

Specification Final Account Settlement (example)

Assumptions		Specification	Basis	Rate	Sum	Total	Explanation
Redelivery percentage	100%	Commission member rate	€10,000,000	1.5%	€150,000		
Purchase turnover (before correction)	€12,000,000	Volume discount (see calculation below)	€10,000,000	Sliding scale	€42,500 -/-		
Correction	€2,000,000	Advance commission received			€90,000 -/-		Invoice code 1340 - 1353
Purchase turnover (after correction)	€10,000,000				Subtotal	€17,500	
Sales turnover	€11,000,000	Advance promotion contribution received			€24,000 -/-		Invoice code 1359
Advance commission received (purchase turnover x 0.75% redelivery percentage)	€90,000	Promotion contribution	€10,000,000	0.2%	€20,000		
Advance promotion contribution received	€24,000				Subtotal	€4,000 -/-	
It is established that not everything has been resold		Registration fee		€255	€ 255 -/-		Invoice code 1330
		Service levy (see calculation below)	€2,000,000	Sliding scale	€ 4,750 -/-		Invoice code 1320 - 1325
					Subtotal	€5,005 -/-	
		Promotion levy paid	€0	0.19%	€0		Invoice code 1329
		Promotion levy to be paid	€2,000,000	0.19%	€3,800 -/-		
					Subtotal	€3,800 -/-	
		Costs KKR	€10,000,000	0.05%	€5,000 -/-		
		Packaging circulation (see calculation in attachment)			€10,000		
					Subtotal	€5,000	
					Total	€9,695	
		Capital contribution	€10,000,000	0.5%	€50,000	(separate)	

Sliding scale	Sales turnover	Received volume discount	Purchase turnover (after correction)	To be deducted
0% (0 - 1M)	€1,000,000	€0	€0	€0
0.2% (1 - 3M)	€2,000,000	€4,000	€2,000,000	€4,000
0.45% (3-10M)	€7,000,000	€31,500	€7,000,000	€31,500
0.7% (> 10M)	€1,000,000	€ 7,000	€1,000,000	€ 7,000
Total	€11,000,000	€42,500	€10,000,000	€42,500

Sliding scale	Purchase turnover	Paid (A)	Correction purchase turnover	Amount due (B)	Balance (A - B)
1.5% (0 - 100K)	€100,000	€0	€100,000	€1,500	€1,500 -
1.25% (100K - 200K)	€100,000	€0	€100,000	€1,250	€1,250 -
0.3% (200K - 300K)	€100,000	€0	€100,000	€300	€300 -
0.1% (300K - 2.5M)	€2,200,000	€0	€1,700,000	€1,700	€1,700 -
0.05% (2.5M - 10M)	€7,500,000	€0	€0	€0	€0
0.03% (> 10M)	€2,000,000	€0	€0	€0	€0
Total	€12,000,000	€0	€2,000,000	€4,750	€4,750 -/-

* In this calculation, we have taken into account changes in the redelivery percentage during the course of the year, which may have had consequences for the actual costs and advance sums, by using invoice codes.

Calculation Volume discount, for current rates see: www.royalfloraholland.com

Calculation Service levy, for current rates see: www.royalfloraholland.com

Explanation of KKR refunds calculation

Steps Final Account settlement KKR Refund Explanation

The annual statement of accounts of the KKR services is prepared according to the following steps, which are explained below:

1. Determining general principles
2. Determining volume discount (sliding-scale discount commission) over KKR purchase turnover
3. Determining balance service levy
4. Determining packaging circulation
5. Specification drawing up final account settlement
6. Determining capital contribution

