

Summary of Supplier Agreements

The content of this document does not constitute legal advice. If you have any questions in relation to the terms of these documents you should seek your own independent legal advice.

1. Overview

It is a legal requirement that anyone who supplies beverages, in an eligible container, into the ACT participates in the scheme. Suppliers need to sign the following three documents:

1. **A supply arrangement** to pay into the scheme on a monthly basis, provide data and allow audit access
2. **A supply side deed** to ensure the continued running of the scheme if current scheme coordinator arrangements change.
3. **A common dispute deed**, which in essence means that there is a dispute, and a decision is made, then the decision applies to all suppliers in the scheme.

This document provides greater detail on each of the arrangements, how they work and what they mean.

2. What do I need to do?

1. Fill in the supplier sign up form at www.actcds.com.au
2. The Scheme Coordinator will send you the three documents listed above to sign. You will need to sign and return them.

3. Who runs the scheme?

Exchange for Change ACT has been appointed as the Scheme Coordinator and will administer the scheme. Return-It has been appointed as the Network Operator and will establish and manage the collection point network.

4. Who needs to enter into these agreements?

A supplier who provides the first supply in the Territory (ACT) of eligible beverages in an eligible container will need to enter into various agreements with Exchange for Change, the Scheme Coordinator. More information about eligible containers and eligible beverages can be found here www.actcds.com.au

For more information about whether you are a supplier for the purposes of the ACT Container Deposit Scheme please refer to the following link:

https://www.actcds.com.au/pdf/ACT_CDS-Supplier_Definition-Apr_2018.pdf

5. Why do Suppliers need to enter into these agreements?

A Supplier for the purposes of the ACT Container Deposit Scheme is prohibited from supplying (or offering to supply) beverages in the ACT unless it has first entered into various agreements with Exchange for Change ACT, the Scheme Coordinator.

The contributions to be made by Suppliers will be determined in accordance with the Scheme Payments and Contribution Methodology. An individual Supplier's contributions will be based on its market share by number of containers supplied into the ACT.

Supply Arrangements

1. What is a Supply Arrangement?

The Supply Arrangement is an agreement between the Supplier and the Scheme Coordinator which requires the Supplier to:

1. make contributions towards the cost of the management, administration and operation of the Scheme;
2. report on the volume of its supplies in ACT; and
3. provide access to independent auditors to verify the data it has provided to the Scheme Coordinator.

A summary of the key obligations of Suppliers and the Scheme Coordinator under the Supply Arrangement are detailed in figures 1 and 2 below.

