



FOODSTUFFS SOUTH ISLAND LIMITED
167 Main North Road
Private Bag 4705
CHRISTCHURCH

Phone – (03) 353 8700
Office Facsimile – (03) 353 8190

ESTABLISHING A TRADING ACCOUNT & USING THE CHARGE THROUGH FACILITY



NEW WORLD

PAK'nSAVE

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INTRODUCTION

In order to conduct business with Foodstuffs South Island Limited (FSSI) a Trading Account for the vendor must first be established.

The Charge Through facility is designed to simplify the charging of goods and services supplied to our retail members and customers stores. The system enables our retail members and approved customers such as those operating with Trent's Wholesale Limited (Trent's) to purchase goods without having to pay direct. Conversely you receive payment from one source instead of several.

The Charge Through Facility is a fundamental part of the Cooperative structure and it's members are encouraged to utilise this when trading with any vendor.

Trading terms, procedures and requirements must be accepted and agreed upon in writing before transactions may be made to any of our On The Spot, Four Square, Four Square Discounts, New World and PAK'nSAVE outlets and any other member or Trent's Wholesale Limited charge customers.

TRADING TERMS

ORDINARY TERMS (OT)

Standard payment terms are 2.50% settlement discount with payment made by the last trading day of the month following the date of the invoice. This discount is deducted from the statement at the time of payment. These terms are acknowledged as the accepted standard practice in the New Zealand grocery industry. The deduction relates to both the transfer of the "del credere" risk from you the vendor to FSSI and the administration costs involved in providing the Charge Through facility. Our settlement discount applies to both wholesale purchases and charge through transactions.

SPECIAL TERMS

Where payments are required to differ from that of ordinary terms and might include a greater payment frequency, these should be negotiated with the Wholesale Merchandise Manager.

TRADE PRICING

The vendor should make available an appropriate price list to the Wholesale Merchandise Manager prior to the commencement of trade. Price changes are to be done in accordance with the national policies and procedures that are available to view on line at: suppliers.foodstuffs.co.nz. A supplier price list is expected to accompany the application of any new account request.

PURCHASING TERMS

Where the vendor has purchasing terms of trade these should be submitted to the Wholesale Merchandise Manager for approval and should meet the requirements of the Foodstuffs national business that are available on line at : suppliers.foodstuffs.co.nz. A copy of these terms should accompany the application of any new account request if not incorporated into the supplier price list.

REQUIREMENTS

All new vendors to FSSI are required to conduct business through the Foodstuffs eXchange. This requirement will mean that no paper invoices will be received from new suppliers unless prior arrangement has been confirmed. Please see the National policy below for more information.

DELIVERY DOCKET

Must show:

1. Your trading name and address
2. Date of delivery
3. Quantity and description of goods delivered
4. Unique docket number which will be the same as or cross-reference to the relevant invoice
5. Member/Customer name and number

The docket must be priced, extended and totalled. Vendors, for their own protection, should always ensure that a recognisable signature is obtained as proof of delivery of the goods and suggest that the dockets be retained for a minimum of 6 months.

INVOICE

(A SAMPLE OF YOUR INVOICE SHOULD BE ATTACHED TO THE APPLICATION FORM)

Invoices must show the following details:

1. Your trading name and address (this must be the same as shown on the delivery docket)
2. Your GST number
3. The words "Tax Invoice"
4. Date of invoice
5. That the merchant being CHARGED is Foodstuffs South Island Limited
6. The trading name of our retailer and the address to whom the goods are delivered.
7. Foodstuffs Member number or Trens Customer number. This is 4 digits for SAP stores and 6 digits for all others
8. Cross reference number of delivery docket
9. Quantity and description of goods delivered
10. Each line priced and extended

Invoices should be sub totalled, GST content added as a separate amount and the invoice totalled to include GST.

Invoices must be AT LEAST A5 size (half A4). Smaller are unacceptable.

Original invoices only should be presented for processing.

If you are registered for GST and your invoice does not comply with GST legislation we will not process the invoice. The invoice will be returned to you with a request for amendment to comply with GST legislation.

A sample of a GST Invoice is shown on Page 10.

ELECTRONIC INVOICE

FSSI expects suppliers to send invoices via the Foodstuffs eXchange in accordance with our National Policy for eCommerce, which is attached to this document.

FSSI has the following requirements for electronic invoices. Please ensure you are familiar with these requirements and build them into your e-invoice processes.

