

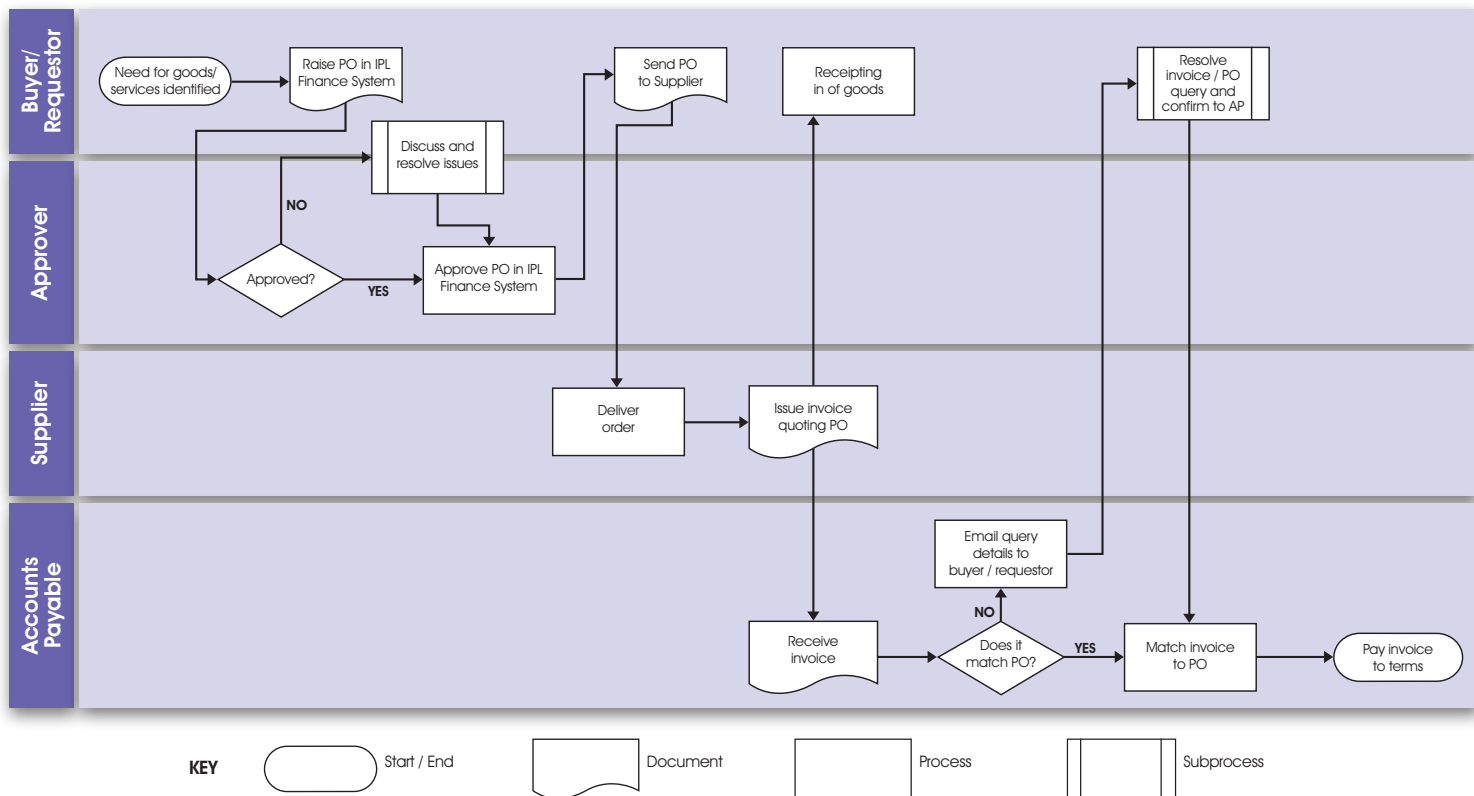
PURCHASE TO PAY - A SUPPLIER GUIDE



Here at IPL, we pride ourselves on strong working relationships with our suppliers, and it is important to us that we are able to pay suppliers in full and on time.

This guide aims to provide you with an understanding of the processes we use at IPL, and to help recognise ways in which you can help us to ensure payments are issued consistently and promptly throughout this process.

STANDARD PURCHASE TO PAY PROCESS



HOW YOU CAN HELP US

The purchase to pay process contains many individual responsibilities. To ensure we are doing our best to provide payment to our suppliers in a complete and timely manner, it is of vital importance that the following practices are followed:

- Please check purchase orders for **accuracy** and **validity**.
- **Always quote valid purchase order numbers on all invoices.**
- Always decline any orders that do not have a valid purchase order number.
- Assign all invoices a **unique invoice reference** - a reference which has not ever been used in the past, and which then cannot be used again in the future.
- Ensure invoices reflect the **agreed price and received quantity**.
- Always raise invoices in a **prompt and timely manner**.
- **Ensure all invoices are sent to the correct location, ideally in PDF format.** For small suppliers (suppliers which are UK-based, have an annual turnover of less than £10.2 million and less than £250,000 with IPL), these should be sent to GFRSmallSuppliers@ipl-ltd.com or GNFRSmallSuppliers@ipl-ltd.com as appropriate.

For all other suppliers, invoices should be sent to AccountsPayable@ipl-ltd.com

[Note: it is vital that invoices are sent to these specified addresses and not to your Accounts Payable point of contact.]

- Ensure invoices not sent electronically are addressed to the correct location - **IPL Ackton, Premier Way North, Normanton, West Yorkshire WF6 1GY**
- Issue credit notes requested by IPL **promptly**.
- **Respond to queries** from Accounts Payable in a **timely manner** to increase likelihood of resolution and subsequent payment.
- Send up-to-date statements on a **monthly basis** to your Accounts Payable contact - this ensures we can track instances of unpaid invoices.
- Address any invoicing/ remittance queries to your Accounts Payable contact.

