

Section 1: company obligations

<i>Company obligations under the EU Voluntary Framework</i>	<i>Obligations under national scheme</i>	<i>Assessment of compatibility</i>	<i>Suggested resolution</i>
<p><u>Registration</u> Company registration by executive(s) having the power to commit the whole company in the EU including all subsidiaries in the EU.</p>			
<p><u>Geographical scope</u> “Registered companies are expected to implement the principles throughout their organisations independently of the geographical origin of their business counterpart provided that the obligations under the contract are to be performed in the EU”; “SMEs based outside the EU may resort to the dispute resolution options (...) as long as the obligations under the contract are to be performed in the EU”</p>			
<p><u>Product scope</u> “This framework applies only to food (fresh and processed) and drink products.”</p>			
<p><u>Self-assessment</u> “Before registering companies must carry out a self-assessment by reviewing their internal procedures to ensure compliance with the</p>			

<p><i>principles” including training, dispute resolution options, communication, internal contact person</i></p>			
<p><u>Designated contact point</u> <i>“Each registered company will also designate a contact person for any follow-up actions such as monitoring.”</i></p>			
<p><u>Compliance officer</u> <i>“Participating companies will be required to prepare for the dispute resolution procedure.....and to designate a contact point at the moment of registration.</i></p> <p><i>The designated contact point must be independent from the commercial negotiation and is responsible for issues related to the resolution of disputes.</i></p>			
<p><u>Training</u> <i>“Participating companies will be required to set-up and/or adapt training to ensure compliance with the principles of good practice.”</i></p>			
<p><u>Information to suppliers</u> <i>“Registered companies are required to inform business partners of their participation in the framework. Companies are free to choose the means by which this is done”.</i></p>			

<p><u>Dispute settlement</u> <i>The voluntary agreement envisages four modes of dispute settlement:</i></p> <ul style="list-style-type: none"> • <i>Commercial track</i> • <i>Contract options</i> • <i>Internal dispute resolution</i> • <i>Mediation</i> • <i>Arbitration</i> • <i>“Jurisdictional” methods.</i> <p><i>The complainant may choose the method. However</i></p> <ul style="list-style-type: none"> • <i>There is a presumption that complainants “are expected to resort first to the options that are less adversarial and costly”.</i> • <i>Mediation and arbitration require the consent of both parties.</i> <p><i>Disputes should be settled within 4 months “with the exception of disputes solved through mediation, arbitration and traditional jurisdictional methods”.</i></p>			
<p><u>Aggregated disputes (see section#2 below)</u></p>			
<p><u>Breaches of process commitments</u> <i>“A permanent procedure will enable companies to flag issues with process commitments arising with registered companies. The</i></p>			

<p><i>governance group will deal with these issues”.</i></p>			
<p><u>Reporting requirements</u> <i>“there will be a simple survey (...) to serve as a basis for evaluation and compliance”. It will be based on:</i></p> <ul style="list-style-type: none"> • <i>Training</i> • <i>Reporting on dispute resolution options (#complaints lodged and received, principles allegedly breached, method for dispute resolution, satisfaction)</i> • <i>Communication</i> <p><i>Reporting is national</i></p>			

Section 2: national platforms

“Signatories (...) will encourage the establishment of similar procedures involving stakeholder associations at national level”

Countries where there is a national platform are asked to fill in this table; where there is no platform, associations may use existing guidelines from the EU level model as they see fit according to their national circumstances and based on the key requirements set out below.

EU level requirements	Obligations under national scheme	Assessment of compatibility	Suggested resolution
<u>Composition of EU Governance Group</u> <ul style="list-style-type: none"> • Farmers and agri-cooperatives¹ • Agricultural traders • Food and drink industry • Brands • Retail • SMEs 			
<u>National platforms</u> Purpose is to analyse disputes regarding a serious breach of the principles that affects several members of an interest group represented in the EU level governance group. (see definition of aggregated disputes).			
<u>Issuing guidance and interpretation</u> National platforms must communicate to the EU governance			

¹ These seats will be reserved for the associations representing farmers and agri-cooperatives if and when they join the EU level framework

<i>group any guidance and interpretation (on the principles) within 10 working days.</i>			
<u><i>Relations between EU and national levels</i></u> <i>“The governance group will only appreciate issues that have an EU cross-border dimension or issues with a national scope as long as there is no national equivalent option to deal with it in an aggregated and anonymous way.”</i>			

Section 3: principles of good practice

EU level Principles of good practice	Substantive obligations under national scheme	Assessment of compatibility	Substantive requirements of the EU level principles not covered by national scheme
<u>Consumer interest</u>			
<u>Freedom of contract</u>			
<u>Fair dealing</u>			
<u>Written agreements</u> <i>"Agreements should be in writing, unless impracticable, or where oral agreements are mutually acceptable and convenient. They should be clear and transparent, and cover as many relevant and foreseeable elements as possible, including rights and procedures for termination."</i>			
<u>Predictability</u> <i>"Unilateral change to contract terms shall not take place unless this possibility and its circumstances and conditions have been agreed in advance. The agreements should outline the process for each party to discuss with the other any changes necessary for the implementation of the agreement or due to unforeseeable circumstances, as provided in the agreement."</i>			
<u>Compliance</u> <i>"Agreements must be complied with."</i>			

<p><u>Information</u> <i>“Where information is exchanged, this shall be done in strict compliance with competition and other applicable laws, and the parties should take reasonable care to ensure that the information supplied is correct and not misleading.</i></p>			
<p><u>Confidentiality</u> <i>Confidentiality of information must be respected unless the information is already in the public or has been independently obtained by the receiving party lawfully and in good faith. Confidential information shall be used by the recipient party only for the purpose for which it was communicated.</i></p>			
<p><u>Responsibility for risk</u> <i>All contracting parties in the supply chain should bear their own appropriate entrepreneurial risk”.</i></p>			
<p><u>Justifiable request</u> <i>“A contracting party shall not apply threats in order to obtain an unjustified advantage or transfer an unjustified cost.”</i></p>			

Section 4: examples

Examples - Illustrations	Substantive obligations under national scheme	Assessment of compatibility	Substantive requirements of the EU level principles not covered by national scheme
<u>Agreements – written/unwritten</u>			
<u>General terms and conditions</u>			
<u>Termination</u>			
<u>Contractual sanctions</u>			
<u>Unilateral actions</u>			
<u>Information</u>			
<u>Entrepreneurial risk allocation</u>			
<u>Listing fees (upfront access payment)</u>			
<u>Threatening business disruption</u>			
<u>Tying</u>			
<u>Delivery and reception of goods</u>			