- Invoices which are processed via the Foodstuffs eXchange website are automatically dated as at the day the invoice is first entered or generated from the purchase order. This means you need to generate these invoices on the same day online as you date the invoice in your back office system
- B2B transactions are dated by your own back office system
- FSSI will not accept paper invoices to replace electronic invoices, unless prior agreement has been obtained from our E-Commerce department. Circumstances will be reviewed on a case by case basis
- FSSI reserve the right not to pay invoices where there is a discrepancy between the electronically processed invoice and your account statement.
- The information quoted on electronic invoices must meet the same requirements as stated above for both Charge Through and FSSI Warehouse, with the **only exception being**: Continue to provide paper credit notes for all Warehouse credit requests.
- **All e-invoice and e-credit transactions must be supported with a priced delivery docket or credit memo (as appropriate) delivered to the originating site, as outlined in the Delivery Docket section above.**
- In the event that you are unable to comply with any aspect of meeting these requirements you need to contact our E-Commerce department in the first instance.

INVOICE DESCREPANCIES

Goods Received and Not ordered

If goods are delivered and not ordered, or an alternative product is sent and these items are not required:

- The goods will be returned to you along with a notification of discrepancy advising the reason for the return.
- **Do not raise a credit note** upon receipt of the notification of discrepancy as this document is an advice only. If necessary an official credit note request will follow in due course.

Goods Charged and Not Ordered

In the event that FSSI receive an invoice and are charged for goods which were not ordered and returned:

- You will be notified in writing and request that the invoice be **credited in full**
- A new invoice must be issued (minus the incorrect articles)
- If you have already issued a credit note for the incorrect items against the invoice, then the credit note will also be returned and this will need to be cancelled.

Purchase order Price:

- The price charged for goods **must** be the price stated on the purchase order.
- Should you for any reason not charge the price agreed on the purchase order you will need to contact the relevant person at the store or FSSI.

STATEMENT

This must show:

1. Your trading name and address (to be the same as that used on the delivery docket and invoice)
2. Statement date and period covered
3. That the merchant being charged is Foodstuffs South Island Limited Private Bag 4705, Christchurch 8140
4. An opening balance which must be the same as the closing balance from the previous statement
5. All invoices and credit notes in numerical sequence showing number, date and total of charge or credit
6. All payments received, including discount
7. Adjusting journal entries
8. Closing balance being amount due

CHARGE THROUGH REQUIREMENTS

Once terms have been accepted suppliers may commence transactions with our retail members.

INVOICES AND CREDIT NOTES

Invoices and Credit Notes should be sent at regular intervals, at least weekly to:

Charge Through Department
Foodstuffs South Island Limited
P O Box 826
DUNEDIN 9054

Note: Do not leave the original invoice with the goods. The original invoice is required in Dunedin for processing.

- Your invoice/credit should be debit/credit to Foodstuffs South Island Limited
- Your invoice/credit shows the delivery address where the goods were sent
- Your invoice/credit **must** include the store or customer/member identity number – this is a 4 digit number for all SAP implemented stores. Non SAP stores require the 6 digit number, supplied as the purchasing authority.

Documents must meet the following criteria for all SAP stores:

Invoices:

- A delivery note (DN) or packing slip (PS) number **must** be quoted on all invoices
- The DN/PS number should only consist of numeric characters. Please remove any alpha characters
- A Purchase Order (PO) number should be quoted wherever possible and if supplied by the store or Foodstuffs
- One invoice is required for one purchase order
- The invoice must contain only debit transactions. Documents with both debit and credit transactions will be returned to you to amend and resubmit for payment
- When a product is packaged and discount applied, the invoice should be priced reflecting the apportioned discount across each of the individual product

Credit for returns:

- A Returns Purchase Order (RPO) -supplied by the store **must** be quoted on all credits for stock **and** crate returns
- Your Representative must obtain an RPO when uplifting any product(s) from the store
- A credit return must only contain credit transactions. Documents with both credit and debit transactions will be returned to you to cancel and submit new credits.

Credit for Claim:

- Credit notes issued by you in respect of a Credit Note Request (CNR) raised by Foodstuffs – **must** quote the 10 digit CNR number of the claim which is located on the top right corner our document.
- Upon receipt of the claim, you are expected to be proactive and respond immediately with a credit note or reason for a decline.
- **Do not** credit the original invoice and re-invoice for the amount less the claim as the original invoice has already been processed and closed.
- Should you decline a claim you must provide FSSI with a detailed written response with the reason for the decline along with a copy of the CNR.

GOODS DELIVERED DIRECTLY INTO OUR WAREHOUSES

Invoices and credits need be **sent at regular intervals at least weekly** to the following address:

Invoice Verification Department
Foodstuffs South Island Limited
Private Bag 4705
CHRISTCHURCH 8140

- Your invoice/credit is debited/credited to Foodstuffs South Island Limited
- Your invoice/credit shows the delivery address where the goods were sent

Documents must meet the following criteria:**Invoices:**

- Purchase order numbers **must** be quoted on all invoices

Credit for Claims:

- Credit notes issued by you in respect of a Credit Note Request (CNR) raised by FSSI – **must** quote the 10 digit CNR number of the claim which is located on the top right corner our document.
- Upon receipt of the claim, you are expected to be proactive and respond immediately with a credit note or reason for a decline.
- Should you decline a claim you must provide FSSI with a detailed written response with the reason for the decline along with a copy of the CNR.

