

1 June 2022

Dear Valued Customer

**Re: Nichols Poultry Business**

Following an extensive business review of our product costs which continue to be impacted by significant price increases on core cost inputs; specifically raw materials and freight, we are implementing the following changes to our business trading terms, effective 29/06/2022:

1. A price increase across the Nichols poultry range for which a new Price List will be available from your TasFoods Sales Representative and emailed with invoices over the next few weeks.

The decision to increase pricing is the result of increasing grain (wheat) costs, freight, labour and other major cost inputs over recent months and they are expected to further increase over coming months. The fact that these cost pressures are industry wide should help minimise any impact on sales as a result of these price increases.

2. A flat \$10.00, (plus GST) freight charge per delivery which will be included on all invoices.
3. A minimum order value of \$150.00.
4. Order multiples will move to a minimum of 8 trays per product and 12kg per carton for bulk products, noting that we are also adding 4 different mixed carton options and are also deleting a number of poor selling SKUs.
5. TasFoods will be charging a credit/debit card surcharge fee of 0.86% on all payments received via credit card. Please note this change is for payment by credit/debit card only. You will still have the option to pay by cheque or direct debit without any additional fee.
6. As we implement our new IT system, we are aligning our payment terms to 14 Days from date of invoice across all Tas Foods business units. This will also be communicated separately to those customers currently paying outside these new terms.

We realise that this is a significant number of changes to implement all at once, but our future necessitates that we need to act as soon as possible.

We also believe however, that Nichols Poultry consumers are very loyal to our brand and over the coming months we will be investing significantly in marketing at the point of sale to promote our unique product features to further increase consumer loyalty and sales.

Nichols Poultry and the extended TasFoods team would like to thank you for your ongoing support of our business and products which we truly do appreciate.

Kind Regards,

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**Betta**  
**MILK**