
**Wholesale Supply Request Rules,
Criteria and Procedures for
considering wholesale supply
requests**

Wholesale Supply Request Rules, Criteria and Procedures for considering wholesale supply requests As at 8 September 2023 for the Foodstuffs North Island Regulated Group

Introduction

Foodstuffs North Island Limited (**Foodstuffs NI**), each of its franchisees, Liquorland franchisees, as well as certain interconnected body corporates of Foodstuffs NI¹ (together the **Foodstuffs NI Regulated Group**), are each a regulated grocery retailer under the Grocery Industry Competition Act 2023 (**Act**).

Under section 36 of the Act, we must:

- establish and implement effective rules, criteria, and procedures for considering wholesale supply requests (**Wholesale Requests**) for groceries and any ancillary services (**Wholesale Rules**); and
- publish a copy of those Wholesale Rules.

This document sets out the Wholesale Rules for the Foodstuffs NI Regulated Group. While a Wholesale Request can be made to Foodstuffs NI or one of its franchisees (that is, PAK'nSAVE, New World, Four Square and Gilmours stores located in the North Island), any Liquorland franchisees' stores, or certain interconnected body corporates of Foodstuffs NI, Foodstuffs NI will manage any Wholesale Request made to a member of the Foodstuffs NI Regulated Group. This is to ensure all requests are responded to in a timely and efficient manner.

Foodstuffs South Island Limited has its own Wholesale Rules, which are available on its website.

If you are interested in purchasing groceries (and any ancillary services) from us as a wholesale customer and wish to make a Wholesale Request you should read this document carefully. It explains:

- what category of customers we will accept a Wholesale Request from in section one;
- the criteria we consider when determining whether to accept a Wholesale Request from a qualifying customer in section two; and
- how you can make a Wholesale Request and then the procedure and indicative timelines we follow when considering that Wholesale Request in section three.

These are our Wholesale Rules as at 8 September 2023 and we will regularly review these Rules and update them as we refine our wholesale offer and as required by the Act. Any updates to our Rules will be available on our website.

Section one: Qualifying Wholesale Customers

Under the Act, a *wholesale customer* may make a request to us for the wholesale supply of *groceries and any ancillary services*. *Wholesale customer* is defined in section 25 of the Act² and *groceries* is defined in section 5 of the Act by reference to eleven product categories.

We may in our discretion consider supply requests from customers who do not meet the definition of wholesale customer in the Act. We may in our discretion consider requests for groceries beyond the product categories included in the definition of *groceries*.

In addition to the above, we will only consider Wholesale Requests which have delivery locations in the North Island, as this is where our Distribution Centres (**DCs**) and franchisees' stores (and therefore our delivery capacity) are located.

¹ See section 26 of the Act for which companies have wholesale supply obligations.

² Section 25 of the Act defines a qualifying wholesale customer as "any person that receives the wholesale supply, or wants to obtain the wholesale supply, of groceries from a regulated grocery retailer for the purpose of supplying groceries, directly or indirectly, at retail to consumers."

Section two: Criteria for supply for qualifying customers

We have criteria we consider when determining whether to accept Wholesale Requests.

Criteria to be met before we can accept your Wholesale Request

Signed legal documents – NDA, T&Cs and Supply Agreement

Before we can consider accepting your Wholesale Request, you will need to ensure you can comply with the obligations on wholesale customers contained in our standard non-disclosure agreement (**NDA**), our standard terms and conditions for wholesale supply (**T&Cs**) and any other Supply Agreement (each and together being the **Wholesale Agreement**) we have with you. You will then need to sign these documents correctly and return them to us.

Credit check and credit limit

Before we will consider accepting your Wholesale Request we will need to complete a satisfactory credit check of you. We may require credit references and personal guarantees from your directors.

We may set a credit limit. If you make a Wholesale Request which results in you being above your credit limit, we may not be able to fulfil your Wholesale Request.

Compliance with our health and safety requirements

Keeping our people safe is important to us. Our people will need to access your sites to deliver groceries pursuant to any Wholesale Agreement. You will therefore need to comply with our health and safety requirements. This involves, among other things, a process to induct our workers to your site, a safe location for loading and unloading, appropriate equipment, and a process to ensure our workers are safe during the loading and unloading of delivery trucks. Before we can consider accepting your Wholesale Request, we will need to schedule one or more site visits (at agreed times) at each of your delivery locations, to establish compliance with our health and safety requirements. More information about our health and safety requirements are set out in clause 7 of our T&Cs.

Liquor licence

Alcohol products are not *groceries* as defined by the Act. However, we may in our discretion, consider Wholesale Requests for beer, wine or mead.

Please contact your customer service representative to confirm we will sell these alcohol products to you if you wish to order these in your Wholesale Request.

If you intend to order beer, wine or mead from us, then before we will consider accepting your Wholesale Request you will also need to provide us with a current Liquor Licence.

Type of groceries which the Wholesale Request and subsequent orders relate to

When we are considering your Wholesale Request we will discuss our product offering with you.

If you make an order which includes a grocery product which is not within our wholesale offering, we may reject your order in part (i.e. to the extent products are ordered that are not within our wholesale offering) and/or contact you to discuss an alternative product.

