



## A Company Profile - Member

The need to compete against National and Chain Store Industrial Supply houses led to a meeting of a number of principals and managers of independent Industrial Supply companies for in and around Melbourne in December 1996. The object of this meeting was to ascertain the potential support base for a buying group composed of like-minded businesses.

The group was created in February 1997, with an initial membership of Nine companies, the advantages of combined expenditure and the resultant purchasing power, quickly attracted the interest of national wholesale and manufacturing businesses.

The interest resulted in the group becoming an active entity in April 1997, having produced a member subsidised product brochure / catalogue for distribution to end users. Initial sales successes and the growth potential, saw a considerable number of product suppliers enter into trading contracts with the group. These additions further enhanced the competitiveness against the larger National Supply houses.

A Propriety Limited company was formed in November 1997, with the appointment of Board of Directors as the controlling body, and an Office Administrator employed to maintain communication channels between the Board, Members and Suppliers.

Committed to quality management, strength of independent membership and expansion of its membership and supplier base, the company has grown to over 80 Members and over 130 Suppliers in 14 Years.

The decision to secure premises suitable for a National Head Office and to engage a full time professional manager and office administrator was taken in August 2000 with the office establishment completed and staff in place by January 2001.

With a constitutional limit of 50 Members, the achievement of 94% of this target with the 5 Year Business Plan, and a spread of Member companies around the Eastern seaboard, as well from Darwin (NT) to Perth, then onto Kadina (SA), the group has realised its primary objectives and anticipates growth in both the Member and Supplier base to further the interests and benefits to its members with brought us to the following.

On July 1<sup>st</sup> 2003, the company changed to an unlisted public company so the growth of the company can continue.

A new constitution and shareholders agreement was adopted and approved by the Members.

### 2011/12 Board of Directors

Chairman	Mr. Graham Haley	Haley's Steel & Hardware	Forbes	NSW
Deputy Chairman	Mr. Robert Oar	RuralQuip	Ayr	QLD
Secretary	Mr. Larry Bashford	SLE Industrial Supplies	Thornton	NSW
Finance	Mr. Dean Candy	Mesh and Masonry (Ballarat) Pty Ltd	Ballarat	VIC
Director	Mr. Issy Poblete	Greater West Power Tools	Wetherill Park	NSW
Director	Mr. Brett Sharman	Sharman	Long Plains	SA
Director	Mr. Michael Cowie	GRH Supplies	Wingfield	SA

## **Company Policy**

### **1. Mission Statement**

To build mutually beneficial and enduring relationships with all our shareholders based on conducting our business activities with integrity and respect and with commitment to the provision of superior value products at the most competitive pricing, from recognised suppliers on a continuing basis.

To respect the individuality and independence of each is encouraged, recognised, valued and rewarded. Suppliers are considered as primary partners and are also encouraged to share the group goals through the provision of quality products and high service levels.

To generate a theatre of value creation for members and financial partners of which will enhance the value of investments.

### **2. Objectives**

To expand the membership of the group to the defined optimum level through the granting of membership approvals to industrial supply companies which hold common ground and ideas with current members.

To increase the product supplier base in accordance with the product and sales requirements of the member group.

### **3. Goals**

To maintain a membership supporting the concept of the group through all states and locations considered geographically advantageous to the group and its members.

To ensure that all members' provide practical support to the supplier base for the benefit of the members.

To monitor supplier performance applicable to product, pricing and associated services to ensure competitiveness and customer acceptance of the member.

To provide Sales bills (Flyers / Catalogues) to members on a regular basis advertising competitive acceptance product in a quality layout at little or no cost to members.

To ensure that the Board of Directors and the Administration office continue to act in the best interests of all members and to provide equal opportunity for all member companies.

To provide effective and current documentation to all members via updated and enhanced members manual and core product suppliers manual.

## Additional Notes

1. Prospective members of the group are required to complete the company application form which is then submitted to the Board for approval under the shareholders agreement.
2. The following is a break-up of the investment required in becoming an AIS member.
  - (a) One off investment of \$4400 incl. GST  
This payment is due with the application.
  - (b) Monthly membership fee of \$275 incl. GST  
Plus \$110 incl. GST for each additional store.  
This is an ongoing monthly fee payed by all AIS shareholders
  - (c) One off payment \$4400 incl. GST due at the end of your first full trading year as an AIS shareholder. This amount will be deducted from your first AIS disbursement
3. Australian Industrial Supplies Ltd. Is neither a central warehousing nor credit providing entity. As such, members are required to:
  - (a) Individually obtain credit account facilities with product supply providers.
  - (b) Purchase direct from that supplier.
  - (c) Pay amounts direct to that supplier, in accordance with terms and conditions as defined in the supplier manual.
  - (d) Communicate direct with the supplier on all day to day issues.
4. Income producing activities of the company are defined as:-
  - (a) Initial joining fees.
  - (b) Levied contributions from members.
  - (c) Administration fees paid by suppliers based on group purchases.
  - (d) Advertising charges paid by suppliers for catalogue space.
  - (e) Nominal cost per copy of catalogue paid by members for ordered quantities.
5. Group income as defined above is required to be utilised for the following expenses only:-
  - (a) Administration costs.
  - (b) Costs of catalogue production.
  - (c) Disbursement of surplus funds to the membership as per regulations of membership at the discretion of the Board of Directors.
6. Members are further required to complete a confirmation of supplier figures report and return to the office on a monthly basis.