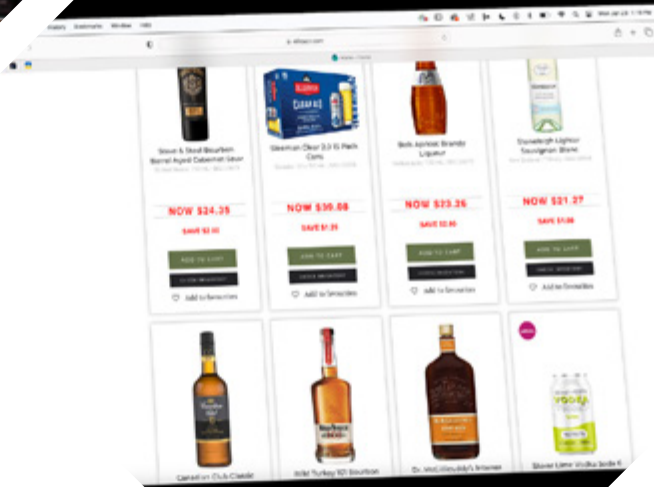




LOCAL



FY2024

LISTING POLICY

TABLE OF **CONTENTS**

INTRODUCTION 3

PRODUCT LISTINGS & DELISTINGS 4

Category Review Schedule 4

Category Review Process 4

Ad Hoc Listings 6

Delistings 6

Authorization Requirements 7

Local Representation 7

Product Write Offs 7

PRODUCT SAMPLE POLICY 8

Evaluation Samples For Category Calls 8

Promotional Samples From Initial Order 9

Promotional Samples For New Local Agent 9

Non-NLC Event Samples 10

INTRODUCTION

The purpose of this document is to outline the policies and procedures surrounding Category Management including policies on product listings, product delistings and product samples.

NLC's Category Management team are outlined below:



PETER MURPHY

Chief Marketing and Merchandising Officer

BLAIR BOLAND

Director of Merchandising and Consumer and Shopping Insights

SCOTT COLLINS

Category Manager – Spirits & Beer

JANINE PENNEY

Category Manager – Wine & Ready-to-Drink

NICOLE GIBBONS

Category Coordinator – Spirits

MANDY GULLIVER

Category Coordinator – Ready-to-Drink & Specialty Wines

CODY SNOW

Category Coordinator - Wines

KEYONA WALSH

Category Coordinator – Beer

DEBBIE PARROTT

SKU Maintenance Administrator

COURTNEY PERRY

Administrative Assistant to Director of Merchandising

PRODUCT LISTINGS & DELISTINGS

NLC Category Management will review product categories based on a Category Review Schedule which will be generated on a yearly basis. The NLC will accept applications for new products in accordance with the Category Review process.

The NLC is committed to ensuring that products purchased and offered embrace diversity and inclusion and do not cause harm or offense to our customers and communities regardless of gender, age, sex, race, class, religion, ethnicity, ability, language, sexual orientation, gender identity and political views.

NLC Category Management will review and evaluate products to ensure they do not cause harm or offense to customers and communities. NLC Category Management, in its sole discretion, reserves the right to determine whether an element of product branding may reasonably be perceived as contravening the above. This includes, but is not limited to, product names, partnership names, brand elements (logos, wording, graphics, images, print and digital artwork, etc.)

CATEGORY REVIEW SCHEDULE

The Category Review Schedules can be found online at the following link:

<https://nliquorcorp.com/doing-business-with-nlc/agents-suppliers/suppliers-trade-partners>

CATEGORY REVIEW PROCESS

STEP ONE CATEGORY CALL OUT

Category to review the category and notify Agents criteria that they are looking for in the new listings.

STEP TWO PRE-SUBMISSION

Agents are required to submit:

- ◇ Pre-submission application
- ◇ Product/Label image.

{2 weeks}

STEP THREE INITIAL DECISION

Category Management will review the submissions and notify Agents of any products for which they wish to review samples.