If it is of vital importance that you follow the above steps, particularly the location invoices are sent to. We receive a huge volume of invoices every day so if invoices are not sent to the above address, there is a risk that they may not be processed in the desired timeframe.

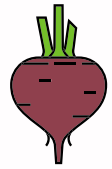
THE 'IDEAL INVOICE' SEEN HERE, IS MADE UP OF THE FOLLOWING COMPONENTS

- 1 It is addressed to the correct name and address.
- 2 The supplier's name is clear with the correct address and contact information.
- 3 The invoice number is **unique** – we will be unable to process invoices which are not unique in number.
- 4 The **valid PO number** is clearly shown on the invoice. This enables our Accounts Payable team to process the invoice promptly.
- 5 The invoice date is the date of creation - this should then be sent to IPL on the same date to ensure it is received in good time.
- 6 The quantity is the same amount that was delivered.
- 7 The detail of goods/services provided is clear.
- 8 The unit price of each item is identical to the previously agreed price with IPL.
- 9 Banking details to make payment are shown (including VAT Registration Number/Company Registration where applicable).
- 10 The total costs are calculated correctly and the VAT portion is clearly shown.

IPL run a PO payment process, which means that **we cannot pay invoices which do not contain a valid PO number**. In the event we receive such an invoice, your relevant AP contact will liaise with you and ask you to re-raise the invoice with a **valid PO number and an amended invoice date**.

<p>To: International Procurement & Logistics Ackton, Premier Way North, Normanton, West Yorkshire WF6 1GY</p>	<p>From: Beetroot R US Ltd 16 Particular Way, Wortley, Leeds LS25 3SG Tel: 01234 567890</p>
<p>Invoice Number 123456</p>	<p>Purchase Order Number 01234</p>
<p>Date 01/04/2018</p>	

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
100	Diced Pickled Beetroot	£10.00	£100.00
50	Diced Chilli Beetroot	£8.50	£425.00
100	70g Pickled Beetroot	£6.50	£650.00
250	300g Pickled Beetroot	£18.00	£4,500.00
			NET £6,575.00
			VAT £1,315.00
			TOTAL £7,890.00

<p>9</p> <p>A/C Name: Beetroot R Us Ltd Bank Name: Barclays Sort Code: 12-34-56 A/C Number: 12345678 IBAN: AB12 CDEF 3456 7890 0123 45 SWIFTBIC: ABCDEF01 Company Registration Number: 123456789012 VAT Registration Number: 12345678</p>	
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QUERIES

Assuming that each stakeholder in the process has executed their responsibility correctly, any invoices sent to our Accounts Payable (AP) team should match, first time, to the correct PO on our system.

Unfortunately, this is not always the case, and invoices which cannot be processed first time are placed on to our query register.

Queries are then reviewed daily/weekly to ensure appropriate escalation within IPL, whilst Accounts Payable will contact suppliers during this time to resolve those queries.

DEDUCTIONS

Price and Quantity -

For all suppliers, if we believe that your invoice is incorrect in terms of price or quantity, we will contact you to resolve this. If the invoice is higher in value than expected, we will notify you that we will debit the difference **from the value of your invoice after 30 days**, unless you contact us to dispute the deduction. If you wish to challenge the deduction - GFR suppliers should email DebitNoteQueries@IPL-ltd.com whereas GNFR suppliers should email GNFRDebitNoteQueries@IPL-ltd.com

Quality -

For GFR suppliers, if delivered stock is below the expected standards set out in our technical specifications, IPL may claim certain charges from you in accordance with your supply agreement. Please refer to your supply agreement for further details.

In such cases;

- A Quality Assessment Report will be emailed to you.
- The validity and accuracy of the claim will be approved by your buyer, and subsequently notified to your Account Manager and Accounts Receivable contact.
- A charge will be debited **from the value of your invoice after 30 days** if you have confirmed you agree with the claim, or have not responded to dispute the claim.
- If you wish to challenge the deduction, email DebitNoteQueries@IPL-ltd.com

Note: If your supply agreement is ending within 2 months of the date of the deduction, we kindly ask that you send a credit note for the amount in question.

GROCERIES SUPPLY CODE OF PRACTICE

This paragraph only applies to you if you are a supplier of groceries as defined in the Groceries Supply Code of Practice (the Code).

If you fall within the definition (*) and are a new IPL supplier, please read the letter attached to this guide in relation to the Groceries (Supply Chain Practices) Market Investigation Order 2009 (GSCOP) (the Order). Since the Order and accompanying Code of Practice came into effect on 04 February 2010, the Order has been incorporated into IPL's terms and conditions for purchase (Grocery suppliers only) and the accompanying letter sets out important information we are required to tell you.

Existing IPL Grocery suppliers are welcome to request a copy of this information.

(*) Groceries means food (other than that sold for consumption in the store), pet food, drinks (alcoholic and non-alcoholic), cleaning products, toiletries and household goods, but excludes petrol, clothing, DIY products, financial services, pharmaceuticals, newspapers, magazines, greetings cards, CDs, DVDs, videos and audio tapes, toys, plants, flowers, perfumes, cosmetics, electrical appliances, kitchen hardware, gardening equipment, books, tobacco and tobacco products.

CONTACTS

In the event you are unable to identify the suitable point of contact, we have a comprehensive list of IPL contacts available in the **footer of our website**, detailing both position and suitability to respond to your issue.

In the event that you wish to escalate an issue, individual Line Manager contact information can be found in the email signatures of IPL colleagues.