STATEMENTS

Your STATEMENT should cover all transactions for the respective month to be received by the end of the first week of the new month. All statements should be sent to:

Accounts Payable Department
Foodstuffs South Island Limited
Private Bag 4705
CHRISTCHURCH 8140

If it is not possible to have different addresses for invoices and statements, please send all documents to Dunedin.

Do not subdivide your statement into various categories or issue separate statements for individual stores or delivery addresses. THESE ARE UNACCEPTABLE.

Please ensure that copy invoices and hand written documents are clear, neat and legible.

ACCOUNT QUERIES

Our Accounts Payable Department is based in Christchurch. Any queries regarding your payment should be directed to this department. They may be contacted on:

Telephone (03) 3538700 or Direct Line (03) 3538611
Facsimile (03) 3538190

RETAIL MEMBERS & TRENTS CUSTOMER NUMBERS

The member/customer number should be obtained from the member at the time of their placing an order and should be quoted on all invoices and credit invoices.

Lists can be obtained from our Credit Control Team. You can request listings by e-mail to Alison.levett@foodstuffs-si.co.nz; by including your six digits Vendor number and which group of banner group you require listings for i.e. New World, PAK'nSAVE etc.

Member/customer numbers will not be given out over the telephone – the Credit Control Team will however confirm that a member/customer is acceptable for charge through and can be contacted on (03) 3538700.

Please be aware that not all member/customers are permitted to have supplier charges on their account and it is your responsibility to check that they have a charge through facility.

INVOICE COPIES

We will request a copy within 30 days from the statement date. If it is not supplied we will make a second request and allow another 30 days for you to supply the invoice.

If after this second 30-day period the invoice is not supplied we will not accept any liability for payment. We will group all amounts older than 60-day period awaiting your credit.

PAYMENT BY DIRECT CREDIT

Payment will be made by direct credit. Please fill in the appropriate form attached with your bank account details and return the form along with the application charge through account form.

You will receive prior to the date of credit on your bank statement our remittance advice advising you of payment details. Please retain this to enable you to identify the make-up of the amount credited to your account.

PAYMENT

If we are unable to pay your account on the due date because of delays in receiving requested information we will not accept any reduction in the agreed settlement discount.

MEMBERSHIP TERMINATIONS

Foodstuffs Terminates Membership or Trents Customer Account is terminated

If Foodstuffs initiates the termination of a member's membership or a Trents customer account is terminated we will notify all vendors who have transacted with that member in the 90 days prior to termination.

Member Resigns from Foodstuffs or Trents Customer resigns

Where a member or Trent's Customer initiates the resignation we cannot be held responsible for any Charge Through transactions subsequent to the date of resignation.

As a prudent vendor you should always obtain the six or four digit charge number for every order that takes place.

CONTACT PERSONNEL

The following personnel may be contacted to discuss trading terms and set up of the Charge Through facility.

David Pawson
Wholesale Merchandise Manager
Foodstuffs South Island Limited
Private Bag 4705
Christchurch 8140
DDI (03) 3538 628
Email: david.pawson@foodstuffs-si.co.nz

An application form to open a Charge Through account is attached and is also available on line at: www.foodstuffs-si.co.nz. After completion please return to David Pawson, Foodstuffs South Island Ltd, Private Bag 4705, Christchurch 8140.

Applicants are advised that Foodstuffs South Island Limited may conduct reference checking on applicants if considered necessary.

Sample of GST Invoice showing all relevant requirements for Charge Through purposes

ABC BISCUIT CO LIMITED				Name and address of the supplier
TAX INVOICE				The words "TAX INVOICE"
Main Road CHRISTCHURCH		P O Box 99 999 CHRISTCHURCH	Phone: (03) 999 9999 Fax: (03) 988 8889	Invoice No Supplier's GST registration number
CHARGE TO: Foodstuffs (South Island) Limited P O Box 826 DUNEDIN		GST Number 98-765-432 Date: 8 March 1998 Address		Date of issue of invoice
DELIVER TO Store Name		Foodstuffs Customer No _____		Foodstuffs Customer No
Quantity	Description of Goods and Services	Unit Price	Total	Name of the recipient Description of the goods and services supplied
4 ctns	Toffee Pops	\$30.00	\$120.00	Amount, excluding tax, charged for the supply
				Quantity of the goods supplied
Plus Goods and Services Tax			\$15.00	
TOTAL AMOUNT DUE			\$135.00	* GST charged

_____ Total amount payable

* Alternatively a statement advising that GST is included in final price



eCommerce National Policy

September 2007

Foodstuffs (NZ) Ltd

**Foodstuffs South Island Ltd
Foodstuffs (Wellington) Co-operative Society Ltd
Foodstuffs (Auckland) Ltd**

Document Status: PUBLIC, FINAL

This document is for external communication.

