

FSSI Temporary Fuel-Driven List Price Adjustment Agreement

Foodstuffs South Island Limited

Version: April 2026

Purpose and Background

Foodstuffs South Island Limited (“FSSI”) maintains a structured process for supplier list price changes, designed to ensure accurate implementation and consistency across the business. Under normal circumstances, this process requires approximately twelve (12) weeks from submission to implementation.

Recent global developments have resulted in **rising fuel costs and short-term market volatility**, creating temporary cost pressures for suppliers across the supply chain. FSSI recognises the significance of these pressures and is committed to engaging fairly, constructively, and in good faith with suppliers, while continuing to **suppress the temporary impact on customers** wherever possible.

In line with this approach, FSSI seeks to **separate temporary inflationary pressures (such as fuel)** from more structural cost inflation. FSSI has established this agreement to support an **accelerated 6-week process** for eligible fuel driven list price adjustments, subject to the conditions set out below.

Scope of the Accelerated Process

This agreement applies to supplier requests for **fuel-driven list price adjustments**, specifically relating to Fuel Adjustment Factors (FAF) or equivalent transport cost impacts.

Approved adjustments under this process will be treated as **conditional and time-bound** list price changes and assessed separately from standard list price increases.

This process does not alter FSSI’s obligations under the Grocery Supply Code, including the requirement to respond to price change requests within 30 days (or sooner) and to always act in good faith. Further, this agreement does not limit any supplier rights under the Grocery Supply Code.

This agreement is supplemental to the supplier’s applicable **Commercial Terms Agreement** and **Master Terms Agreement** with Foodstuffs South Island Limited.

Key Principles

- Fuel-driven list price adjustments approved under this process are **temporary and reversible**.
- Requests will be **reviewed on their merits** and assessed promptly and in good faith.
- The accelerated process applies only to fuel-driven cost impacts and does not extend to non-fuel cost increases.
- All approvals remain subject to FSSI's review and agreement, its judgement to be exercised in good faith.

Pre-Agreed Conditions for Accelerated Processing

To support assessment within the accelerated 6-week timeframe, the supplier agrees to the following conditions:

1. The proposed list price adjustment reflects a **market-wide increase and/or evidenced fuel cost increases**.
2. The adjustment is **directly and solely related to fuel-driven FAF or equivalent transport cost increases**.
3. The fuel-related list price adjustment is **temporary and reversible**, and the supplier agrees that the list price will return back on the earlier of:
 - three (3) months from the date of implementation of the price increase by FSSI (but subject to clause 5); or
 - Supplier fuel-driven FAF or equivalent transport costs return to levels described in clause 4.
4. If supplier fuel-driven FAF or equivalent transport costs return back to, or below the levels in February 2026, the supplier agrees to return list prices back to their previous amount as soon as reasonably practicable following written confirmation from the supplier to FSSI.
5. If it appears fuel cost pressure will persist beyond 90 days, the supplier and FSSI will prior to the expiry of the 90 day period reassess the position **in good faith**. Any extension requires mutual agreement.
6. Approved list price adjustments will be implemented as an **absolute dollar (\$)** **amount per unit**, representing the equivalent fuel-related cost impact.
7. Retail shelf and Promotional price points will be adjusted by FSSI based on the increase submitted by the supplier.

8. Where a supplier seeks to renegotiate any associated terms e.g. SGTT2%, Scan or VTD, this will be considered separately and may result in the price adjustment being processed under FSSI's **standard 12-week list price change process** rather than the accelerated timeframe.

Required Documentation

To enable assessment under this process, the supplier must provide:

- A completed SPA form specifying the absolute dollar (\$) uplift per unit
- A signed copy of this FSSI Temporary Fuel-Driven List Price Adjustment Agreement

We also request supporting evidence demonstrating the fuel-related nature of the cost increase.

Execution

This document constitutes a binding written agreement between the supplier and Foodstuffs South Island Limited. By signing below, the parties confirm acceptance of the terms and conditions set out above.

Effective date of temporary increase _____
(as per SPA form)

Signature of supplier: _____

Legal name of supplier: _____

Date: _____

Signature of FSSI Merchandise: _____

Authorised FSSI Merch person _____

Date: _____