



**Non-Food/Beverage  
Supplier Compliance Guidelines**

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## I. Introduction

### A. Who should Use These Guidelines:

These Supplier Compliance Guidelines (these “Guidelines”) pertain to our suppliers of non-inventory-related goods and/or services only. All inventory-related purchases, including food, beverage and disposable products, will continue to be ordered and invoiced through our restaurant management system.

Suppliers submitting more than one invoice over \$1,000 in a calendar year and have been issued a Purchase Order (“a PO”) must use the Workday Supplier Portal (the “Supplier Portal”). The Supplier Portal is a secure self-service tool that will allow you to view POs and invoices, and maintain your data, such as contact information, addresses, and bank accounts.

To gain access to the Supplier Portal, please send an email with your Supplier name, address, and primary contact name and email to [procurement@shakeshack.com](mailto:procurement@shakeshack.com) with “Supplier Portal Access Request” in the subject line of the email.

### B. Overview

These Guidelines represents the compliance policies and procedures applicable to suppliers to support the operational needs of Shake Shack Enterprises, LLC and its subsidiaries and affiliates (collectively, Shake Shack”). A key component of Shake Shack’s commitment to excellence is the strong business relationships that we build with our suppliers. The purpose of these Guidelines is to define clearly the requirements and expectations for our supplier partners. It is critical that all suppliers understand and are committed to meeting the requirements as outlined in these Guidelines. These Guidelines are in addition to any contracts or POs between Shake Shack and its suppliers.

### C. New Supplier Setup

The Shake Shack employee responsible for procuring goods and services will provide new suppliers the link to complete the prospective supplier questionnaire. Please refer to the help guide for assistance with completing the online form and providing other required documentation.

**IMPORTANT NOTE** TO ALL SUPPLIERS WHO ARE SUPPLYING FOOD/BEVERAGE TO A SHACK OR ARE PROVIDING ONSITE SERVICES AT A SHACK: BEFORE YOU START THE QUESTIONNAIRE (AND THEREFORE BEFORE YOU ARE ONBOARDED AS A VENDOR ENTITLED TO PAYMENT), YOU MUST HAVE SATISFIED SHAKE SHACK’S INSURANCE AND INDEMNIFICATION REQUIREMENTS. PLEASE SPEAK WITH YOUR SHAKE SHACK CONTACT TO ADDRESS THESE REQUIREMENTS. THE APPROVED REQUIRED PAPERWORK MUST BE UPLOADED TO THE QUESTIONNAIRE AT THE ONSET.

## II. Purchase Orders

### A. Purchase Order Definition and Requirements

A PO is the document issued by Shake Shack (the buyer) to a supplier (the seller) indicating the types, quantities, and agreed upon prices for services or goods the supplier will provide to Shake Shack. The PO allows Shake Shack to communicate clearly and explicitly the requirements of a given purchase to a supplier.

Shake Shack requires a duly authorized and issued purchase order for all non-inventory item purchases of services or goods greater than \$1,000. Services should not be rendered, nor goods delivered, against verbal commitments, emails, phone orders, or worksheets only.

Invoices submitted without a PO, for goods or services valued over \$1,000, will be **rejected** and sent back to supplier. The supplier must re-submit the invoice with reference to the Shake Shack Purchase Order. Payment terms will start upon compliant invoice re-submission.

**B. Purchase Order Terms and Conditions**

Performance against a PO is acceptance of all Terms and Conditions set forth on Shake Shack Purchasing page (<https://www.shakeshack.com/purchasing/terms-conditions>). Services must be rendered, and material goods must be delivered in accordance with the PO. **Payment will not be released to any supplier that performs services or delivers goods without a duly authorized PO.**

**C. Pricing on the Purchase Order**

Pricing on the PO is the agreed upon pricing between Supplier and Shake Shack for the services or goods being purchased. Any exception or error to the pricing on the purchase order must be communicated to your Shake Shack contact within **24 hours** of receipt of the PO, otherwise the pricing shown will be binding. All price adjustments to POs must be approved by Shake Shack before a supplier fulfills the PO.

**D. Purchase Order Confirmations**

All suppliers are required to email confirmation to the Shake Shack contact indicated on the PO no later than **1 business day** from the issuance date.

### **III. Invoicing Procedures**

In this section, we will describe invoice and payment procedures.