Figure 1 Supplier Obligations

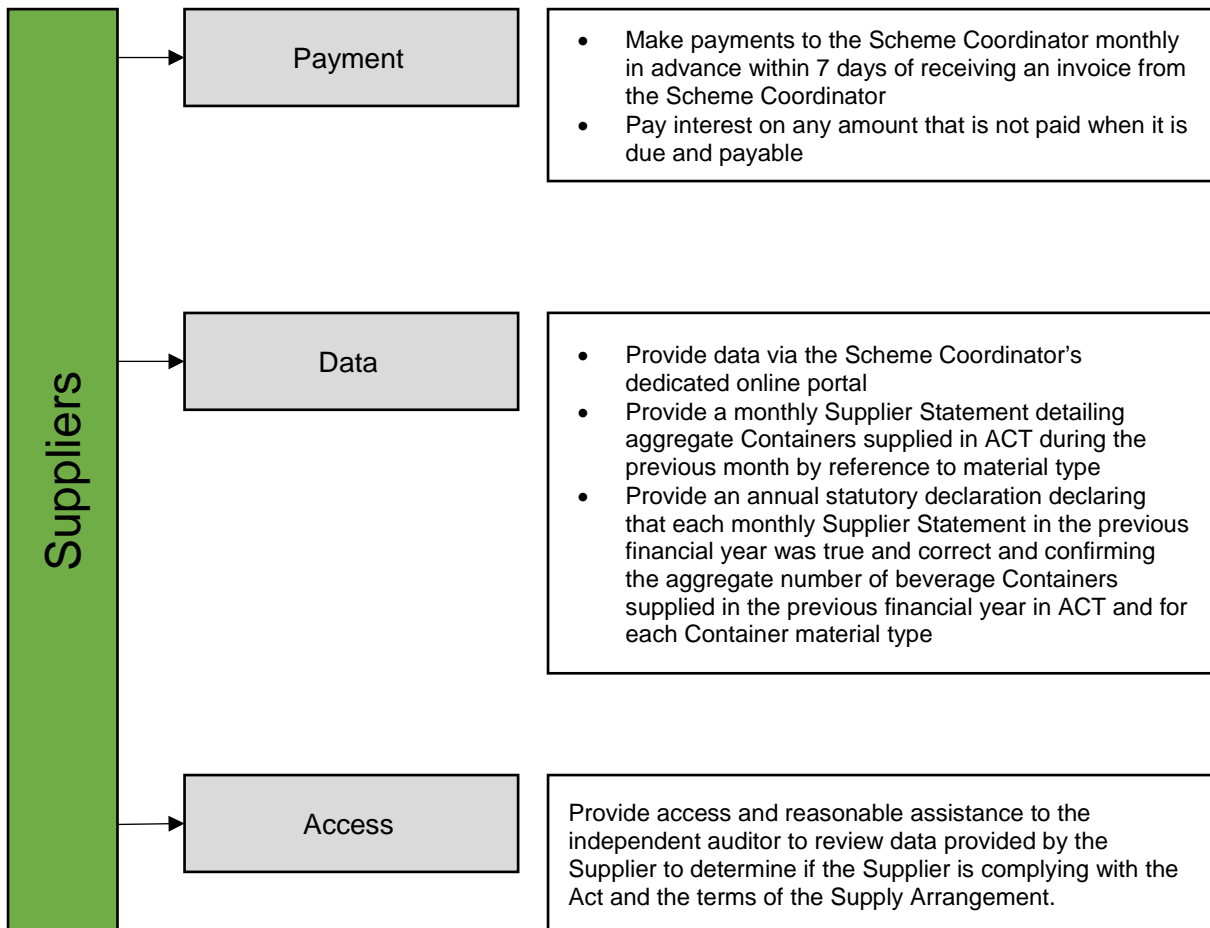
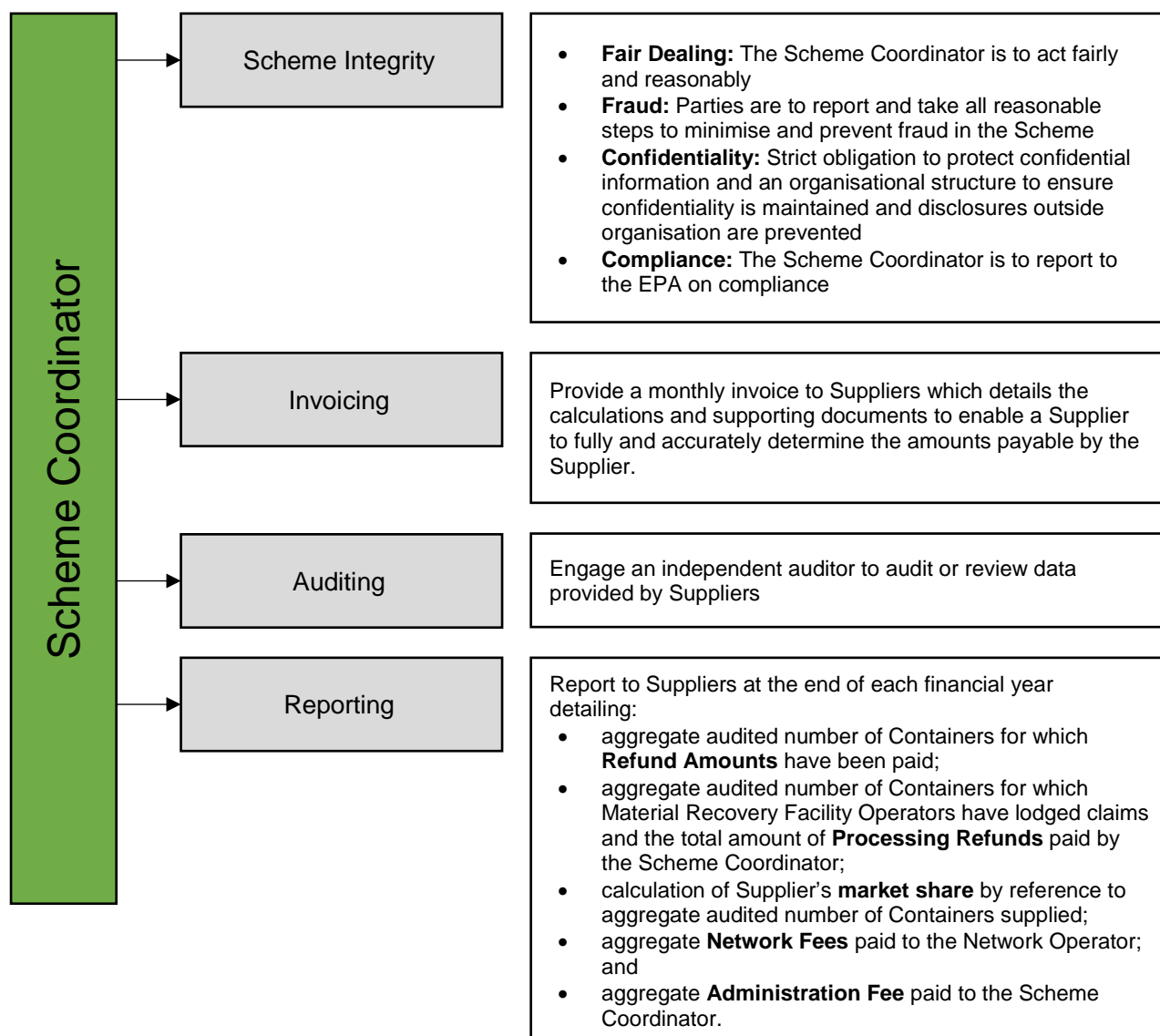


