

Cost Recovery

You sell at full-retail margin & we ship for your customer

Our core purpose ➡ safely ship your customers wine, for them, to their international address

As part of completing the personal export, import, and to-door delivery 'on behalf' of your customer, we directly pay a range of shipping related surcharges and compliance expenses for their wine. This ensures your end customer doesn't incur any surprise extra costs or shipping disruptions/delays during the Customs clearance process, prior to their final delivery.

For example, when we pay the customers Federal import tax and State sales tax & excise expenses in the US, we are also charged substantial administrative compliance clearing fees. Though the additional compliance clearing fees are not a tax, they cover the calculation, reporting and actual payment processing of taxes/duties back to each of the State authorities.

Cost recovery has two distinct components:

- a) Credit card fees up to 3% (normally incurred by you) and Chinese order payment fees from 6%
- b) Fluctuating value based levies & surcharges across global freight, logistics, and compliance expenses including:

- ✓ Fuel Surcharges
- ✓ Peak Season Surcharges
- ✓ GRI (General Rate Increases)
- ✓ Value based limited liability insurance
- ✓ Customs CIF adjustment loss
- ✓ State bottle recycling levies
- ✓ Compliance clearing (Administrative handling costs of customer T&Ds)
- ✓ Complex Chinese clearance & handling, including payment to multiple partners
- ✓ US Reciprocal Tariffs (10%)

Cost recovery rates effective 2nd April 2025:

	a) Credit Card/Order Payment Charges		b) Value Based Levies incl. tariffs (US @ 10%)		Cost Recovery (total)
China	6%		8.8%		14.8%
USA	3%	+	16.37%	=	19.37%
Germany	3%		11%		14%
All other destinations	3%		6.37%		9.37%

To recover these costs, we can deduct a percentage from your weekly producer payment or you can share the expenses with your customer, noting the rate of cost recovery differs between destinations, dependent on the specific costs the customer's wine incurs on its cross-border journey.

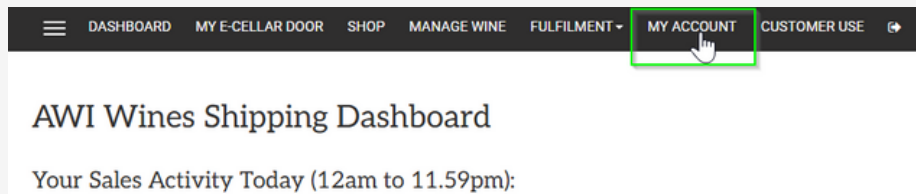
Cost recovery does not need to be a cost or loss of margin. As cost recovery expenses are only created during the DTC shipping of your end customers wine, they are ultimately the customers expenses. At your discretion, you can partially or fully incorporate cost recovery expenses into their pricing, discretely adding onto the price they pay. Whether you have done this and at what rate is not obvious to the customer in the checkout or their receipt.

How to set a default value to 'on charge'

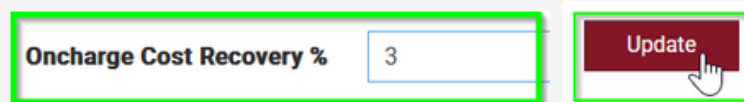
When deciding how much to pass on or absorb, we encourage following the same arrangements applied to your domestic customers. Typically, the producer covers the cost of credit card fees for the customer only. Guidance below.

Note: some destinations have different rates of cost recovery, so you will need to refer to the procedure on page 3 to charge a specific rate by destination (which overrides this default value).

1. Go to MY ACCOUNT



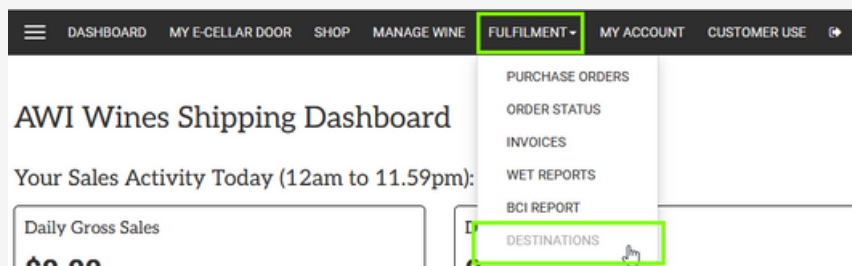
2. In the Profile tab, scroll to the bottom of the page – you will see an Oncharge Cost Recovery box. Enter a value, then hit Update.



