

SMALL SUPPLIER PAYMENT POLICY

Australia

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Policy

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SMALL SUPPLIER PAYMENT POLICY AUSTRALIA

CCA
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AMATIL

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1 OVERVIEW

1.1 Purpose

- 1.1.1 The purpose of this Policy is to provide the framework for Coca-Cola Amatil (Amatil) to manage payment terms for small suppliers. This Policy has been implemented in response to Amatil's voluntary commitment to the Business Council of Australia's Australian Supplier Payment Code and to ensure that small suppliers are not disadvantaged from longer payment terms. Amatil recognises the importance of healthy cash flows for the small supplier community and their contribution to the overall success of our Australian economy.

1.2 Scope

- 1.2.1 This Policy provides the details on how Amatil will manage their small suppliers through their small supplier programme (Programme), which has been implemented as a result of Amatil's commitment to the Australian Supplier Payment Code. This Policy applies to suppliers to Amatil's Australian business (including Australian Beverages, Alcohol and Coffee, SPC, and Group Office) who meet the Amatil definition of a 'small supplier' (as described in 2.2.1).
- 1.2.2 This Policy may be varied by Amatil from time to time to be consistent with best practice for payment of small suppliers.

1.3 What is covered in this Policy?

- 1.3.1 General process and administration for suppliers to apply to participate in the Programme.
- 1.3.2 General principles and guidelines governing Amatil's payment terms for eligible 'small suppliers' (as described in 2.2.1).
- 1.3.3 Amatil's Governance and Compliance Reporting requirements for the Programme

2 SMALL SUPPLIER PAYMENT CODE

2.1 General Principles and Guidelines

- 2.1.1 The general principles and guidelines of this Policy are underpinned by the Business Council of Australia's Australian Supplier Payment Code (as found in this link [Business Council of Australia Supplier Payment Code](#)).
- 2.1.2 This Policy is designed to ensure that small suppliers are treated fairly and in the spirit of the Business Council of Australia's Small Supplier Payment Code.
- 2.1.3 Amatil acknowledges the importance of providing complete and on-time payment particularly to small suppliers who may be more sensitive to cash flow movements.
- 2.1.4 Any supplier who meets Amatil's 'small supplier' criteria (as described in 2.2.1 below) should apply to Amatil to be considered for participation in the Programme. Eligibility for the Programme will be dependent on the supply of accurate information that demonstrates that the supplier meets the criteria outlined below in section 2.2.

2.2 Eligibility and Application

- 2.2.1 Amatil defines a 'small supplier' as a supplier who satisfies **all** of the following small supplier criteria (**Criteria**):
 - a) Supplier has annual turnover in the last financial year of less than AUD 10m (exceptions may be applied for a supplier whose business is part of a consolidated group of companies, in which case a supplier should apply for an exception to the general policy position outlined in this Policy at the time of applying for a small supplier status – see also 2.2.2 below); AND
 - b) Supplier has fewer than 20 employees (defined as the number of people that provide labour services to the organisation regardless of the employment status of employees being casual, permanent or part time)
 - c) A supplier who can demonstrate in its application (see section 2.2.3 below) that they satisfy all of the above Criteria can apply to be participate in the Programme.
- 2.2.2 Amatil will consider exceptional circumstances and any other documentation that the supplier includes as part of its application. Amatil may in its absolute discretion allow a supplier to be part of the Programme on these exceptional circumstances.
- 2.2.3 To apply to participate in the Programme, a supplier must:
 - a) Complete the application form with the accompanying statutory declaration (Appendix 2) signed by an authorised business signatory, for example the MD, CFO or equivalent senior officer or company director.
 - b) Submit the completed application form via email to the following address: sscode@ccamatil.com
- 2.2.4 Amatil reserves the right to verify the information provided in a supplier's application through its own internal and/or external practices. Amatil 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 Amatil's satisfaction.

2.3 Approval and application of the Policy

- 2.3.1 If a supplier is determined by Amatil to be eligible to participate in the Programme, the supplier will receive email confirmation from Amatil confirming their acceptance. Amatil endeavours to let suppliers know whether they have been accepted to participate in the Programme within 30 days of Amatil receiving a fully completed application that complies with this Policy.
- 2.3.2 Suppliers determined by Amatil to be eligible to participate in the Programme will have their payment terms updated automatically in the Amatil system to reflect that the payment terms with that supplier will be 30 days from the date of receipt of a validly issued tax invoice by Amatil or the provision of the relevant goods/services, whichever is later. These new payment terms will be applicable to invoices raised after the date of the supplier's confirmation of acceptance into the Programme issued by Amatil. All other terms and conditions relating to the arrangement between Amatil and the eligible supplier will not be affected.
- 2.3.3 Suppliers must inform Amatil should their status change and they cease to satisfy any of the Criteria.
- 2.3.4 Amatil also reserves the right at any time to audit any small supplier participating in the Programme for the purposes of ensuring they satisfy the Criteria and are complying with the Policy. If Amatil determines that a supplier no longer satisfies any of the Criteria or the supplier otherwise does not comply with this Policy, Amatil may notify the supplier that it is no longer eligible to participate in the Programme and move such supplier back to Amatil's standard payment terms.
- 2.3.5 Suppliers who qualify to participate in the Programme and obtain the benefit of the new payment terms (as described in 2.3.2 above) must use the relevant Amatil Purchase Order process and ensure that their invoices quote Purchase Order numbers.
- 2.3.6 Suppliers must also provide the electronic means of payment together with correct banking, invoice and contact details in order to remain part of the Programme.

