



September 28, 2017

Subject: CCO and Supply Chain & Wholesale update

Dear Valued Partners,

As you know, we recently refocused our strategy to make sure that we're putting our customers first across all of our platforms. Thank you to those of you who have shared feedback on our efforts to-date and the positive differences you are seeing in our partnerships.

George J. Soleas, M.Sc., Ph.D.
President & Chief Executive Officer

george.soleas@lcbo.com
416 864 6723 tel

55 Lake Shore Blvd. East
Toronto, ON, M5E 1A4

lcbo.com

We also continue work to make sure our organizational structure supports our strategy. I committed to keeping you informed throughout this process and I am happy to provide you with an update. Recently, I shared with you my new LCBO leadership structure, which included appointing Joyce Gray as our first Chief Customer Officer (CCO) and continuing the evolution of wholesale under Supply Chain with Mandesh Dosanjh's leadership. Now, Joyce and Mandesh have completed reviews of their respective leadership teams and are making some exciting changes.

Across our CCO:

- I'm pleased to advise that Carolyn O'Grady-Gold has been promoted to VP of Merchandising. We've shifted Space Planning and Merchandise Financial Planning to be part of her team, allowing for more strategic product planning and placement.
- Marketing will continue to focus on digital strategy and, to support data-driven strategies and campaigns, Customer Insights and CRM will be part of Kerri Dawson's team.
- Reflective of the growth and successes we've had to-date, we are elevating our eCommerce business with the creation of a dedicated team under a new leader.
- Under Rafik Louli's continued leadership, a new Retail Planning and Analysis team under Retail within Retail Operations. Lisa MacGregor will bring her LCBO experience in Supply Chain to lead this group. Agency stores are an extension of our retail network, and so we are shifting the Agency Administration team to Retail Operations as well.

Across Supply Chain & Wholesale:

- To help focus on how we can become a stronger and more valuable partner to our wholesale customers, we're hiring a new leader of this business. Once the new leader is in place our GTA and Ottawa Licensee Depots will join this team.



- For stronger integration between how we forecast inventory and how we get it from port to store, we are creating an Inventory Management group. Once the leader of this group is in place, Inventory Management and Store Order Services will join this team.
- To drive the Supply Chain and network strategy and focus on improving operations across the network, a new leader will lead a function called Supply Chain Strategy and Continuous Improvement. Supply Chain Measurement & Analysis and Communication & Planning will report to this leader once hired.

Many of you have heard me say in the past that this is an ongoing process. The work that goes into an organization design review needs to be thorough and it takes time to get it right – that includes not only the structures, but planning for change. It is our goal to ensure that the transition is as smooth as possible, and that we continue to keep a laser focus on our business and the important relationships we have cultivated with all of our trade partners. As one truly integrated team, and with your continued support, we know that we can achieve our ambitious customer-first goals. All of these decisions have been designed strengthen the LCBO, enable us to provide better service to all of our customers and benefit you, our values trade partners.

Our structural and cultural transformation continues and we remain committed to providing details as best we can. Your questions and feedback are not only welcome, but incredibly valuable. Please do not hesitate to connect with me or the LCBO teams you work most closely with.

Thank you,

A handwritten signature in black ink, appearing to read "G. Soleas". The signature is fluid and cursive, with a large initial "G" and a trailing flourish.

George Soleas
President and CEO