



January 22, 2019

To: All Trade Councils

RE: Vintages Fall/Winter 2019 Product Call – submissions accepted starting January 22, 2019.

Dear Trade Partners,

Kathy Cannon
Director, European Wines &
Destination Collection

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We are pleased to provide you with the Fall/Winter 2019 Product Needs Schedule outlining opportunities for purchases and detailing product specifications and deadlines. Vintages will be accepting submissions starting January 22, 2019.

All submissions must be made through the LCBO's New Item Submission System (NISS). For new users of NISS, *doingbusinesswithlcbo.com* offers detailed instructions. For your convenience and as a reminder, an overview of the Vintages Purchasing Process is attached.

Please remember that the LCBO's Green Initiative is an ongoing corporate priority. Agents and suppliers should note that special consideration will be given to products that are packaged in lightweight glass and/or follow sustainable, fair trade, biodynamic or organic agricultural practices that meet CFIA standards.

Further call-outs for a successful submission include:

- Complete all entry fields accurately in their entirety, including all varietal fields.
- Ensure any scores entered relate to the actual vintage being offered (copies of accolades must be attached).
- Always include the LCBO # in the event the product has previously been released in Vintages.

On behalf of the Wines team, I thank you for your support. We look forward to working with you and your suppliers to grow our business and continue to offer our customers an outstanding selection of premium product.

My best to all of you,

A handwritten signature in blue ink that reads 'Kathy Cannon'. The signature is written in a cursive, flowing style.

Kathy Cannon
Director, European Wines
& Destination Collection

Cc: Carolyn O'Grady-Gold



PURCHASING PROCESS

Types of Submissions:

Product Calls

Product Calls are open to all products fitting the criteria outlined in the current Vintages Product Needs Schedule. A pre-submission must be entered through NISS by the posted deadline. Agents should refrain from resubmitting the same or next vintage of a wine that has already been scheduled for an upcoming release, excluding iconic wines and collaborative items.

Vintages Direct

This refers to applications, outside of the Product Calls, for which a sample is not required for tasting and/or laboratory analysis. Approval from the appropriate buyer is required before submitting an application.

Vintages Ad Hoc

This refers to applications, outside of the Product Calls, for which a sample is required for tasting and/or laboratory analysis. Approval from the appropriate buyer is required before submitting an application.

Spirit Calls for LCBO & VINTAGES

To alleviate duplication, LCBO and Vintages spirit calls will be evaluated by both business units. This will affect all Whisky Shop calls and both seasonal spirit calls. Agents should submit their products into their preferred call (either LCBO or Vintages), but we reserve the right to purchase the product for the portfolio we feel is most appropriate.

Flagship Store Exclusives (formerly Instore Discovery Program)

One of our business goals is to generate added excitement in Vintages top stores, where our most engaged customers are shopping. Flagship Store Exclusives (FSE) are distributed to 11 stores (10, 38, 149, 164, 217, 346, 355, 452, 486, 500 and 528) and are aimed at enhancing the product selection in these key VINTAGES stores. All FSE products appear in the release catalogue with bottle shots, notes and third-party scores.

The products chosen for this program will represent varietals and/or premium regions that have historically performed well in these 11 stores. We look forward to your continued support in driving sales of this program.

Accepted Applications

Each application must be accompanied by a complete quote on supplier letterhead. Be sure to include a hard copy of any applicable third-party reviews and technical information. Fully completed applications are vital to ensuring expedient purchases. Estimated retail price must be stated in Canadian dollars.

If labels are submitted with the sample, we recommend placing them in a small zip-lock bag. Please include technical information and third-party reviews for our researchers to reference.

If you have any questions regarding accepted applications, please call Vintages at 416-365-5863.



Dropping Off Samples

We will accept delivery of samples Monday to Thursday, 8:30 am to 4:00 pm, during the week of the sample deadline. Please note: LCBO Security will not accept product samples after hours.

Tasting Results

Tasting results are available through NISS only. Due to the potential volume of telephone inquiries, Vintages cannot accept calls regarding tasting results.

Notice To Purchase

Vintages issues a Notice To Purchase via NISS for all products we intend to purchase; that is, when a decision to purchase has been made, a Notice To Purchase will be issued. This is the only precursor to the issuing of the purchase order. Offers under consideration should not be interpreted as intent to purchase.

You can inquire about the status of the NTP, release date/purchase quantity 5 weeks after the tasting date, or in the case of a direct purchase, 5 weeks after the paperwork has been received. Queries before this time frame will not be entertained.

Agents are requested to acknowledge the Notice To Purchase and must agree to honour and adhere to all clauses therein on behalf of their suppliers. Suppliers are required to agree to all terms and conditions specified in the purchase order. We are not able to issue a purchase order until suppliers have registered for Web P.O. More information on Web P.O. can be found at doingbusinesswithlcbo.com under Web Systems.

Please do not fax or email acknowledgements as we are not able to process these.

Sales and inventory levels are available through LCBO data sources such as the complimentary Narrowcast service or by purchasing additional information through the Sale of Data (SOD) program. More information on SOD is available at doingbusinesswithlcbo.com under Web Systems.

Sales Performance Targets

The sales target for products purchased for Vintages retail releases is (minimum) 75% sell-through after eight weeks in stores. Achieving these targets and increasing sku productivity ensures a continuous flow of new and exciting products. It also allows us to allocate a larger portion of the most current release out to stores.

For products with a rebate agreement that fail to achieve 75% sell-through after **eight weeks**, a 20% rebate term will be applied to all remaining inventory. The product will then be marked down to clear.