



Discover the World

February 4, 2009

To: All Trade Associations

RE: Merchandising Promotion Tracking System (MPTS) update and Promotional Programs billing changes

I am writing to advise you that the LCBO Spirits, Wines, Beers and Ready-to-Drink team is introducing new programs to the online application process in the Merchandising & Promotions Tracking System (MPTS) and changes to the promotional programs billing.

Re: Discover our Community and Green Extender Programs

The Discover our Community (DOC) program, which provides you with the opportunity to celebrate local community events in LCBO stores, is now available for online application in MPTS.

Please note: The method of applying for this program is different from any other programs.

The details include:

- Agents apply for select stores to a maximum of 30 stores
- The program runs by week, not Promotional Turn
- Submission deadline is 10 weeks before the start of the program
- The "Option" tab denotes the number of SKUs applied for, per program
- Invoicing is by week and by store
- The information to be featured on the end aisle display chalkboard and the District Manager approval are mandatory for the application to be processed

The Green Extender Program is also available for online application in MPTS. The program consists of a special shelf extender in approximately 58 stores featuring products that have an environmentally friendly attribute or provide financial support for the improvement and rehabilitation of wildlife and wildlife habitat in Ontario.



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Factors that will be considered in selecting products include:

- Environmentally friendly practices including lightweight packaging, organic products and packaging initiatives that support the LCBO's efforts to reduce product packaging
 - The financial contribution (which must be not less than \$10,000) that the supplier has made, or agrees to make*, to either the LCBO Natural Heritage Fund, or directly in support of a specific wildlife/habitat restoration initiative that:
 - Creates a tangible and lasting enhancement to biodiversity in Ontario
 - Is carried out by, or under the supervision of, a conservation organization recognized by the LCBO as having the knowledge and expertise required to carry out the project in accordance with the standards required by the Ontario Ministry of Natural Resources and/or Environment Canada, as may be required
- *Contributions that are conditional on the approval of a Green Extender are acceptable*
- The extent to which the contribution leverages additional investment from other partners in order to maximize the potential benefit of the initiative to Ontario biodiversity
 - The extent to which the supplier will communicate the benefits of the project to Ontario's biodiversity outside of the LCBO

There is no fee and participation in other support programs is not mandatory. However, selected suppliers are encouraged to undertake promotional efforts to support the extender, including Bonus Air Miles® or Limited Time Offers.

Re: Pre-billing of Promotional Programs

As announced in July 2008, the pre-billing of promotional programs will stop effective Period 1, 2009.

- All promotional programs will now be billed the third week of the Period the promotion pertains to (i.e. Period 1, 2009 programs will be billed the week of April 13, 2009)
- The Air Miles® and Limited Time Offer programs, as well as the Promotional Fee, will be billed the third week of the Period following the participating promotion
- All payments are due upon invoice receipt



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Re: Invoice adjustments

Invoice adjustments will be processed on the third week of the Period following the Period the adjustment pertains to. The new adjusted invoices will capture only the line item that needs adjustment. The previous practices of reversing the entire original invoice in order to issue a new invoice will no longer apply. This change will be effective Period 1, 2009.

Thank you for your ongoing support of the LCBO promotional programs. Should you have any questions, please contact your respective Product or Category Manager.

Sincerely,

Bob Downey
Senior Vice President
LCBO Sales & Marketing