

## Supplier Notice

This Notice and its content are determined by Article 6 (6) of the Groceries (Supply Chain Practices) Market Investigation Order ("the Order") which you can find at:

<http://www.competition-commission.org.uk/inquiries/ref2006/grocery/>

Paragraphs (a) to (h) below set out the key requirements of Article 6 (6) of the Order but you may wish to refer to the Order for more detail and the Groceries Supply Code of Practice ("the Code") with the accompanying explanation at Schedule 1, Part 1 (also available at the webpage above).

### *How we agree the scope of our supply agreement*

- (a) Subject to important exceptions, a grocery retailer subject to the Order must not directly or indirectly require actions by a supplier in relation to marketing costs, wastage, payments, promotions, changes to supply chain procedures and tying matters as more specifically set out in the Code. For example, if in response to ordinary commercial pressures the supplier does not agree with the grocery retailer to undertake certain actions in relation to these matters, a grocery retailer will be deemed to be requiring actions of a supplier in breach of the Order.

### *Your Senior Buyer*

- (b) For the contact details of your Senior Buyer, please refer to the document titled 'Senior Buyer' on both our Touchpoint and SID websites. (we refer internally to "Senior Buyers" as "Category Managers").

### *Internal escalation of Buying Team decisions*

- (c) You can escalate a decision of our Buying Team which relates to the Code or the Order to your Senior Buyer for review, such requests must be made in writing to the appropriate contact from the attached Annex.

### *Contact details of the Code Compliance Officer*

Sainsbury's Code Compliance Officer is Susannah Hall. She can be contacted via e-mail at: [susannah.hall@sainsburys.co.uk](mailto:susannah.hall@sainsburys.co.uk)

### *Internal escalation of Senior Buyer decisions*

- (d) Any feedback on our Buying Team's relationship with you and compliance with the Code and the Order can be addressed to your day-to-day contact in the Buying Team, or to the Senior Buyer mentioned above. We have an internal escalation procedure in place to ensure that your concerns as a supplier are dealt with promptly and fairly. You may also contact our Code Compliance Officer whose details we will provide upon his/her appointment.

### *Understanding the de-listing process*

- (e) A grocery retailer may only de-list you for genuine commercial reasons. For the avoidance of doubt, your exercise of any rights under a supply agreement (including the Code) or the grocery retailer's failure to fulfil obligations under the Code or the Order will not be a genuine commercial reason to de-list. Prior to delisting, you must be provided with the following:-
- "Reasonable Notice" (as defined in paragraph 1(1) of the Code) and written reasons of our decision ;
  - Sufficient time to have the decision to de-list reviewed by your Senior Buyer; and
  - An opportunity to attend an interview with our Code Compliance Officer to discuss the decision to de-list you.

### *Dispute resolution*

- (f) A grocery retailer must negotiate in good faith with you to resolve any dispute arising under the Code. We will endeavour to resolve disputes as promptly and comprehensively as possible via our internal escalation procedures. If you believe that we have not fulfilled our obligations under the Code, you may also initiate a formal dispute resolution procedure set out at Article 11 of the Order and as set out below:
- Whenever you contact the Code Compliance Officer regarding an alleged breach of the Code by us, the Code Compliance Officer will inform you of your right to initiate a Dispute and confirm whether you wish to initiate a Dispute. In the absence of the Code Compliance Officer requesting confirmation, a Dispute will be deemed to arise.
  - If any Dispute is not resolved to your satisfaction within 21 days from the date the Dispute arises, then at any time during a period expiring four calendar months after the Dispute arises we will submit to an arbitration request made in writing by you in accordance with Articles 11(5) to 11(8) of the Order.
  - The arbitration will be administered by the Ombudsman, if established. In the event that the Ombudsman is not established, or has a conflict of interest in relation to a particular dispute, the arbitration will be administered by a single arbitrator appointed in accordance with the Rules of the Chartered Institute of Arbitrators in force for the time being.
  - To the extent that they do not conflict with Article 11, the arbitration will be conducted in accordance with the Rules of the Chartered Institute of Arbitrators in force for the time being, or such other dispute resolution body as is nominated by the arbitrator. In any arbitration commenced pursuant to the Order, the number of arbitrators will be one and the seat or legal place of arbitration will be London, England or such other city within the United Kingdom as you nominate.
  - All costs of the arbitrator will be borne by us, unless the arbitrator decides that your claim was vexatious or wholly without merit, in which case costs will be assigned at the arbitrator's discretion. All other costs of the arbitration will be assigned at the arbitrator's discretion.
  - The decision of the arbitrator will be binding and final on both us and you, with the exception that either party may appeal on the grounds set out in sections 67 to 69 inclusive of the Arbitration Act 1996. Nothing will prevent us including in our Supply Agreement a right for us also to refer a dispute to arbitration if the Dispute is not resolved to our satisfaction within 21 days from the date the Dispute arises, provided that such arbitration is on the same terms as those set out in Article 11 of the Order.

**This document is effective 1<sup>st</sup> June 2010**