

FILE No.

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Form G

Commonwealth of Australia

Trade Practices Act 1974 — subsection 93 (1)

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. APPLICANT

(a) **Name of person giving notice:**

(Refer to direction 2)

N93637 Belle Property Australasia Pty Limited A.C.N. 087 534 432 as trustee for the
N93638 Belle Property Australasia Unit Trust ("Belle Property")

(b) **Short description of business carried on by that person:**

(Refer to direction 3)

Belle Property has established and is operating a real estate franchise system operating under the trade marks and systems of Belle Property.

(c) **Address in Australia for service of documents on that person:**

C/- Garry Neave
Aqueous Commercial Lawyers
Level 4 Culwulla Chambers
67 Castlereagh Street
SYDNEY NSW 2000

2. NOTIFIED ARRANGEMENT

(a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

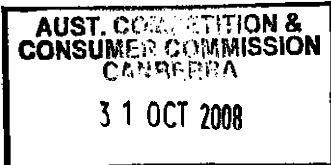
Property auctioneer services

(b) **Description of the conduct or proposed conduct:**

(Refer to direction 4)

Belle Property proposes to require franchisees to utilise the services of a Belle Property Auctioneer to perform all auctions provided by the franchisee in the operation of the franchise.

Belle Property Auctioneers are defined in the franchise agreement as "auctioneers that have been approved by Belle Property to provide auction services". The relevant provision of the franchise agreement in this regard in



Clause 7.4 of the Franchise Agreement, the full text of which is set out in Annexure "A" to this Notification.

3. PERSONS, OR CLASSES OF PERSONS, AFFECTED OR LIKELY TO BE AFFECTED BY THE NOTIFIED CONDUCT

(a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

Parties who are granted the right to operate a Belle Property franchise.

(b) Number of those persons:

(i) At present time:

There are currently eight franchisees.

(ii) Estimated within the next year:
(Refer to direction 6)

Approximately 10 new franchisees.

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

1. Belle Property Annandale
West Premium Properties Pty Ltd ABN 18 128 984 716
77 Westbourne Street
Petersham 2049
Ref: Robert Clarke, Jeremy Payne
2. Belle Property Avalon
Northern Beaches Group Pty Ltd ABN 53 117 429 375
17 Joseph Street
Avalon 2107
Ref: Timothy Bentley
3. Belle Property City
BPG Property Services No.4 Pty Ltd ABN 84 122 158 267
Suite 3, 17 Hickson Road
Walsh Bay 2000
Ref: Mark Murphy, Scott Aggett
4. Belle Property East
BPG East Trading Pty Ltd ABN 23 123 310 127
Suite 102, 14 Kings Cross Road
Potts Point 2011
Ref: Mark Murphy, Scott Aggett
5. Belle Property Manly
Ringmy Pty Ltd ABN 80 092 365 672
Shop 4, 5A Raglan Street

Manly 2095
Ref: Steve Thomas

6. Belle Property Hunters Hill
Davram Holdings Pty Ltd ABN 30 103 440 928
100 Woolwich Road
Woolwich 2110
Ref: James Steer
7. Belle Property Double Bay
Pacific Investment Pty Ltd ABN 55 076 319 401
13th Floor, 115 Pitt Street
Sydney 2000
Ref: Gary Vouris
8. Belle Property Wahrenonga
Eddon Pty Ltd ABN 50 003 761 171
10 Railway Avenue
Wahrenonga 2076
Ref: Ian Clarke

4. PUBLIC BENEFIT CLAIMS

(a) Arguments in support of notification:
(Refer to direction 7)

The arrangement will result in significant benefits for consumers of real estate services, including:

- (a) maintenance of a very high standard of auctioneer services for members of the public who engage a Belle Property franchisee to provide real estate auction services;
- (b) providing consumers with a high level of confidence in the quality, consistency and standard of auction services they can expect to receive when they engage the services of a Belle Property franchisee.

