

General Conditions of Supply for Food and Beverage and related goods and services

Preamble

The following serves to clarify Spotless Facility Services Pty Ltd (**Spotless**) purchasing policy for both new and existing suppliers/manufacturers. The Procurement Department is responsible for selecting and appointing Suppliers of all commodities and services used by Spotless. Our policy is for central control over the purchasing arrangements for all business segments.

Under our standard operating procedures, the best quality goods 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 branch and operations managers, 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 and 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 local and internationally recognised standards as required now and in the future.

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

Aggressively pursue economies and efficiencies through the development of specific pantry 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 service suppliers/manufacturers without regular representation at branch 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

All deliveries to branches will be accompanied by a priced and extended invoice, unless determined otherwise by Spotless. Invoices must not be altered by drivers or delivery personnel.

Invoices must be made out to Spotless, stating our Spotless purchase order number, branch number, name and address. All invoices must be a “tax invoice”, and include suppliers 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.

2. Proof of Delivery

The signature and printed name of Spotless employee must be obtained in all instances. Proof of delivery will also be required from suppliers when claiming any unpaid accounts at a later date.

Title to, risk in, and responsibility for the products, will pass only to Spotless when they are delivered to the specified premises, and receipt of the products is confirmed in accordance with the General Conditions.

3. Weight and Count Check

The receiving manager of a Spotless branch, reserves the right to complete this check at a suitable time with the Suppliers representative, not during meal times or peak trading periods. "Adjustment requests" e.g. invoiced goods not delivered, will be by mutual agreement with the Supplier.

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 days (60) after the end of each trading month. Individual Supplier payment terms are detailed in Procurement Contracts.
- (c) Spotless does not reconcile Suppliers s statement to remittance advices. Invoices issued must be directed to the relevant branch and Suppliers are required to follow up unpaid accounts directly with the branches concerned. Failing resolution, this issue should be directed to the Spotless Procurement Manager.
- (d) Following advice of closure of any Spotless outlet, Suppliers are required to provide a reconciliation of the account, within fourteen (14) days from the date of notification. No further claims will be accepted following expiry of this period.
- (e) The Spotless accounting system works on a 4, 4, 5 week, monthly accounting cycle. Refer to www.spotless.com.au under the link to 'Suppliers' to gain access to current year, month end dates.

5. Penalties and Surcharges

Administrative surcharges, and sixty (60) days payment terms will be applied to unauthorised expenditure. Suppliers and Spotless branch managers 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 this Schedule 2 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) actions supply complaints immediately, and provide written responses to formal complaints within five (5) working days of receipt; and
 - (f) prevent sales representatives from visiting branches without a current “**Written Authority to Visit**” – which will be issued by the Spotless Procurement Manager. Authorised visits must be arranged by appointment with branch managers. Sales representatives must not visit branches during meal times or peak trading periods.
2. Suppliers and manufacturers may be invited to participate in “**Trade Fairs**” from time to time, to exhibit and/or demonstrate goods and services, as well as providing product knowledge, for Spotless personnel, catering and hospitality 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 the “Spotless Guidelines for Approved Supplier 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. Samples will normally be required for testing in the state office or at a nominated location.
3. Applications for all price movements are to be made to the Spotless Procurement Manager. Submissions are required up to 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**”, following approval by the Spotless Procurement Manager. All approved Supplier 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 email.
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. The Supplier 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. Email and fax order receiving capacities must be adequate to process orders promptly and efficiently.
4. Major suppliers must acquire middleware to automatically interpret EBS transmissions into picked orders.
5. All suppliers must complete the EBS prices template to include all the products in accordance with Spotless actual purchasing requirements.

Products

1. Only items and commodities specified by the Spotless Procurement Manager may be supplied to Spotless and all new or varied services require approval. The Spotless Procurement Manager will advise branch and operations managers of all products through “**Spotless Individual Branch Buying Directions**”.
2. All items not featured in the “Spotless Individual Branch Buying Directions” require the approval of the Spotless Procurement Manager, prior to procurement. Unlisted suppliers/commodities 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, in relation to product quality, unit size and packaging.
4. Manufactured and/or processed 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 statues, by laws regulations, standards and codes and any applicable voluntary standards and codes and general industry practice.
5. Out of date stock must not be offered for sale to Spotless branches.

Orders and Deliveries

1. Despatched orders to branches must be in accordance with established pantry lists and the agreed range of branch manager’s requirements.
2. Branch managers 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 Suppliers.
4. Agreed delivery frequencies and patterns are not to be varied without approval from the Spotless Procurement Manager. All approvals will be confirmed in writing.
5. The Supplier must provide contingency plans to overcome extraordinary circumstances such as breakdown of plant, equipment or delivery vehicles.
6. Orders for approved items will be placed by the responsible managers, directly to Suppliers, “**Turn-In-Orders**” are not permitted.

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.

Manufacturers and Suppliers are required to demonstrate quality assurance approached, based on hazard analysis critical control points (HACCP) that are in place to deal with the hazards in food production, processing and/or handling systems including product recall advice and systems for Spotless.
2. Suppliers are required to undergo a quality assurance assessment through Spotless nominated auditors. Accepted levels of accreditation may exempt The Supplier from

physical audit. All costs associated with the quality assurance program and achieving approved status will be borne by Suppliers.

3. Deliveries are to be made in registered **“food transport vehicles”**, that comply with Spotless and State Health Regulations.
4. Delivery vehicles must be maintained in a clean hygienic condition, commensurate with the product being delivered and in accordance with **“Spotless Quality Management Systems”**
5. Perishable goods in transit to Spotless must be refrigerated and maintained in the safe temperature zone, nominated/legislated for that commodity group. Goods will not be accepted, when checked at the point of delivery, if found to be outside the safe temperature zone.
6. Delivery personnel servicing Spotless branches must be neatly attired in clean uniforms, and maintained in a hygienic, well groomed appearance.
7. In the event of product contamination, The Supplier must advise Spotless immediately, and mobilise the product recall plan to cease distribution of the affected item(s), and effectively and efficiently assist in arranging the retrieval from Spotless sites any product which is potentially unsafe, where such retrieval is practical and possible.
8. When state health authorities legislate, food warranties are to be provided by The Supplier for Spotless.
9. The Spotless Procurement Manager maintains the right to visit and inspect Supplier's or manufacturer's premises from time to time.
10. The Supplier is required to at all times comply with Spotless insurance and indemnity requirements, and maintain current policies for public and products liability, motor vehicle third party, property damage, crime/theft and workers compensation.
11. 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.
12. 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.
13. The Supplier is required to manage waste and pollution in an environmentally responsible manner, in accordance with accepted Australian and International standards.