Now, all wine in your e-Cellar Door Shop is displayed inclusive of your sale proceeds, and the amount of Cost Recovery you have chosen to pass on. You will see the on charged amount split out on your in-cart totals and your BCI.

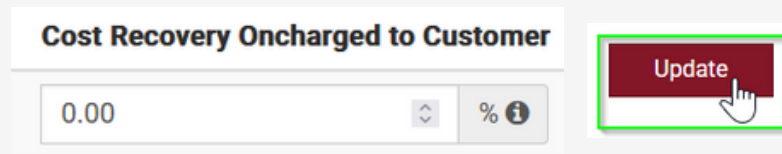
How to set a specific destination value to 'on charge'

1. Go to FULFILMENT > DESTINATIONS



2. Review the destination rates, looking for where it is not the system default value. In the corresponding On-charge Cost Recovery box, enter your desired value, then hit Update.

You won't be able to enter a value higher than the specific destination %.



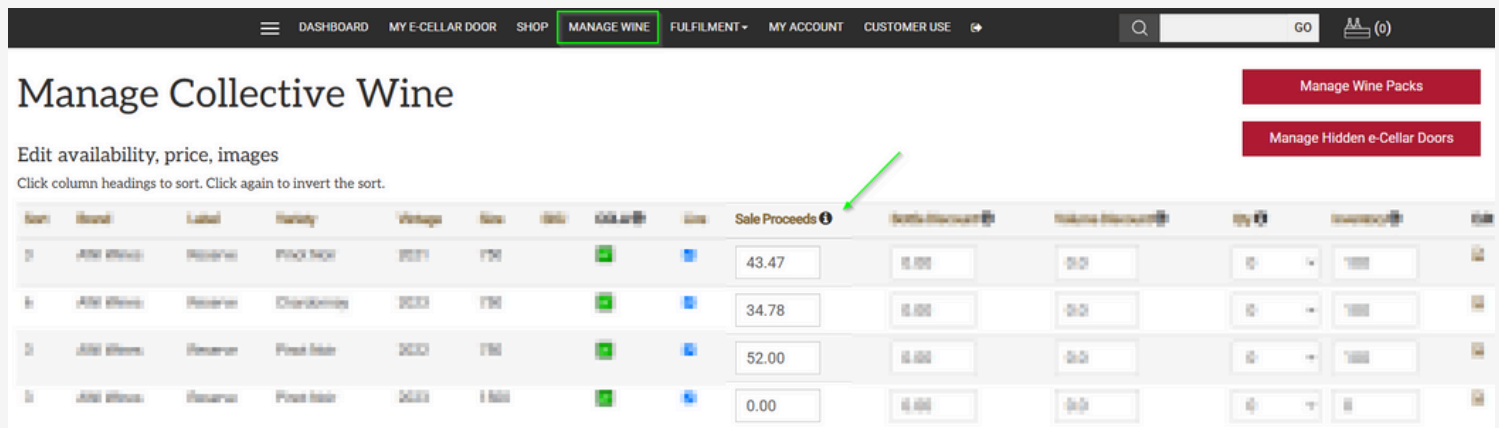
When viewing rates for that destination, all wine in your Shop is displayed inclusive of your sale proceeds, and the amount of Cost Recovery you have chosen to pass on for that destination.

Setting Your Sale Proceeds

Your shipping sales application delivers producers a full retail margin sale. To calculate this, the system needs to know the net retail value, the 'sale-proceeds' price that you wish to receive from your shipping sales.

For a consistent customer experience, we suggest you set your sale proceeds at the same value as as your standard cellar door price.

From your Shipping Dashboard, select the Manage Wine page. Enter your GST exclusive price into the Sale Proceeds column, then click 'Update' to save your changes.



Manage Collective Wine

Edit availability, price, images
Click column headings to sort. Click again to invert the sort.

Item	Brand	Label	Vintage	Size	Price	Cost	Margin	Sale Proceeds	Unit Price	Volume	Weight	Length	Width	Height
1	ABC Wines	Reserve	2017	750	43.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	ABC Wines	Reserve	2018	750	34.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	ABC Wines	Reserve	2019	750	52.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	ABC Wines	Reserve	2020	750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

To check your purchase price, click **SHOP** in the top menu bar. You can refresh and view consumer pricing as you make updates.

Confident Customers Buy More

WCD's system takes your sales proceeds, then adds GST & shipping. This total value is then converted & displayed in your customers preferred currency.

Showing all-inclusive, fully delivered, no-surprise pricing in *their own currency* removes buyer anxiety and sells more wine.