2.4 Compliance and Reporting

- 2.4.1 As mentioned in 2.3.4 Amatil reserves the right to audit any small supplier participating in the Programme for the purposes of ensuring they satisfy the Criteria and are complying with the Policy. If Amatil determines that a supplier no longer satisfies any of the Criteria or the supplier is otherwise not compliant with this Policy, Amatil may notify the supplier that it is no longer eligible to participate in the Programme and move such supplier back to Amatil's standard payment terms.
- 2.4.2 Amatil will work with the Business Council of Australia to provide compliance reporting to ensure that it continues to meet the requirements of the Code. In conjunction with this, Amatil may disclose information regarding its suppliers (including the information provided by suppliers to Amatil as part of the Programme) to the Business Council of Australia.

3 CHANGES TO THE POLICY AND APPROACH

3.1 Right to review the Policy, criteria and approach

- 3.1.1 Amatil may review this Policy (including, the Criteria) and its approach to participation in the Programme at any time to ensure it is consistent with the Business Council of Australia's Australian Supplier Payment Code, market practice and Amatil's own business practices.
- 3.1.2 Amatil reserves the right to change our policy at any time and will notify participants of any such changes.

APPENDIX 1: BUSINESS COUNCIL OF AUSTRALIA AUSTRALIAN SUPPLIER PAYMENT CODE

See link: <http://www.bca.com.au/policy-agenda/australian-supplier-payment-code>

APPENDIX 2: APPLICATION FORM FOR SUPPLIERS AND STATUTORY DECLARATION

Refer to attached Application Form and Statutory Declaration

APPENDIX 3: FREQUENTLY ASKED QUESTIONS

Q: Who is entitled to be considered a small supplier?

A: There are two criteria for a supplier to be considered a small supplier by Amatil
Supplier's annual turnover in the last financial year of less than AUD 10m (exceptions may be applied for a supplier who's business is part of a consolidated group of companies, in which case a supplier should apply for an exception to the general policy position outlined in this Policy at the time of applying for a small supplier status);
Supplier has fewer than 20 employees (defined as the number of people that provide labour services to the organisation regardless of the employment status of employees being casual, permanent or part time)

Q: What does it mean to be identified as a small supplier?

A: Small suppliers will be paid 30 days from the date of receipt of a validly issued tax invoice by Amatil or the provision of the relevant goods/services, whichever is later.

Q: How do I apply to be considered as a small supplier?

A: An application form with a completed statutory declaration signed by the MD, CFO or equivalent officer or a director of the supplier organisation stating that they meet the criteria is required to be submitted to Amatil's small supplier code email address: sscode@ccamatil.com

Q: How do I know that my organisation is considered part of the small supplier programme at Amatil?

A: Upon receipt of the relevant information, Amatil will review the application. Amatil endeavours to let suppliers know by email whether they have been accepted to participate in the Programme within 30 days of Amatil receiving a fully completed application that complies with this Policy.

Q: When will I start obtaining 30-day payment terms

A: Amatil endeavours to notify suppliers within 30 days of receipt of their application as to whether or not the application has been successful. If the supplier is determined eligible, the notification will include the start date of the new terms to be applied to invoices (see also section 2.3.2).

Q: Will I remain on the small supplier code indefinitely?

A: No. Amatil will conduct an annual review of each small supplier and may also conduct an audit of any supplier participating in the Programme at any time for the purposes of ensuring they satisfy the Criteria. Should a supplier no longer meet the Criteria or otherwise does not comply with this Policy, Amatil will generally contact the supplier (via the email details provided in the application form) to notify them that they will revert back to Amatil standard payment terms from the next payment cycle unless information can be provided to Amatil's satisfaction to demonstrate that they meet the required Criteria).

Q: What if I no longer meet the criteria of a small supplier?

A: You will not be able to participate in the Programme if you do not meet the required Criteria. Payment terms will revert back to the standard payment terms that Amatil currently offers its current suppliers.