{2 weeks}

STEP FOUR REVIEW OF SAMPLES

Product samples are reviewed by the Category Management and Product Knowledge teams.

{4 weeks}

STEP FIVE FINAL LISTING & DELISTING DECISIONS

Category Management to make final decisions on listings and delistings. Product Listing Applications will be requested for new listings.

{4 weeks}

CATEGORY CALL OUT

- Category Manager will email National and Local Agents, in the month specified above, to notify them that a Call for Order is open and detail any specific criteria they are looking for in the products being applied for, as well as applicable deadlines.

PRE-SUBMISSION

Agents are required to submit:

- ◆ Pre-Submission Application Includes:
 - Product Name
 - Product Size
 - Product Cost and List Retail Price
 - Projected Case Sales Year 1
 - Promotional budget
 - Note if product is an exchange
 - Supplier must list products in order of priority/importance
 - Product/label image
 - Any other criteria requested in the specific category call form

Agents/Suppliers are expected to schedule a call or meeting with applicable Category Manager to occur on or before the deadline to submit Pre-Submission Applications.

Pre-Submission applications that do not include all of the requested information will be automatically rejected.

INITIAL DECISION

Category Manager will notify Agents of any products for which they wish to review product samples (see section 3.1 Evaluation Samples, for process details)

REVIEW OF SAMPLES

Category analysis will be based on (but not limited to) the following criteria:

- Pre-Submission Application
- Pre-Submission meeting
- Category trends in NL and other markets
- Consumer demands
- Packaging appeal
- Product taste
- Business plan
- Product price

At this stage, members of the Category Management and Product Knowledge teams are involved in analyzing the products.

FINAL LISTING & DELISTING DECISIONS

- Decisions on new listings from the call will be communicated to Suppliers/Agents
- Delistings from the call will be communicated to Suppliers/Agents. Please see section below “Delisting Process” for more information on delistings.

Any applications or samples that are late for the specified deadlines may be automatically rejected.

GENERAL LISTINGS

A general listing is a listing given to a product, typically through the call for order process. General Listings will be ordered on a regular basis as supply is required and will have a place in the applicable planogram/shelf set.

ONE TIME ORDERS

One Time Order listings can be given to products that are only available for a limited time, on a seasonal basis, specialty allocated products. One Time Order listings can be approved within a category call or through a One Time Order Supplier Agreement.

ONE TIME ORDER SUPPLIER AGREEMENT

One Time Orders will be ordered once Category Management receives a signed copy of the NLC OTO form which includes confirmation of:

- Order Quantity
- Sell Through Time Frame
- Assume responsibility for bill backs as outlined in the OTO Contract form for inventory remaining after sell through time frame. This will be a minimum of 25% off FOB.

ONE TIME ORDER BILL BACK

Supplier will be billed back a minimum 25% of FOB, or the agreed upon mark down rate, based on inventory remaining after the agreed sell through frame. The product will be marked down to sell through.

AD HOC LISTINGS

Ad Hoc listings include products that don't fall within the timelines of the applicable Category Call. Suppliers must first submit a Pre-Submission package for Category Manager to consider. If Category agrees to review the product Supplier must provide:

PRE-SUBMISSION

Agents are required to submit:

- ◆ Pre-Submission Application Includes:
 - Product Name
 - Product Size
 - Product Cost and List Retail Price
 - Projected Case Sales Year 1
 - Promotional budget
 - Note if product is an exchange
 - Supplier must list products in order of priority/importance
 - Product/label image
 - Any other criteria requested in the specific category call form

Agents/Suppliers are expected to schedule a call or meeting with applicable Category Manager to discuss Ad Hoc Pre-Submission.

Pre-Submission applications that do not include all of the requested information will be automatically rejected.

INITIAL DECISION

Category Manager will notify Agents if they wish to review product samples.