There is significant benefit for Belle Property franchisees, as Belle Property proposes to adopt a stringent selection process to assess the suitability of persons entitled to be Belle Property Auctioneers. This will ensure the maintenance of the integrity and high quality reputation of the Belle Property brand, the benefit of which will be enjoyed by all franchisees.

The arrangement allows for significant flexibility, so that the class of persons who may provide auctioneer services for Belle Property franchisees is not closed, which will enhance competition for auctioneers seeking to be appointed as a Belle Property Auctioneer or otherwise permitted to provide auction services for Belle Property franchisees.

(b) Facts and evidence relied upon in support of these claims:

The applicant relies upon the following further matters:

- (a) Belle Property is committed to the promotion of its brand and reputation for the benefit of all franchisees in the franchise system, and as such has and will set very high standards for those persons who will be engaged to provide auction services for franchisees and their customers.
- (b) Franchisees are attracted to the Belle Property franchise system because of its commitment to the attainment and maintenance of very high standards of product service and delivery, and have an expectation that Belle Property will continue to maintain those high standards.
- (c) The system of selection of Belle Property Auctioneers will mean that when engaging a Belle Property Auctioneer, that person will be of the highest quality and standard and will provide the best service to the end consumer who engaged the franchisee to provide real estate services.
- (d) Belle Property's commitment in this regard is evidenced by the requirement in Clause 7.4(2)(a) of the Franchise Agreement (see Annexure "A") that Belle Property Auctioneers must meet "Belle Property's quality and control standards for an auctioneer".
- (e) Belle Property is open to assessing, and will assess, any auctioneer who seeks to be included in the list of persons who are Belle Property Auctioneers, and will include any such persons provided they meet Belle Property's quality and control standards for an auctioneer.
- (f) Franchisees may seek the inclusion of an auctioneer in the list of approved Belle Property Auctioneers, as evidenced by Clause 7.4(3) of the Franchise Agreement (see Annexure "A").
- (g) If a Belle Property Auctioneer is not available to provide auction services for a franchisee, the franchisee may engage an alternate non-Belle Property Auctioneer, subject to that person meeting the requirements set out in Clause 7.4(5) of the Franchise Agreement (see Annexure "A")
- (g) It is open to any auctioneer to seek to be included as a Belle Property Auctioneer – it is not a requirement that the relevant auctioneer be an employee of Belle Property or any party related to it. Appointment as a Belle Property auctioneer will, however, require very high standards, and hence competition amongst auctioneers will be enhanced.

5. MARKET DEFINITION

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

The relevant markets in which the services are supplied and acquired are:

- (a) The provision of real estate services by franchisees to consumers. In the course of providing those services, franchisees engage the services of auctioneers for and on behalf of their customers to provide auction services.
- (b) The provision of auction services by auctioneers to consumers.

Only licensed and suitably qualified auctioneers may provide real estate auction services in Australia – as such, the only substitute for auction services is to conduct the sale of real estate by other means including sale by private treaty or tenders.

The Australian market for property auctioneer services is highly competitive, with a significant number of participants.

There are some areas of Australia where auctioneers may not be readily available. Belle Property has taken this into account in permitted non-Belle Property Auctioneers to be used where a Belle Property Auctioneer is not otherwise available.

6. PUBLIC DETRIMENTS

- (a) **Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:**

(Refer to direction 9)

The effect of the notified conduct is unlikely to result in detriment to the public, and indeed will benefit the public for reasons including those specified in paragraph 4 of this Notification. Relevant matters include:

- (a) The list of persons who may be appointed as Belle Property Auctioneers is not closed, with auctioneers being entitled to make a submission for inclusion as a Belle Property Auctioneers and franchisees being entitled to submit the details of an auctioneer they wish to be included as a Belle Property Auctioneer.

