



21st March 2022

CHANGE TO LOGISTICS & FREIGHT RECOVERY LEVY

Dear Customer,

As we progress through the challenging Omicron outbreak, we have and will encounter ongoing increases in our cost of doing business. These come from a range of sources, including:

- freight increases driven by fuel costs and driver shortages;
- a \$1.20 per hour Minimum Wages increase at 1 April 2022, which has a ripple effect impacting wage rates through-out our warehouse operations;
- further wage pressure due to low unemployment and the government's immigration constraints;
- inflation growth impacting various operating expenses; and
- ongoing increases in our costs in relation to operating safely within this Covid environment.

We have absorbed these cost increases over the last couple of years as we have all battled in the Covid environment. While we constantly seek to drive efficiency through process and technology, the uncontrollable cost increases we continue to experience requires us to act. In order to maintain our pricing architectures with the pricing structures loaded by our suppliers, we will seek to recover some of the increases via our Freight & Logistics Recovery Levy, which will move to \$6.50 per invoice from 4 April 2022.

We do not make this change lightly and do so in order to continue to drive a sustainable business that is geared to support our customers and the numerous suppliers that are aggregated for your convenience via our model.

Yours sincerely,



Grant Simpson

GENERAL MANAGER