Step 1: Determining general principles

Redelivery percentage	Based on the assessment by Royal FloraHolland of the degree of resale through Royal FloraHolland, Royal FloraHolland determines a KKR redelivery percentage (between 0% and 100%) with which a number of refunds can already be awarded during the calendar year. An ex-post evaluation is carried out annually, which may result in recalculation of the levies and refunds.
Purchase turnover	This is the turnover that is registered on the KKR buyer's number, sometimes corrected depending on reselling. Central to the KKR is limiting the double levy on product traded through Royal FloraHolland twice. The turnover that is 'double' in this process, is the purchase turnover (because it is resold later). If there is a discrepancy between purchases and sales, the purchase turnover – and with it the sum to be refunded – may be corrected to take into account the sales turnover that has been established.
Sales turnover	Sales registered on the KKR grower account through Royal FloraHolland channels.
Advance commission received	Depending on the redelivery percentage awarded, when they buy during the year, buyers get back part of the commission (to be paid later when selling) as an advance. This automatic advance is: $\text{purchase turnover} \times 0.75\% \times \text{redelivery percentage}$ * The reason: Basic commission member rate is 1.5%, the sliding-scale discount is 0.7% and the KKR commission is 0.05%.* Since not everyone reaches the maximum sliding-scale discount during the year, the residual sum is calculated at the year end. * Example, situation 2020, subject to change
Advance promotion contribution received (if redelivery percentage = 100%)	If the redelivery percentage is 100%, when they buy during the year, buyers get back the promotion contribution (to be paid later when selling) as an advance. This automatic advance is: $\text{purchase turnover} \times 0.20\%$ * * Example, situation 2020, subject to change

Step 2: Determine volume discount (sliding-scale discount commission)

Sales turnover	Sales registered on the KKR grower account through Royal FloraHolland channels.	
Volume discount received (over commission on sales turnover)	Automatically received sliding-scale discount (benefit as compared to basic commission).	
	Sales turnover	Volume discount (sliding-scale discount) *
	≥ €10 million	0.7%
	€3-10 million	0.45%
	€1-3 million	0.2%
< €1 million	0	* Example, situation 2020, subject to change
Purchase turnover	The turnover registered on the KKR buyer number. Central to the KKR is limiting the double levy on product traded through Royal FloraHolland twice. Part of the commission is paid over the sale of someone else's production. The purchase turnover is the determining factor. Without someone else's production (purchase turnover), sales would have been lower. This is used to calculate how high sales (and the sliding-scale discount) would have been without the KKR purchase turnover.	
To be deducted	Determine which part of the sliding-scale discount applied to the purchase turnover (that was resold through the KKR channels). The sliding-scale discount/volume discount is deducted from the refund.	

STEP 3. Determining balance service levy

Purchase turnover	Buyers pay a service levy on their purchases. KKR participants pay this over their purchase turnover, unless they have been granted exemption. A sliding scale is applicable here, too: the higher the purchase turnover, the lower the service levy paid.										
Paid (A)	<p>The service levy paid is calculated on the basis of the purchase turnover and the redelivery percentage (if redelivery percentage is 100%, no service levy has been paid).</p> <p>Service levy paid, depending on turnover *</p> <table border="0"> <tr> <td>1.50%</td> <td>(€0 - 100,000)</td> </tr> <tr> <td>1.25%</td> <td>(€100,000 - 200,000)</td> </tr> <tr> <td>0.30%</td> <td>(€200,000 - 300,000)</td> </tr> <tr> <td>0.10%</td> <td>(€300,000 - 2.5 million)</td> </tr> <tr> <td>0.05%</td> <td>(€2.5 million - 10 million)</td> </tr> </table> <p style="text-align: right;">* Example, situation 2020, subject to change</p>	1.50%	(€0 - 100,000)	1.25%	(€100,000 - 200,000)	0.30%	(€200,000 - 300,000)	0.10%	(€300,000 - 2.5 million)	0.05%	(€2.5 million - 10 million)
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Corrected purchase turnover	Central to the KKR is limiting the double levy on product traded through Royal FloraHolland twice. The assumption here is, therefore, that the KKR purchase turnover is also resold through the Royal FloraHolland sales channels. If there is a discrepancy between purchases and sales, we look for the KKR purchase turnover that is congruent with the sales turnover established (incl. NAT statement). In that case, the purchase turnover is corrected. The refunds are then paid over the KKR purchase turnover (the corrected purchase turnover).										
Amount due (B)	A service levy is to be paid over the correction (that part of the purchase turnover not resold through KKR channels).										
Balance (A-B)	<p>There are four possibilities:</p> <ul style="list-style-type: none"> - If redelivery percentage is 100%, no service levy has been paid. <ul style="list-style-type: none"> - If the purchase turnover is not corrected, no subsequent levy is required. On balance, the service charge will be €0. - If the purchase turnover is corrected, a service levy is charged over the correction sum. - If redelivery percentage is less than 100%, the service levy has been paid. <ul style="list-style-type: none"> - If the purchase turnover is not corrected, the service levy paid is refunded. - If the purchase turnover is corrected, a service levy is charged over the correction sum and the rest is refunded. 										

