



Commission Tariff Schedule

Commission Rates Tariff Schedule for Consignment Trade Sales

Effective 28 May 2012

Please go to www.mgmarketing.co.nz
for branch and contact details

COMMISSION RATES

The following commission rates apply to all consignment sales made by the Supplier through Market Gardeners Ltd trading as MG Marketing ("MG"):

| | Gross Annual Consignment Sales | Commission Rate (GST Excl.) |
|-------------------------------|--------------------------------|-----------------------------|
| Fruit, Vegetables and Produce | \$0 – \$99,999 | 18.0% |
| Fruit, Vegetables and Produce | \$100,000 and over | 12.0% |

COMMISSION BASE

Commissions are charged at the above rates on the sales price achieved less GST, freight, levies and hire equipment charges for the fruit, vegetables and produce sold by MG on consignment for the Supplier.

GROSS ANNUAL CONSIGNMENT SALES

Is the aggregate of the sales price achieved all for the fruit, vegetables and produce sold by MG on consignment for the Supplier during the financial period of 1 July to 30 June each year less GST, freight, levies and hire equipment charges.

FINANCIAL PERIOD

A financial period commences on 1 July each year and concludes on 30 June of the following year.

NEW SUPPLIERS / GROWERS

New Suppliers who have no sales history with MG will commence paying commission for consignment sales at the higher commission rate of 18%. If the \$100,000 threshold is exceeded by a new Supplier in the first financial period or part thereof in which that new Supplier supplies fruit, vegetables and produce to MG, the difference in the commission charged on sales at the higher commission rate of 18% and the commission that would have been charged at the lower commission rate of 12% will be refunded to that new Supplier in cash in the month following this significant achievement and all future sales will be at the lower commission rate of 12% for so long as the Grower achieves gross annual consignment sales of \$100,000 or more. As a result, all sales for any new Supplier who has gross annual consignment sales of \$100,000 or more in the first financial period or part thereof will be, in effect, made at the lower commission rate of 12%.

SUPPLIERS / GROWERS EXCEEDING THE \$100,000 THRESHOLD

Suppliers who have been paying the higher commission rate and exceed the \$100,000 threshold **during the financial period** will receive a refund of the difference in the commission charged on sales at the higher commission rate of 18% and the commission that would have been charged at the lower commission rate of 12%. This will be refunded to that Supplier in cash in the month following this significant achievement. All sales after this point will be charged at the lower commission rate of 12% for so long as the Grower achieves gross annual consignment sales of \$100,000 or more. As a result all sales for that Supplier in that financial year will be, in effect, made at the lower commission rate of 12%.

SUPPLIERS / GROWERS FALLING BELOW THE \$100,000 THRESHOLD

Suppliers who have been paying the lower commission rate and fall below the \$100,000 threshold during the financial period will move to the higher commission rate of 18% in the following financial period. **There is no backdated adjustment** for the consignment sales during the period made at the lower commission rate.

ANNUAL REVIEW OF SUPPLIER / GROWER COMMISSION RATES

An annual review will be performed as soon as practicable after 30 June each year to determine whether a Supplier has **fallen below** the \$100,000 threshold. Upon determining that the commission rate a Supplier should be charged has changed, MG shall notify the Supplier accordingly and give at least 5 working days notice of the change in commission rates.

Where a Supplier is to be charged at the higher commission rate of 18%, the new rate will commence upon expiry of the notice period and will not be backdated.

Suppliers that have exceeded the \$100,000 threshold during the year are advised in the month following this achievement. (Refer above for further details).

RETAIL LEVY ON MG TRADE PURCHASES

MG charges a retail levy on all trade purchases made by MG (being purchases by MG from a Supplier which are not on consignment).

The retail levy is currently 1.1% (excluding GST).