purchase Guidelines

In the process of ACM Auto Parts purchasing, storing, and selling parts, an employee may become aware of a part they would be interested in buying. ACM Auto Parts may, at its absolute discretion, choose to sell the part to the employee within the following guidelines:

- Employees will only have access to parts that have been received into the warehouse or on a vehicle within the dismantle process. They are not to be purchased directly from any third-party providers.
- Employees are not able to initiate any hold activity on parts that are yet to arrive in a warehouse or retail facility location.
- If a part is listed in inventory, it will not be removed from inventory until payment is received. The item can be placed on a work order for a maximum of two (2) business days whilst finalising a price agreement.
- Items are not to be saved to a work order under a customer account to gain personal benefit.
- No stock transfers to a local warehouse or retail facility or any other action that would prevent the stock from being sold is permitted.
- Sale prices are not negotiable. The discounts offered to employees are outlined in section 3, and take into account the parts cost of purchase, dismantling and storage, as well as fair market pricing.
- Parts sold to employees are sold with standard warranty only.
- All credit requests to be reviewed and approved by a sales Team Leader.
- The employee is solely responsible for all transportation required for the parts. The parts must be collected from the local warehouse or retail facility where the parts are normally stored. Any freight costs incurred will be charged to the employee.
- All employee sales must be approved by a Sales Team Leader and marked in Pinnacle comments as having been reviewed and approved with date of approval noted.
- A register of employee purchases to be kept In Pinnacle under the Staff Purchase account with the employee details in the delivery comments
- Employees are not to take possession of items or have items removed from vehicles until paid in full.
- No financial assistance is available to the employee.
- Payment for discounted parts must be made up-front, not as a staff loan to be deducted from pay.
- The sale of parts to employees at the discount offering in clause 3 is on the strict proviso that these are for personal private use. They must not be on-sold for profit.
- The sale of parts to employees must be invoiced to the Staff purchase account with the employee details in the delivery comments.
- No classification of employee sales to “retail” is permitted. Any invoicing for employee sales must be compliant with legislative requirements including providing name and address.
- Employees wishing to purchase parts for non-private use, for example running a workshop outside of hours, will pay standard commercial rates for parts.
- A limit of \$5000 of parts for personal use in any one calendar year applies to each employee.
- Employees must not ‘shop-around’ between Sales Representatives for prices. The final purchase must be approved by a Sales Team Leader.

- Failure to abide by these guidelines may result disciplinary action including termination of employment.

## 6. Responsibilities

Employees	<p>Follow the guidelines listed herein, adhering to the designated timeframes.</p> <p>Refrain from any additional correspondence regarding parts.</p> <p>Agree that decisions regarding parts sales are at ACM Parts discretion.</p>
Sales Team Leader	<p>Follow the guidelines and procedure contained in this document.</p> <p>Keep register of employee purchases using Pinnacle account "Staff Purchase".</p> <p>Follow pricing template. Approve all credit claims for employee purchases.</p> <p>Apply ultimate discretion on all sales on behalf of ACM Auto Parts.</p> <p>Escalate any unresolved disputes to the Sales Manager.</p>

## 7. Revision History

Version	V1 - 2022	Effective Date	10 <sup>th</sup> March 2022
Approved By	Adam O'Sullivan	Maintained By	ACM Marketing Team