

VINTAGES

FINE WINE & PREMIUM SPIRITS

January 11, 2010

To: All Trade Councils

Re: **2010 VINTAGES Holiday Gift Submissions**

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VINTAGES is now accepting product applications for the Holiday 2010 Gifting Program. Along with some proven favorites from 2009, we will be purchasing 10 - 15 new items. We are most interested in receiving applications for:

1. Two-bottle wine gift packages of popular VINTAGES brands. (i.e. Essentials, Collaborative Brands and previously released products with successful sales)
2. Port gift packages
3. Unique and elegantly packaged Wines and Spirits
4. Champagne and Sparkling gift packages

Product submissions are due **February 19, 2010**.

The following **MUST** be submitted with each **NEW** and **REPEATED** submission. The application must be completed in full, and signed by the party submitting the gift item.

Submissions that are received without any of the following conditions will be rejected on the basis of an incomplete application.

Each Holiday Gift submission **MUST** include:

1. **One sample of the submission (photographs will NOT be accepted)**
 - The sample must be a final, or photography-ready mock-up, with ALL packaging, label and beverage alcohol components. NOTE: The sample must be labeled with the NISS number and the Estimated Retail price.
2. **A complete application includes:**
 - A signed hard copy of the on-line application through the LCBO's New Item Submission System (NISS).
 - A completed LCBO Request for Label Examination Form (LCB 1642) **NEW**: Please mark if the label is true to size, if not, please included actual dimensions.
 - A product selling description no longer than 25 words. Note: Please ensure this selling description is accurate and detailed, as it may be used in customer communications.
 - An estimated retail price in Canadian dollars.

- Confirmation of the EXACT pick-up/ship point for each gift item
- Case and weight dimensions must be included in the application and must comply with LCBO packaging standards.
- UPC and SCC codes for the gift packs must appear on the application in the “UPC” and “SCC” fields. Note: Assigned UPC numbers must appear on the external packaging of all Holiday products and the SCC must appear on the outer shipping carton. **UPC numbers for gift boxes must be different from regularly carried products.** Failure to comply will result in the supplier absorbing all costs incurred to correct associated errors.
- If the gift item is available in limited quantities, **this must be disclosed on the application in the “limited quantity” field.** If no limit is specified, we will expect that all orders will be honoured. If no limit is specified on the application and a limit is then later applied, the order will be cancelled and/or an administration fee of \$1000.00 will be charged.
- Price quote on supplier letterhead letter including:
 - Written confirmation that the final negotiated retail price will be adhered to, and that any adjustments in order to achieve this retail will be agreed to
 - An FOB or Excellars quote on supplier letterhead, with liquid and packaging components broken down (in the same currency), in the following format:

	Quoted Currency	Quote per Case
a) Beverage alcohol product (indicate regular LCBO # if applicable)	_____	\$ _____
b) Non-alcohol accessories (glasses, playing cards, cork screws, etc.) and packaging	_____	\$ _____
Total Quote	_____	\$ _____

- Packaging components must not exceed 40% of the final quote.
- If the beverage alcohol product in a gift pack is currently sold at VINTAGES, the quote for the alcohol component in the gift pack must match that of the regular list item. Any change in quote to a regular listed product also requires a change in quote for Christmas gift products. It is the supplier’s responsibility to ensure price changes are submitted for all applicable products.
- Exchange rates used to calculate the retail price of the gift packs would be the LCBO 4th quarter rate, which is currently available. Exchange rates can not be adjusted for fluctuations in currency
- The supplier freight rate will be applied in the mark-up of the gift pack, if the beverage alcohol product is a VINTAGES Essentials item
- If the product is a new purchase item, a standard freight rate will be applied

Note: Due to Deposit Return, we are unable to purchase gift packs containing multiple units of different container sizes within the same pack if the deposit amount varies. For example, a gift pack cannot contain product both < 630mL (unless < 100mL) and > 630mL in the same package.

Should your submission be accepted for the 2010 Holiday Gifting Program:

1. An automated LOC will be issued

- The supplier must agree to all terms outlined in the LOC on line in order to proceed with a purchase order.

NOTE:

- Payment terms on the LOC will be: Payment as of January 7, 2011
- Rebate terms on the LOC will be: Agreement to provide a 20% rebate for remaining warehouse and retail inventories if the product has not achieved a 75% sell-through by January 3, 2011

2. The purchase order will specify the exact ship date

- If the product ships late, it is subject to cancellation. If the Director, VINTAGES Sales and Purchasing agrees to accept the product after the dates specified above, the supplier will be billed a \$1000.00 administration fee per week for every purchase order until received in LCBO warehouse facilities.

- Please be aware of the following ship dates:

Overseas Imported Items:

- Confirmation of the ability to ship no later than **June 7, 2010** or the order will be subject to cancellation or fine.

Note: Ship dates for imported products will vary by country **June 7, 2010 – July 7, 2010**. Purchase orders will be cut between **April 19, 2010 and April 30th, 2010**.

Domestic and U.S. Items:

- Confirmation of the ability to ship no later than **July 23, 2010**.

Note: Ship dates will vary by supplier location from **July 23, 2010 – August 6, 2010**.

It is critical that the purchase orders are acknowledged upon receipt by your supplier. As well, it is essential that the LCBO is kept apprised of shipping details throughout the process.

In order to maintain the VINTAGES Holiday 2010 program, the timelines outlined in this document are critical and must be met.

Thank you for your continued support. We look forward to working together to provide our customers with yet another dynamic and exciting Holiday at VINTAGES for the 2010 season!

Sincerely,

A handwritten signature in black ink, appearing to read "T. Jakes". The signature is fluid and cursive, with a large initial "T" and a stylized "Jakes".

Tamara Jakes
Category Manager,
VINTAGES New World Wines & Spirits

A handwritten signature in black ink, appearing to read "Greg Dunlop". The signature is fluid and cursive, with a large initial "G" and a stylized "Dunlop".

Greg Dunlop
Category Manager,
VINTAGES European Wines

cc: B. Downey; T. Wilson; K. Mallett-Thomas