- (b) There will remain competition amongst those appointed to be Belle Property Auctioneers, as franchisees remain free to select any persons on the list of Belle Property Auctioneers to provide auction services.
- (c) The applicant will not be involved in the setting of prices by the Belle Property Auctioneers. Belle Property anticipates that regular competition amongst Belle Property Auctioneers will regulate prices. Belle Property Auctioneers will also have regard to the fact that Belle Property may appoint additional auctioneers, and will regulate the suitability of Belle Property Auctioneers to continue as Belle Property Auctioneers.

(b) Facts and evidence relevant to these detriments:

The applicant refers to the following:

- (a) The provisions of Clause 7.4(3), 7.4(4) and 7.4(5) of the Franchise Agreement (see Annexure "A")
- (b) There are a number of property auctioneers in Australia who operate in a competitive market for the provision of auctioneer services. According to the Australian Bureau of Statistics 2006 census data, there were 3021 auctioneers and stock and station agents in Australia in 2006.

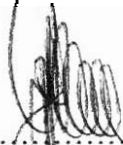
7. FURTHER INFORMATION

(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Garry Neave
Aqueous Commercial Lawyers
Level 4 Culwulla Chambers
67 Castlereagh Street
SYDNEY NSW 2000
Ph: 02 9223 3444
Fax: 02 9223 3844
Email: gneave@aqueouslaw.com.au

Dated 28 October 2008

Signed on behalf of the applicant



Garry Neave
Aqueous Commercial Lawyers
Solicitor for the Applicant

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

Annexure "A"
Text of Clause 7.4 of the Belle Property Franchise Agreement

7.4 Auctions

- (1) Belle Property shall provide to the Franchisee from time to time a list of persons who are Belle Property Auctioneers and may vary that list (by adding or removing names of persons) from time to time in its absolute discretion.
- (2) The Franchisee acknowledges and agrees that:
 - (a) those persons included in the list of Belle Property Auctioneers meet Belle Property's quality and controls standards for an auctioneer;
 - (b) Belle Property Auctioneers are essential for maintaining the consistency and uniformity in the provision and delivery of services provided by the Group;
 - (c) subject to Clause 7.4(4) of this Agreement, the Franchisee shall utilise the services of a Belle Property Auctioneer for all auction services provided in the operation of the Belle Property Office
- (3) If a Franchisee seeks to have a person approved for inclusion in the list of Belle Property Auctioneers, the Franchisee shall have the person provide such details to Belle Property as it may reasonably require for an assessment of the suitability of that person to be a Belle Property Auctioneer, and Belle Property approve or reject that persons in its absolute discretion
- (4) Where:
 - (a) there is no Belle Property Auctioneer available in the Business Development Area;
 - (b) the Belle Property Auctioneer is unavailable at the time and place required by the Franchisee to provide auction services,

then the Franchisee may engage the services of an alternate auctioneer who is not a Belle Property Auctioneer PROVIDED THAT prior to the engagement of that person the Franchisee must first seek the approval of the person to provide the auction services from Belle Property in accordance with the requirements of Clause 7.4(5) of this Agreement.

- (5) For the purposes of Clause 7.4(4) of this Agreement, provided that the alternative auctioneer proposed by the Franchisee:
 - (a) has the qualifications and accreditations required for an auctioneer; and
 - (b) has not less than five years experience as an auctioneer; and
 - (c) is of good reputation and standing; and
 - (d) meets Belle Property's quality controls and standards for an auctioneer

then Belle Property shall approve the alternate person for the purpose of conducting the auction services specified.

- (5) The Franchisee must:

- (a) enter into an appropriate agreement or contract with the Belle Property Auctioneer in relation to the provision of the auction services; and
- (b) promptly perform and otherwise comply with the Belle Property Auctioneer's service terms (including payment terms).