Figure 2 Scheme Coordinator obligations



2. How much will a Supplier have to pay?

Each month a Supplier will receive an invoice from the Scheme Coordinator for its share of the monthly Scheme Costs. The Supplier contributions will be based on the market share of each Supplier and based on the number of Containers supplied into ACT.

For further details about how the monthly supplier contributions are calculated please refer to the following link:

www.actcds.com.au/downloads/ACT_CDS_Pricing_Guide-April_2018.pdf

3. What happens if a Supplier is late in making a payment?

If a Supplier fails to pay any amount within the time that is required that they must pay interest on that amount from the date on which the payment was due until the date on which the payment is made in full.

If a Supplier fails to pay any amount within 20 Business Days of that money becoming due and payable the Scheme Coordinator may, subject to the written approval of the Territory, terminate the supply arrangement at which point the Supplier will no longer be permitted to supply beverages in ACT.

Supplier Side Deed

1. What is the Supplier Side Deed?

The Supplier Side Deed:

- a. enables the Territory to carry out an obligation of the Scheme Coordinator to a Supplier under the Supply Arrangement if the Scheme Coordinator failed to carry out the obligation; and
- b. facilitate the transfer of Supply Arrangements to a replacement Scheme Coordinator (or to the Territory or a nominee of the Territory).

2. When can the Territory take over (step-in to) a Supply Arrangement?

Where the Scheme Coordinator fails to carry out and comply with its obligations under the Supply Arrangement with Suppliers or the Scheme Coordinator Agreement with the Territory, the Territory may, but is not obliged to, carry out an obligation which the Scheme Coordinator failed to carry out.

3. When can the Territory novate (transfer) a Supply Arrangement?

The Territory may novate (transfer) the Supply Arrangement to itself (or to a nominee of the Territory) or any replacement Scheme Coordinator:

- a. when the current Scheme Coordinator Agreement expires or is no longer in force; or
- b. if the Territory terminates the Scheme Coordinator Agreement.

4. What happens if the Supply Arrangement is transferred/novated?

There is no need for Suppliers to enter into any additional documents.

The Supplier is obliged to continue to comply with the terms of the Supply Arrangement on its original terms irrespective of a novation to the Territory or its replacement Scheme Coordinator.

After the novation, the Territory or its replacement Scheme Coordinator is responsible for carrying out all of the original obligations of the Scheme Coordinator.

Common Dispute Deed and Accession Deed Poll

1. What is the Common Dispute Deed?

The Common Dispute Deed provides a process for the determination of a dispute arising under a related agreement (such as the agreement with the Scheme Coordinator or with a Network Operator) to bind related parties without the need to have the dispute determined again separately under other agreements.

2. What is the Accession Deed Poll?

The Accession Deed Poll is the mechanism by which a Supplier becomes party to the Common Dispute Deed. A Supplier will be required to provide the Scheme Coordinator with an executed Accession Deed Poll when entering into the Supply Arrangement.

3. When will the Common Dispute Deed apply?

Where there is a dispute between the Supplier and the Scheme Coordinator in respect of the Supply Arrangement and the Scheme Coordinator considers that the dispute may relate to other parties, the Scheme Coordinator will provide a notice to the Supplier (and related parties) that the dispute will need to be resolved in respect of the Common Dispute Deed.

Similarly a Supplier may receive a notice from the Scheme Coordinator in respect of a dispute that arises under another agreement that the Supplier is not a party (for example a Supply Arrangement with another Supplier, an agreement with the Network Operator or an agreement with the Territory) where the Scheme Coordinator considers that the dispute relates to the Supplier.

4. What is the process for resolving a Common Dispute?

The process for resolving a Common Dispute is set out in Figure 3.

Figure 3 Dispute Resolution Process under the Common Dispute Deed

