

## Payments Schedule

This schedule sets out the arrangements that govern how Manufacturers will be invoiced and pay contributions to fund Scheme costs.

### 1 Definitions

The following definitions apply to this Payments Schedule unless the context requires otherwise. Capitalised terms in this Payment Schedule that are not defined below are defined in the Container Recovery Agreement.

**BBSW** means the ninety (90) day bank bill swap reference rate (Average Bid) as published in the Australian Financial Review on the first Business Day of the month in which an amount payable is due. For example, if an amount is due in November 2018, the BBSW is as published on the first Business Day of November 2018.

**Manufacturer Invoice Date** means the 15<sup>th</sup> day of the calendar month (or the last Business Day prior to this date) following the end of each Manufacturer Invoice Period.

**Manufacturer Invoice Period** means:

- (a) for Small Beverage Manufacturers, each Quarter; or
- (b) for all other Manufacturers, each calendar month.

**Manufacturer Statement Date** means the 15<sup>th</sup> day of the calendar month (or the last Business Day prior to this date) following the end of each Manufacturer Invoice Period.

**Penalty Interest Rate** means BBSW plus 200 basis points.

**Quarter** means the following periods in the year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; and
- (d) 1 April to 30 June.

### 2 Manufacturer Statement

The Manufacturer must, by each Manufacturer Statement Date, give the PRO a statement (**Manufacturer Statement**) in respect of the preceding Manufacturer Invoice Period which must:

- (a) provide details of the number of Beverage Products Sold by the Manufacturer of each Material Type in each calendar month in the preceding Manufacturer Invoice Period;
- (b) provide such other information reasonably required by the PRO in connection with the calculation of the Scheme Prices in accordance with section 4; and
- (c) be submitted in a form specified from time to time by the PRO, acting reasonably.

### 3 Invoicing

#### 3.1 Regular Manufacturer Invoices

- (a) The PRO must issue the Manufacturer with a tax invoice (**Manufacturer Invoice**) in respect of the Manufacturer's contributions to the cost of the Scheme for the relevant Manufacturer Invoice Period on or after each Manufacturer Invoice Date.

- (b) The Manufacturer Invoice will be calculated with reference to the relevant Manufacturer Statement and the Scheme Price for each Material Type for the relevant Manufacturer Invoice Period in accordance with section 5.
- (c) If the Manufacturer fails to provide a Manufacturer Statement to the PRO by the Manufacturer Statement Date, the PRO may issue the Manufacturer with a Manufacturer Invoice based on its reasonable assumptions in respect of the information that would otherwise have been required to be included in the Manufacturer Statement, including the number of Beverage Products Sold by the Manufacturer for each Material Type in each calendar month in the preceding Manufacturer Invoice Period.

### 3.2 Interim Manufacturer Invoices

- (a) If the Scheme Prices set out in a Manufacturer Invoice are insufficient in respect of the matters referred to in section 4(d), the PRO may (in its sole discretion) issue the Manufacturer with an interim Manufacturer Invoice in respect of the Manufacturer's contributions to the costs of the Scheme at any time prior to the issue of the Manufacturer Invoice for the next Manufacturer Invoice Period.
- (b) The interim Manufacturer Invoice will be calculated with reference to:
  - (i) the relevant Manufacturer Statement (or if the Manufacturer failed to provide a Manufacturer Statement, the PRO's reasonable assumptions in respect of the number of Beverage Products Sold by the Manufacturer for each Material Type in each calendar month in the relevant Manufacturer Invoice Period); and
  - (ii) an interim invoice price determined by the PRO for each Material Type for the relevant Manufacturer Invoice Period (or months within the Manufacturer Invoice Period) with reference to the number of Beverage Products Sold of each Material Type.
- (c) Where the PRO issues the Manufacturer with an interim Manufacturer Invoice under section 3.2(a), it must issue an interim Manufacturer Invoice to all Scheme Manufacturers on a consistent basis unless otherwise prescribed by Regulation.

## 4 Scheme Prices

The parties acknowledge and agree that:

- (a) The PRO is a not for profit entity established to administer and provide governance for the Scheme and the income and property of the PRO must only be used to further the Scheme Objectives.
- (b) The PRO is responsible for determining the Scheme Manufacturers' contributions to the costs of the Scheme.
- (c) The PRO will determine the amounts that will be charged to Scheme Manufacturers (including Small Beverage Manufacturers) on a per Beverage Product Sold basis for each Material Type for each calendar month (**Scheme Prices**). Each Scheme Manufacturer will be subject to the same Scheme Prices, unless otherwise prescribed by Regulation. Without limiting section 3.2, the PRO may amend the Scheme Prices applying to a particular month at any time prior to issuing a Manufacturer Invoice to any Manufacturer for that month.
- (d) The Scheme Price for each Material Type for each month will be determined by the PRO with reference to:

- (i) the Scheme Objectives;
  - (ii) forecast average costs to be incurred in respect of the Scheme per Beverage Product Sold of each Material Type; and
  - (iii) the PRO's current and forecast capital reserves,
- at the discretion of the PRO and in accordance with any Regulation.
- (e) The PRO will set Scheme Prices so that, over time:
    - (i) aggregate contributions are approximately equal to the aggregate costs of the Scheme;
    - (ii) the Scheme remains liquid at all times; and
    - (iii) if the PRO accumulates excess cash reserves, the excess reserves are drawn to fund future Scheme costs.

## 5 Manufacturer Invoice Amount

- (a) The Manufacturer Invoice amount for each Manufacturer Invoice Period will be calculated as the sum of invoice amounts payable for each month in the Manufacturer Invoice Period.
- (b) The invoice amount for each month is the sum of the number of Beverage Products Sold by the Manufacturer for each Material Type multiplied by the applicable Scheme Price for the corresponding Material Type in the month.
- (c) The invoice amount for each month will be calculated as:

$$A_i = \sum_m S_{m,i} \times P_{m,i}$$

Where:

$A_i$  is the invoice amount payable by the Manufacturer for month  $i$

$S_{m,i}$  is the number of Beverage Products Sold by the Manufacturer of Material Type  $m$  during month  $i$

$P_{m,i}$  is the applicable Scheme Price for Beverage Products Sold of Material Type  $m$  during month  $i$ .

- (d) The PRO may adjust a Manufacturer Invoice to account for:
  - (i) any interest payable in accordance with section 6 in respect of overdue payments;
  - (ii) the results of the PRO's audit and verification procedures, including any discrepancies between the number of Beverage Products Sold by Material Type and the amount declared in any previous Manufacturer Statements;
  - (iii) any correction to estimation errors where a previous invoice has been issued in accordance with section 3.1(c) or 3.2; or
  - (iv) any other circumstances where an auditor engaged by or on behalf of the PRO for the purposes of undertaking an audit or review of the Manufacturer's compliance with its obligations under this Deed determines that the Manufacturer has paid more or less than it was properly entitled to under this Deed.

## **6 Payment Terms**

- (a) The Manufacturer must pay the PRO the amount set out as then payable in the Manufacturer Invoice within 5 Business Days.
- (b) If the Manufacturer fails to pay any amount payable within the time required, it must pay interest on the overdue amount at the Penalty Interest Rate from the date on which payment was due and payable until the date on which payment is made in full.