4. Determining packaging circulation

Is packaging circulation applicable?	<p>Condition for packaging circulation: User demonstrates that no actions take place, other than reselling an already packaged product. For acceptance, the approval of the SC&LM department of Royal FloraHolland is required.</p> <p>During the annual evaluation, the final settlement takes place based on subsequent calculation. This concerns a refund of the difference between the customer packaging rental and the supplier packaging rental (threshold €200). Conditions are that participation in packaging circulation for this User is stipulated in the contract, and that the purchase is resold in the same packaging through the Royal FloraHolland transaction channels.</p>
Number of packaging units purchased	Determine per packaging code how many packagings have been purchased.
Proportion packaging circulation	Determine per packaging code to how many packagings the KKR applies (max. 100%, but may be determined based on proportion of KKR resales)
Surcharge sum of the buyer share	Determine per packaging code: the surcharge of the buyer share per packaging unit (from rates list Logistic Means)
Refund per packaging code (threshold €200)	Total sum to be paid out (threshold €200): surcharge x no. packagings KKR purchasing

5. Specification drawing up final account settlement

→ Input for this are the previous 4 steps

Commission member rate	see step 2. Maximum refund is the member rate.
Volume discount	see step 2. Volume discount/sliding-scale discount already given on commission during the year.
Advance commission received	see step 2. Depending on the redelivery percentage awarded, KKR users receive an advance on commission during the course of year.
Advance promotion contribution received	see step 1. If the redelivery percentage is 100%, users receive an advance on the promotion contribution during the course of the year of purchasing turnover x 0.2% * Example, situation 2020, subject to change
Promotion contribution	see step 1. Sum paid (through sales turnover)
Registration fee	The registration fee paid is calculated on the basis of the purchase turnover and the redelivery percentage (if redelivery percentage is 100%, no registration fee has been paid). The balance is refunded (paid -/- sum due).
Service charge	see step 3. The service levy paid is calculated on the basis of the purchase turnover and the redelivery percentage (if redelivery percentage is 100%, no service levy has been paid). The balance is refunded (paid -/- sum due).
Promotion levy	The promotion contribution paid is calculated on the basis of the purchase turnover and the redelivery percentage (if redelivery percentage is 100%, no promotion contribution has been paid, otherwise it is 0.19% x purchase turnover *). The balance is refunded (paid -/- sum due). * Example, situation 2020, subject to change
Costs KKR	Costs for use of the KKR service are: purchase turnover x 0.05% *. These are deducted from the refund. * Example, situation 2020, subject to change
Packaging circulation	see step 4.

6. Determining capital contribution

Capital contribution	Members/suppliers pay a capital contribution; this is recorded in the form of certificates (depending on their type of membership). Central to the KKR is limiting the double levy on product traded through Royal FloraHolland twice. The turnover that is 'double', is the purchase turnover. The capital contribution accrued over this double turnover is 0.5% x purchase turnover *. * Example, situation 2020, subject to change
Total accrued certificates	The certificates form part of Royal FloraHolland's financial securities. Through these certificates, the KKR participant guarantees the purchases.
Highest weekly purchase turnover	The purchases must be amply covered by the certificates. For final account settlement, calculations are based on the week with the highest purchasing turnover; how high the purchase turnover was.
Securities ratio ≥ 1.2	The securities ratio (the level to which the highest weekly purchase turnover is covered by the certificates) must be at least 1.2. This is a condition for refund of the capital contribution: $\frac{\text{The total of certificates}}{\text{Highest weekly purchase turnover}} \geq 1.2$
Redelivery percentage	The redelivery percentage is a measure for the ratio of purchases to sales within the KKR service. It is part of the refund of the capital contribution.
Refund calculation	Total to be paid out (condition securities ratio 1.2; threshold €5.000): 0.5% x purchase turnover x redelivery percentage.* * Example, situation 2020, subject to change