



September 1, 2023

Dear Valued Partners,

This communication provides an important update regarding our administrative fees for third-party billing services. Please share this information with the appropriate members of your company.

In the context of our business together, 3<sup>rd</sup> party billing refers to the activities negotiated directly between a supplier and a retailer that may encompass a range of financial aspects, including but not limited to lump sum payments, scans, advertising costs, demo expenses, and assessments of display/ad performance. Our role as the third party in this arrangement involves serving as a facilitator between you and retailers serviced by UNFI. We act as a neutral party responsible for collecting funds from our suppliers and disbursing proceeds to retailers for negotiated activities between the two. By managing these financial transactions, we help ensure transparency, accuracy, and compliance in the financial dealings between both parties. Our objective is to streamline the process, alleviate administrative burdens, and create an environment of trust for all stakeholders involved.

Recently, we have been facing increased inflationary pressures and rising labor costs that impact our operational expenses. To continue delivering the quality service you expect and deserve, we find it necessary to make a slight adjustment to our administrative fee for third-party billing. Effective October 1, 2023, we will implement a change to the existing 3<sup>rd</sup> party administrative processing fee and will be moving to 15% on all 3<sup>rd</sup> party billings, with a \$40 minimum and a \$750 maximum. Please note this affects Natural DCs only.

We want to assure you that this adjustment is not taken lightly. We remain committed to delivering exceptional service, transparency, and value to our partners. The adjustment will allow us to continue investing in technological advancements and process improvements that benefit both you and your customers.

We greatly appreciate your understanding and continued partnership.

Thank you,

A handwritten signature in dark ink, appearing to read 'Melissa Angle', is positioned above a thin horizontal line.

Melissa Angle

Vice President, Supplier Relationship Management and Support Services  
UNFI