

DL:ab

18th March 2014

«Store_Name»

«Address»

«Town» «PC»

Attention: «Title»

Dear «Dear»

Re: Service Fee Scale

The annual review of the Service Fee Scale was conducted in August 2013 but was not applied due to a review of our overall operating costs.

Our Western Junction Distribution Centre has been operating for just over 2 years and a number of efficiency initiatives have been implemented which have helped keep charges lower to our customers over this period. Although these initiatives have been realised, costs continue to increase and the Board of Directors has approved the following Service Fee Scale **effective Monday 31/03/14:-**

LOWER LIMIT	UPPER LIMIT	SF %
\$0	\$3,000	8.00
\$3,001	\$5,000	6.50
\$5,001	\$10,000	5.00
\$10,001	\$15,000	4.00
\$15,001	\$20,000	3.75
\$20,001	\$25,000	3.50
\$25,001	\$30,000	3.25
\$30,001	\$36,000	3.00
\$36,001	\$42,000	2.75
\$42,001	\$48,000	2.60
\$48,001	\$56,000	2.50
\$56,001	\$64,000	2.40
\$64,001	\$72,000	2.30
\$72,001	\$82,000	2.20
\$82,001	\$92,000	2.15
\$92,001	\$102,000	2.10
\$102,001	\$112,000	2.05
\$112,001	\$122,000	2.00
\$122,001	\$132,000	1.95
\$132,001	\$142,000	1.90
\$142,001	\$152,000	1.85
\$152,001	>	1.80

I am sure you can appreciate there is a significant cost to service small orders and our minimum carton quantity of 50 (excluding cigarettes) has not changed since SIW was formed in 1981. Clearly this minimum order quantity is not realistic given the costs of running a modern distribution centre. Whilst a new minimum order quantity has not been determined there is an increased cost to supply smaller orders and this is reflected in the service fee scale. You will be advised when the new rules around minimum ordering quantities have been determined, however in the mean time I have attached an updated Customer Manual for your information. I encourage you to support your warehouse wherever possible to lower your charges from SIW.

Please note: Products where a special service fee has been negotiated with TIR will not be charged.

If you have any questions please do not hesitate to contact me on 6391 0800.

Yours sincerely

STATEWIDE INDEPENDENT WHOLESALERS LIMITED

David Lanham
GENERAL MANAGER