Purpose

The Foodstuffs Exchange was created to drive efficiencies across the supply chain by employing electronic delivery channels for documents, orders and administrative processes.

Organisational Scope

This is a Foodstuffs wide policy that applies to the complete supply chain. Initially it applies specifically to Purchase Orders, Advanced Shipping Notes and Invoices.

Definitions:

Foodstuffs – Refers to all Three Foodstuffs companies; Foodstuffs South Island Ltd, Foodstuffs (Wellington) Co-operative Society Ltd, Foodstuffs (Auckland) Ltd

PO – Purchase Order

ASN – Advanced Shipping Note

INV – Invoice

Approval Agency

Foodstuffs CEO's – Steve Anderson, Tony Carter and Craig Wilson

eCommerce National Steering Group

Retail & Warehouse Operations

Approval Dates

This policy was originally approved on: [18 June 2007]

This version was approved on: [19 July 2007]

This version takes effect from: [01 September 2007]

This policy will be reviewed by: [01 March 2008]

Policy Sponsor(s)

National eCommerce Steering Group

Foodstuffs South Island eCommerce Manager – Ana Connor

Policy Content and Guidelines

eCommerce Definition change

“The Foodstuffs eCommerce platform has been created to drive efficiencies by employing electronic delivery channels across Foodstuffs business transactions end to end, which will include supply chain and administrative processes, for purchases, through to invoices payment and processing.”

eCommerce policy

This policy applies to all suppliers both new and existing that deal with all three Foodstuffs companies.

All suppliers where the purchase transaction can be initiated electronically by Foodstuffs will be required to accept the PO in the Foodstuffs electronic format via the Foodstuffs Exchange channel.

All suppliers will be required to submit electronic invoices to Foodstuffs using the Foodstuffs Exchange as the primary channel.

Electronic Invoice Requirements

- Invoices which are processed via the Foodstuffs eXchange website are automatically dated as at the day the invoice is first entered or generated from the purchase order. This means you need to generate these invoices on the same day online as you date the invoice in your back office system
- B2B transactions are dated by your own back office system
- FSSI will not accept paper invoices to replace electronic invoices, unless prior agreement has been obtained from our E-Commerce department. Circumstances will be reviewed on a case by case basis
- FSSI reserve the right not to pay invoices where there is a discrepancy between the electronically processed invoice and your account statement.
- The information quoted on electronic invoices must meet the same requirements as stated above for both Charge Through and FSSI Warehouse, with the **only exception being**: Continue to provide paper credit notes for all Warehouse credit requests.
- In the event that you are unable to comply with any aspect of meeting these requirements you need to contact our E-Commerce department in the first instance

Each supplier will be given a specific time period to complete any work within their back office to meet the new policy. After the stated period has expired Foodstuffs may opt to impose one or more of the penalties listed below until such time as the work is completed.

Penalties:

- \$5 processing fee on every manual transaction
- Reduction in ranging of products
- Reduction in promotional support

Policy Goals

The initial goal of this policy is to have the top suppliers for each Foodstuffs company submit electronic invoices to Foodstuffs using the Foodstuffs Exchange as the primary channel. The suppliers targeted will be generated from the number of invoices per month sent to each Foodstuffs company.

The goal is that all identified suppliers will have completed the enablement process for the Exchange within 12 months of initial communication regarding this policy.

Scope

This policy applies to all suppliers to Foodstuffs and its Banner groups. Additionally it would apply to any future Foodstuffs retail or wholesale brand.

PAK'n SAVE
New World
Henry's
Four Square
On the spot

Gilmours
Toops
Trents
Duffy & Finn
Write Price

Contact Person

The following people may be approached on a routine basis in relation to this policy:

Foodstuffs South Island Ltd
Ana Connor
eCommerce Manager
Tel. 0064 (0)3 353 8697
ana.connor@foodstuffs-si.co.nz

Foodstuffs (Wellington) Co-operative Society Ltd
Jagdip Parag
eCommerce Manager
Tel. 0064 (0)4 527 2615
Jagdip.Parag@foodstuffs-wgtn.co.nz

Foodstuffs (Auckland) Ltd
Allen Grainger
eCommerce Implementation Manager
Tel. 0064(0)9 621 0764
Allen.Grainger@foodstuffs.co.nz