

## Site Service Delivery - Frequently Asked Questions

### 1. What is in it for me to have a Vendpro machine placed on my site/ at my venue?

Firstly, you get a free and hassle-free service delivery whilst you are not required to invest any time, money or effort in filling, operating or maintaining the equipment. Secondly, a sales commission becomes a possibility once a site achieves a certain point of economic viability/ profitability. An evaluation of the site's economic potential is required to determine if and how much sales commission the site can afford. A sustainable long term solution is only possible if the return-on-investment is worthwhile for both parties. Neither YOU (as the valued site owner) nor Vendpro (as the service provider) can afford to spend time, effort and investment money without a fair return.

### 2. When will I get a sales commission for having a machine placed at my site/ venue? And if so, how much?

It depends on the *economic* viability of the site as well as other site specific features such as the level of security/ protection that it offers, accessibility of the site and the machine, the suitability of site layout, the number, type, model and size machine, what payment options are provided, the extent of services being offered etc. Our sales commission remuneration model is sales volume based and can be substantial.

### 3. How is the sales commission calculated, measured and implemented?

Sales commission is calculated as a percentage of total sales turnover. In normal circumstances, a written record is to be kept of cash received which then indicates the value of total sales turnover. When a cashless payment system is available, the system is able to automatically report on the total sales turnover amount. Reimbursement of sales commission can happen at a regular frequency as agreed between both parties. Usually it gets done either quarterly or monthly pending the transaction values of the sales turnover and sales commission.

### 4. How does one maximise the value of the sales commission?

As sales commission is defined as a percentage of total sales turnover, the only way to increase sales commission is to increase the total sales turnover itself. The best ways to increase turnover are: firstly, to maximise machine uptime by limiting breakdowns e.g. have reliable and good quality machines, payment systems etc. backed by a professional service provider capable of delivering a superior level of technical and spare parts support.; and secondly, to maximise availability of products being sold e.g. by offering the right product mix, never running out of stock in the machine, not selling out-of-date products, maximising the number of potential buyers etc. The surest way to achieve the latter is to partner with a reputable service provider with a proven track record.

### 5. Why can Vendpro's competition afford – or at least, seem to be able to afford - to pay/ offer a higher sales commission than what Vendpro can?

The short answer is you get what you pay for! Some offer an unrealistically cheap solution in order to achieve a reasonable return on their investment. That means, they are likely to compromise on one or more of the following service delivery parameters: poor equipment quality, lower service delivery and/ or delayed response time. The net effect is less sales and reduced sales commission.

### 6. Why is it important to partner with a reputable service provider such as Vendpro?

Vendpro has built a trustworthy reputation for over 20 years – that means we are known to fulfil our commitments on deliverables be it paying our site commissions, paying our creditors or providing quality and timely service to our customers. Performing consistently well in all of these areas over a longer period increases sales turnover which in turns results in a higher sales commission.

### 7. What is the minimum period/ term for placing a machine at a site?

Vendpro (at its sole risk) invests hugely financially and effort when placing a machine and hence it is only fair to allow Vendpro a reasonable minimum period of time to recover such setup costs. Vendpro therefor expect sole access and use of such site for the goods provided for a minimum agreed period. In return, Vendpro is amenable to agree and accept minimum service performance levels by which its performance can be measured and managed.

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### 8. What key performance indicators will apply to ensure Vendpro's service levels are at an acceptable level?

Targets are set for average response time and quality of service delivery. Vendpro aims to address and resolve all technical or operational issues within 24-48 business hours. Some rare issues or faults might take longer to be resolved in which case Vendpro will communicate and explain its remedial plan in a timely and appropriate manner.

### 9. What happens if we are not happy with Vendpro's service?

Should Vendpro repeatedly fails to perform at the agreed performance level, the customer would have the option to terminate the agreement. Vendpro expects to be given a fair chance to rectify any technical or operational performance issues e.g. up to 48 hours under normal circumstances.

### 10. Who is responsible for the technical and operational support of the machines I am getting?

Vendpro offers a complete one-stop service. You enjoy a free, hassle-free and professional service.

### 11. How long is the typical turn-around time on issues being reported to have the machines up and running again?

Vendpro prides itself in having best-in-industry technical support capability ensuring timely turn-around on technical repairs of any kind. We carry stock of all critical spares for the equipment we provide. Our aim is to have the majority of issues resolved within 24 hours of being logged.

### 12. How reliable and old are the machines and payment systems I am getting? Are they of recent technology and what are they?

Vendpro offers only the best global brands when it comes to vending machines and accessories. We offer a variety of payment options e.g. coins, bank notes and cashless/ cards or any combination of such. Our cashless/ EFTPOS option accepts mobile, SMS and NFC payments, all credit and debit cards brands that are swipe, contact or contactless, as well as prepaid cards. Our cashless option offers *eReceipts* to show consumers their purchases. It also offers dynamic pricing that allows operators to pass the convenience fee on to the consumer. In the final analysis, a combination of site requirements and the economic viability of the site will determine what size, type and configuration of machine is best suited for your site.

### 13. Can I have specialised products e.g. health and wellness or fresh food products? What about product pricing?

Yes, such products can be provided; however, the maximum proportion allowed will be determined by how much of these products are being sold. All products on offer must achieve a minimum turnover to make it economically viable. Fresh products are also likely to incur increased expenses due to its additional use/ sell-by-date constraints. A sustainable long term solution is only possible if the return-on-investment is fair for both parties. Likewise, overall product pricing will be driven by the economic viability of the site and the product mix.

### 14. I understand Vendpro (or any other service provider for that matter) has setup costs at the start – how much is it? And why would the setup cost for one service provider be more than for another?

Again, you get what you pay for! A newer, more reliable and better looking machine with current payment technology is more expensive to supply. Likewise, more reliable technical and operational support delivering a shorter response time is dearer. But both – current technology and reliable service back-up – reduce downtime which in return increases sales which results in higher sales commission. Whilst you receive a free service Vendpro still incurs significant setup costs e.g. return shipment @ \$250-\$300; first product fill @ \$700; first coins float fill @ \$150; machine layout and setup @ \$300-\$400; goods financing and insurance @ \$200-\$400 per month etc.

### 15. Why am I required to complete and return the request for information (i.e. the 'Site Evaluation Form') or does Vendpro need to do a site visit before committing to delivering a service?

It's for the benefit of both parties. Vendpro prides itself on being a professional and reliable service provider – we value forming long term successful and sustainable relationships with our valued business partners. By doing a proper assessment upfront, we increase the chances of developing a successful and sustainable partnership from the start. We also aim to save everyone spending unnecessary time and money due to a possible failed business relationship. Lastly, Vendpro makes a significant investment upfront and it is only fair that such risks be managed by means of a due upfront risk analysis.