Supplier consent

Some of our suppliers have chosen not to make their grocery products available for purchase at wholesale. Other of our suppliers have granted conditional consent for some or all of their grocery products to be included in our wholesale offer. If a supplier has granted conditional consent, we will need to fulfil the terms of that consent before selling its products to you. For example, we may need to obtain the supplier's approval of the wholesale customer or the volumes to be purchased. If your Wholesale Request includes one or more of these products, and we are unable to obtain the required supplier consent, we may reject your Wholesale Request to the extent of this issue and contact you to discuss alternatives.

Minimum and maximum order quantities or values

From time to time, we may set minimum and/or maximum order quantities or values which apply to the quantity or value of an order you can make to us.

Currently, we have a minimum order value of \$2,500 excluding GST. If you make an order for a lesser amount, we generally will not consider it.

If a minimum order quantity applies to a product, this will be specified on your pricing list as "DC issue unit".

Forecasts

As part of our onboarding process, all customers would be required to provide an initial forecast showing desired range and an indicative monthly forecast.

For our larger customers, we will then require weekly or monthly volume forecasts. Any order will need to be made in accordance with your volume forecasts, which generally need to be provided at least four weeks in advance. More information about these requirements is set out in clause 4.1 of our T&Cs.

Delivery

At present, we are not able to give wholesale customers the option of collecting groceries purchased under a Wholesale Agreement from our Distribution Centres. Therefore, if you wish to make a Wholesale Request of us, you will need to purchase delivery services from us. A weekly schedule of delivery days and/or windows will be agreed prior to any supply commencing under a Wholesale Agreement. Any Wholesale Request must be made in accordance with this agreed schedule, and we may reject any Wholesale Request that requests delivery days or windows outside of the agreed schedule. More information about these requirements is set out in clause 6.2 of our T&Cs.

Right of resale restricted to NZ

Due to supplier requirements that we are subject to, you are not permitted to sell or supply goods purchased from us under a Wholesale Agreement outside of New Zealand (unless we have previously agreed to this in writing). We will not process any Wholesale Request where we believe (acting reasonably) that this may occur.

Ancillary services

If you make a Wholesale Request that also includes a request for an ancillary service which is not within our wholesale offering, we may not be able to provide that ancillary service. We will need to discuss your request further with you. Currently, we require all wholesale customers to purchase delivery services for all groceries purchased from us under a Wholesale Agreement. We will consider requests for other delivery methods (noting that we do not at present allow for customers to pick up orders) and ancillary services on a case-by-case basis in good faith.

Section three: Our procedures for considering Wholesale Request

As a first step you must register your interest online via our website at [Foodstuffs Wholesale Offering \(Expression of Interest\)](#). We will then progress your Expression of Interest and subsequent Wholesale Request by following the steps and time periods outlined below.

1

Determining eligibility - 5-15 working days*

As a first step, you must register your interest online via our website at [Foodstuffs Wholesale Offering \(Expression of Interest\)](#).

Any customer that makes a request of Foodstuffs NI, or any other member of the Foodstuffs NI Regulated Group, will be directed to follow the process above.

As a second step, an NDA will be sent to you within 5 working days of us receiving your Expression of Interest.

As a third step, one of our team will aim to contact you via phone or email within 5-10 working days of us receiving your correctly signed NDA.

During this stage we will need to **determine your eligibility** as a wholesale customer (see section 1 of these Wholesale Rules for more information). We will also seek to understand more about your needs and will explain our product range and key commercial terms of our T&Cs to you.

If we determine you are not an eligible customer, we will confirm that your application to our FSNI Wholesale division has been closed (ie that the procedures in this chart will not apply to you). We will check if there's a different way FSNI or our stores can assist you.

2

Customer setup - 5-20 working days*

Before we can allow you to order from us, we will need to complete each of the following steps (which may happen contemporaneously):

- We will ask you to share more details about **products** you wish to purchase from us. We will share more details about **our pricing**. Any specific pricing requests you make will be responded to within 5-10 working days.
- We will provide you with **all relevant documentation**, including our standard terms and conditions, your specific Supply Agreement (if any) and all related policies such as our MDA Policy and Unit Load Transfer Policy. You may need to provide a **Liquor Licence**.
- We will schedule a **site visit/s** (at agreed times) at each of your delivery locations to establish compliance with our **health and safety requirements** (see section 7 of our T&Cs for more information).
- We will work with you to agree your **delivery schedule**.
- You will need to provide your **initial volume forecasts** so we can then seek relevant **supplier consents**.
- We will complete a **credit check, seek credit references**, and may require **personal guarantees**. We will advise you of your **credit limit**.
- We will work with you to agree any **ancillary services** (in addition to delivery).

Once each of the above steps is completed, **our system setup commences** (SAP setup) so that you can place your first order with us. We will aim to complete our system setup within 3-5 working days.

3

Ongoing ordering

Weekly or monthly volume forecasts (for large customers only) will need to be provided at least 4 weeks in advance for future orders.

To place an order, you will need to **fill in and return the provided order form** to fsni@foodstuffs.co.nz at least **48 hours in advance** of the planned delivery schedule.

Once your order is received, it will be **placed in our system** and a **confirmation email** will be sent to you. The order will then be **delivered** in accordance with your delivery schedule.

Invoicing and payment will then occur, as set out in our T&Cs.

* All timings above are indicative only. Actual timings will depend on the number of customer sites, range and delivery requirements and excludes time elapsed whilst we wait on any responses from you.