**A. Invoice Submission**

Paper invoices will not be accepted. Invoices must be submitted using one of the following methods:

1. **Electronic Data Interchange (EDI), File Transfer or other equivalent** – for suppliers submitting more than 500 invoices annually.
2. **Shake Shack Supplier Portal** – Invoice referencing a PO must be converted to an invoice upon the fulfillment of the goods or services. **This is Shake Shack’s required method for Suppliers who invoice a value over \$1,000 more than 1x in a calendar year and have been issued a PO.**

## **B. Invoice Content**

All invoices must contain the following:

- Supplier's full name, address, telephone number and email address
- Shake Shack Contact Person
- Invoice Number
- PO Number and Line Item (when greater than \$1,000)
- Item SKU and Product or Service Description
- Item Quantity (goods only) and Unit of Measure
- Invoice Date
- Itemized Dollar Amounts; i.e. item, service, discounts, **shipping and tax must be listed separately**
- Shake Shack Ship to Address (or address where work is being performed)
- Currency

**Invoices missing any of the necessary content will be returned to the supplier for correction and will not be paid until the supplier has provided a corrected invoice. Payment terms will restart from the time the corrected invoice is received in Accounts Payable.**

## **C. Invoice Approvals and Discrepancies**

Invoices referencing a PO must match ordered quantity and price, and receipt must be confirmed by the Shake Shack contact prior to releasing for payment. If received quantity does not match the invoice quantity, the invoice will be rejected and require a revised invoice or credit memo to be submitted. If the invoice price does not match the PO price, the invoice will be **rejected**, and a revised invoice is required. The payment terms will start upon receipt of the revised invoice.

Invoices submitted without a PO, for goods or services valued over \$1,000, will be rejected and sent back to supplier. The supplier must re-submit the invoice with reference to the Shake Shack Purchase Order. Payment terms will start upon compliant invoice re-submission.

## **D. Invoice and Payment Processing**

Accounts Payable will process invoices under the following conditions:

- The supplier is active in the Shake Shack system, and the Supplier Information Form is complete and accurate with a match to government records (i.e. IRS in the US and CRA in Canada).
- The invoice contains the necessary content (section III.B), is in its original format and has been approved.
- The charges on the invoice and PO (where applicable) must agree. If not, the Shake Shack contact will notify the Supplier to resolve the discrepancy.
- For US suppliers, the preferred method of payment is by ACH. To sign-up for ACH, please go to Supplier Portal (see section [IV.A](#) to get access).
- Payment will be made according to the agreed upon terms.

**E. Summary of Non-Compliance Fees**

Shake Shack will charge a fee for non-compliance with outlined invoice submission guidelines per the below table.

<b>Code</b>	<b>Violation</b>	<b>Fee</b>
NC1	Invoice does not reference a Purchase Order or references an invalid PO	\$50 per invoice
NC2	Electronic Invoice is delivered late (more than 24 hours from shipment)	\$50 per invoice
NC3	Payments by Check	\$50 per payment
NC4	Invoice is not submitted electronically (via Portal or EDI/FTP transfer)	\$50 per invoice
NC5	Invoice is missing required information	\$50 per invoice

**F. Payment Inquiries**

An invoice payment status can either be viewed via the Workday Supplier Portal or via an email to [AP@shakeshack.com](mailto:AP@shakeshack.com). In your email to AP, please include the purchase order and invoice ID.

**G. Payment Term Policy**

Shake Shacks standard payment terms are Net 45.

Exceptions apply to the following:

- Signed contract between Shake Shack Enterprises and the supplier states different agreed upon payment terms.
- Supplier and business case have been reviewed and approved by the Senior Manager of Procurement Operations and Indirect Spend Manager.

## IV. Using Shake Shack Supplier Portal

The Supplier Portal is a self-service tool that will allow suppliers to directly access their information during the “procure-to-pay” lifecycle. The portal is accessed via a secured website and includes the following functionality: viewing POs, viewing invoice status, and maintaining supplier master data such as contact information, addresses, and bank accounts.

### A. **Get Access:**

To gain access to the portal, please send an email with your supplier name/address and primary contact name and email to [procurement@shakeshack.com](mailto:procurement@shakeshack.com) with “Supplier Portal Access Request” in the subject line of the email.

### B. **Frequently Asked Questions:**

#### ***What is the Supplier Portal?***

The Supplier Portal is a secure self-service tool that will allow you to view POs and invoices, and maintain supplier data such as contact information, addresses, and bank accounts.

#### ***Who can access the Supplier Portal?***

Any non-inventory supplier who has requested and received a login.

#### ***Is there a fee for using the Supplier Portal?***

No, there is no fee for your company to use the portal.

#### ***What are the technical requirements for using the Supplier Portal?***

There is no technical set-up required by your company. The portal is accessed via a secured website; an internet connection is the only requirement.

#### ***What training is provided for the Supplier Portal?***

Ongoing web-based training is available on the Shake Shack website - <https://www.shakeshack.com/purchasing/supplier-guides>

#### ***What can I view in the Supplier Portal?***

All users from your company will be able to view POs, Invoices, and Payment Status in the Supplier Portal. One administrator from your company will be able to manage supplier master data such as contact information, address, and bank account information.

#### ***Who do I contact with questions regarding the Supplier Portal?***

Please contact Shake Shack Accounts Payable at [procurement@shakeshack.com](mailto:procurement@shakeshack.com) if you have any questions.