Form G

Commonwealth of Australia
Trade Practices Act 1974 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. APPLICANT

(a) Name of person giving notice:
(Refer to direction 2)

Belle Property Australasia Pty Limited A.C.N. 087 534 432 as trustee for the Belle Property Australasia Unit Trust (“Belle Property”)

(b) Short description of business carried on by that person:
(Refer to direction 3)

Belle Property has established and is operating a real estate franchise system operating under the trade marks and systems of Belle Property.

(c) Address in Australia for service of documents on that person:

C/- Garry Neave
Aqueous Commercial Lawyers
Level 4 Culwulla Chambers
67 Castlereagh Street
SYDNEY NSW 2000

2. NOTIFIED ARRANGEMENT

(a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Products and services ordinarily used by real estate service providers in the conduct of a real estate business, including:

- Stationery
- Signage
- Promotional materials

(b) Description of the conduct or proposed conduct:
(Refer to direction 4)

Belle Property proposes to require franchisees to purchase and use only Group Products in the conduct and operation of their real estate franchise business, and those Group Products must be obtained from Approved Suppliers.

Group Products are defined in the franchise agreement as “those products and services which Belle Property specifies from time to time are to be used by [franchisees] to facilitate consistency or service delivery” in the franchise system. Approved Suppliers are defined in the Franchise Agreement as “those suppliers that have been approved by Belle Property to supply Group Products to [franchisees]”.

The relevant provision of the franchise agreement in this regard in Clause 13 of the Franchise Agreement, the full text of which is set out in Annexure “A” to this Notification.

3. PERSONS, OR CLASSES OF PERSONS, AFFECTED OR LIKELY TO BE AFFECTED BY THE NOTIFIED CONDUCT

(a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

Parties who are granted the right to operate a Belle Property franchise.

(b) Number of those persons:

(i) At present time:

There are currently eight franchisees.

(ii) Estimated within the next year:
(Refer to direction 6)

Approximately 10 new franchisees.

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

1. Belle Property Annandale
West Premium Properties Pty Ltd ABN 18 128 984 716
77 Westbourne Street
Petersham 2049
Ref: Robert Clarke, Jeremy Payne
2. Belle Property Avalon
Northern Beaches Group Pty Ltd ABN 53 117 429 375
17 Joseph Street
Avalon 2107
Ref: Timothy Bentley
3. Belle Property City
BPG Property Services No.4 Pty Ltd ABN 84 122 158 267
Suite 3, 17 Hickson Road

Walsh Bay 2000
Ref: Mark Murphy, Scott Aggett

4. Belle Property East
BPG East Trading Pty Ltd ABN 23 123 310 127
Suite 102, 14 Kings Cross Road
Potts Point 2011
Ref: Mark Murphy, Scott Aggett
5. Belle Property Manly
Ringmy Pty Ltd ABN 80 092 365 672
Shop 4, 5A Raglan Street
Manly 2095
Ref: Steve Thomas
6. Belle Property Hunters Hill
Davram Holdings Pty Ltd ABN 30 103 440 928
100 Woolwich Road
Woolwich 2110
Ref: James Steer
7. Belle Property Double Bay
Pacific Investment Pty Ltd ABN 55 076 319 401
13th Floor, 115 Pitt Street
Sydney 2000
Ref: Gary Vouris
8. Belle Property Wahroonga
Eddon Pty Ltd ABN 50 003 761 171
10 Railway Avenue
Wahroonga 2076
Ref: Ian Clarke

4. PUBLIC BENEFIT CLAIMS

**(a) Arguments in support of notification:
(Refer to direction 7)**

The arrangement will result in significant benefits for consumers of real estate services, including:

- (a) maintenance of a very high standard of real estate services for members of the public who engage a Belle Property franchisee to provide real estate services;
- (b) providing consumers with a high level of confidence in the quality, consistency and standard of real estate services they can expect to receive when they engage the services of a Belle Property franchisee;
- (c) promoting uniformity and consistency of standards and delivery of real estate services.

There is significant benefit for Belle Property franchisees, as Belle Property proposes to adopt a stringent selection process to assess the suitability of:

- (a) products which fall within Group Products; and
- (b) suppliers who can become approved as Approved Suppliers.

This will ensure the maintenance of the integrity and high quality reputation of the Belle Property brand, the benefit of which will be enjoyed by all franchisees.

The arrangement allows for significant flexibility, so that the range of Group Products which may be used by franchisees in the conduct of the franchise business, and the suppliers whom may be approved as Approved Suppliers, are not closed.

(b) Facts and evidence relied upon in support of these claims:

The applicant relies upon the following further matters:

- (a) Belle Property is committed to the promotion of its brand and reputation for the benefit of all franchisees in the franchise system, and as such has and will set very high standards for those persons who will be approved as Approved Suppliers and for the type of Group Products that may be approved for use by franchisees in the conduct of their franchised business.
- (b) Franchisees are attracted to the Belle Property franchise system because of its commitment to the attainment and maintenance of very high standards of product service and delivery, and have an expectation that Belle Property will continue to maintain those high standards.
- (c) The system of selection of Approved Suppliers will mean that when engaging an Approved Supplier, that person will be of the highest quality and standard and will provide the best product and/or service for the benefit of the end consumer who engaged the franchisee to provide real estate services.
- (d) The system of selection of Group Products will mean that the products and services selected will be of the highest standard and quality, which again will be for the benefit of the end consumer who engaged the franchisee to provide real estate services
- (e) Belle Property's commitment in this regard is evidenced by the requirement in:
 - (i) Clause 13.2(2)(a) of the Franchise Agreement (see Annexure "A") that Group Products must "meet Belle Property's quality controls and standards for products and services" used in and by franchisees; and

- (ii) Clause 13.2(2)(b) of the Franchise Agreement (see Annexure “A”) that Approved Suppliers must meet “Belle Property’s quality and control standards for suppliers” used by franchisees.
- (e) Franchisees may seek the inclusion of alternate products and services to Group Products or an alternate supplier to an Approved Supplier, as evidenced by Clause 13.2(2) of the Franchise Agreement (see Annexure “A”).

5. MARKET DEFINITION

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

The relevant markets in which the services are supplied and acquired are:

- (a) The provision of real estate services by franchisees to consumers. In the course of providing those services, franchisees acquire certain products and services for and on behalf of their customers, including stationery materials, signage and promotional materials.
- (b) The provision of products and services (stationery materials, signage and promotional materials) by suppliers to real estate franchisees.

There are various and numerous suppliers in Australia, who are geographically in close proximity to franchisees, who can and do provide stationery materials, signage and promotional materials of the sort commonly used in the conduct of a real estate franchise business. As such, there are various types of such products and services available which are readily interchangeable, and the market for these products and services is highly competitive, with a significant number of supplier participants.

Notwithstanding the proposed specification of Group Products and Approved Suppliers, the categories of products which may be used, and the categories of persons from whom franchisees may secure the supply of such goods and services, is not closed. Clause 13.2(2) of the Franchise Agreement provides franchisees with the right to source alternate products and services from alternate suppliers, provided Belle Property’s quality controls and standards are met

6. PUBLIC DETRIMENTS

- (a) **Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:**

(Refer to direction 9)

The effect of the notified conduct is unlikely to result in detriment to the public, and indeed will benefit the public for reasons including those specified in paragraph 4 of this Notification. Relevant matters include:

- (a) The list of persons who may be appointed as Approved Suppliers and the products that may be included as Group Products is not closed, with franchisees being entitled to make a submission for inclusion of alternate products and services as Group Products and alternate suppliers to be added as Approved Suppliers.
- (b) There will remain competition amongst those appointed as Approved Suppliers, as franchisees remain free to select any persons on the list of Approved Suppliers to provide the Group Products.
- (c) Franchisees will have a range of Group Products from which they may make a selection, and as previously advised alternate groups and products may be added to that list range.
- (d) The applicant will not be involved in the setting of prices for Group Products – this will be a matter between franchisees and relevant Approved Suppliers. The prices charged by Approved Suppliers will be influenced by the fact that the categories of persons who may be appointed as Approved Suppliers is not closed, thereby ensuring continued competition.

- (b) **Facts and evidence relevant to these detriments:**

The applicant refers to the following:

- (a) The provisions of Clause 13.2(2) of the Franchise Agreement (see Annexure “A”)
- (b) There are a large number of types of products and services and suppliers of products and services relating to stationery, signage and promotional materials for real estate businesses, and indeed businesses generally, in Australia.

7. FURTHER INFORMATION


- (a) **Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:**

Garry Neave

Aqueous Commercial Lawyers
Level 4 Culwulla Chambers
67 Castlereagh Street
SYDNEY NSW 2000
Ph: 02 9223 3444
Fax: 02 9223 3844
Email: gneave@aqueouslaw.com.au

Dated. 28 October 2008

Signed on behalf of the applicant



.....

Garry Neave
Aqueous Commercial Lawyers
Solicitor for the applicant

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

Annexure "A"
Text of Clause 13 of the Belle Property Franchise Agreement

13. PRODUCTS AND SERVICES

13.1 Group Products

- (1) Belle Property shall provide to the Franchisee from time to time a list of:
- (a) Group Products; and
 - (b) Approved Suppliers,
- and may vary those lists (by adding or removing products and services or names of suppliers) from time to time in its absolute discretion.
- (2) The Franchisee acknowledges and agrees that:
- (a) those products and services listed in the Group Products and those persons included in the list of Approved Suppliers meet Belle Property's quality and controls standards for products and services and suppliers respectively; and
 - (b) the supply of Group Products by the Approved Suppliers is an essential component for maintaining the consistency and uniformity of the provision and delivery of services by the Group; and
 - (c) subject to Clause 13.1(4) of this Agreement, the Franchisee shall obtain the Group Products from the Approved Suppliers and utilise them in the conduct of the Business.
- (3) If a Franchisee seeks to:
- (a) have a product or service approved for inclusion in the list of Group Products; or
 - (b) have a person approved for inclusion in the list of Approved Suppliers; or
- the Franchisee shall provide such details to Belle Property as it may reasonably require for an assessment of the suitability of the product or service to be a Group Product or the person to be an Approved Supplier (as the case may be), and Belle Property may approve or reject that product or service or person (as the case may be) in its absolute discretion

13.2 Using other services, products and goods or other suppliers

- (1) The Franchisee may use or obtain, products or services alternative to the Group Products from a supplier who is not an Approved Supplier, where it first obtains Belle Property's written consent in accordance with the requirements of Clause 13.2(2) of this Agreement
- (2) For the purposes of Clause 13.2(1) of this Agreement:
- (a) where the alternate product or service is:
 - (i) at least equal in quality and standard to the Group Product it substitutes;
 - (ii) suitable for the purpose for which it is intended;
 - (iii) appropriate for the operation of the Business; and

- (iv) compatible with the products and services used by other Belle Property offices; and
- (v) meets Belle Property's quality controls and standards for products and services used in and by the Group,

then Belle Property shall approve the use of the alternate product or service by the Franchisee, and

- (b) where the alternate supplier is
 - (i) is of good reputation and standing; and
 - (ii) meets Belle Property's quality controls and standards for suppliers used by the Group,

then Belle Property shall approve the use of the supplier by the Franchisee

13.3 Approved Supplier's terms

13.3.1 The Franchisee must:

- (a) enter into an appropriate agreement or contract with Approved Suppliers (or any other supplier approved by Belle Property pursuant to Clause 13.2(2)(b) of this Agreement) in relation to the provision of Group Products or other products and services; and
- (b) promptly perform and otherwise comply with the Approved Supplier's or other alternate supplier's service terms (including payment terms).