REVIEW OF APPLICATIONS & SAMPLES

Category analysis will be based on (but not limited to) the following criteria:

- Pre-Submission Application
- Pre-Submission meeting
- Category trends in NL and other markets
- Consumer demands
- Packaging appeal
- Product taste
- Business plan
- Product price
- Promotional Budget
- Agent and Supplier Sales and Inventory Performance

At this stage, members of the Category Management and Product Knowledge teams may be involved in analyzing the products.

FINAL LISTING DECISIONS

Decisions on new listings will be communicated to Suppliers/Agents

DELISTINGS

The delisting process is typically completed in conjunction with the Category Review Schedule. NLC reserves the right to delist products at any time and will notify the Local Agent of the delist of any general list products.

DELISTING CRITERIA

Delisting Decisions are based (but not limited to) the following:

- Product performance
- Category strategy
- Shelf Management requirements
- Category/pricing trends
- Brand Family performance
- Shelf Life issues
- Supply issues

DELISTED PRODUCT BILL BACKS/MARK DOWNS

Any general list product delisted will be marked down at the supplier's expense. The mark down will be a minimum 25% of FOB. The new retail will be based on this mark down. Bill backs/mark downs will be done 30 days after delist date for domestic products (North America) and 90 days after delist date for import products (outside North America).

Various circumstances fall outside of the normal category review when considering delistings; this may require a product to be delisted at the discretion of the Category Manager. These include case pack changes, supplier delists, special allocations, one time orders, product recalls, etc. As well, a product may be delisted if it does not meet the commitment agreed upon at the time of listing. Category will notify Agents/Suppliers of any delists as they occur. These delisted products will also be marked down a minimum of 25% off FOB, or the agreed upon mark down rate as per listing agreement.

AUTHORIZATION REQUIREMENTS

LISTINGS:

- Final Category Review Schedule and listings decisions require authorization and sign off from the Category Manager, Director of Merchandising and Consumer and Shopping Insights, and the Chief Marketing and Merchandising Officer.
- All Ad Hoc and One-Time-Orders require the authorization from the Category Manager, Director of Merchandising and Consumer and Shopping Insights, and the Chief Marketing and Merchandising Officer.

DELISTINGS:

- Final delisting decisions from the Category Review Schedule require further signoff from Category Manager, Director of Merchandising and Consumer and Shopping Insights, and the Chief Marketing and Merchandising Officer.
- All individual delisting's outside of the Category Review Schedule require authorization from the Category Manager.

LOCAL REPRESENTATION

Suppliers are not required to have a local agent in Newfoundland and Labrador to conduct business with the NLC. While local representation is not a requirement, the benefits of having a local agent are significant in nature and highly encouraged. If a supplier chooses not to use a local agent, then the expectation would be the supplier would act as its own local agent and complete the same duties as one.

A local agent is defined as an individual or company, residing in Newfoundland and Labrador, and represents a supplier's products in this province's market place. Local agents work with:

Category Management on listing and delisting decisions, the promotional calendar, planograms, store distribution, tasting events and shows. Local agents meet regularly with category managers to deal with product opportunities and challenges and to focus efforts and maximize sales and profit.

- **Supply Chain** on logistics and ordering issues and opportunities. Local agents work very closely with supply chain to maximize inventory turns while also ensuring there is an adequate level of inventory on hand to meet demand.
- **Store Operations** on execution of promotional programs, ad hoc displays and regional sales opportunities. They also work with store operations to gain insight into the diverse market in each individual corporate and express store.
- **Marketing** on national and regional marketing opportunities presented within the NLC. Agents and marketing align marketing campaigns to maximize the reach and scope within the Newfoundland and Labrador market place.

PRODUCT WRITE OFFS

NLC may be required to write off and destroy product for a number of reasons including, but not limited to, the below:

- Product Outdated
- Foreign Content in Bottle
- Product Off Color
- Low Fill Height
- Product Defaced
- Product Recalled
- Customer Returned Product
- Supplier requested

PRODUCT WRITE OFF BILL BACKS

If we are required to write off and destroy product, the supplier will be billed back the cost of the product plus any applicable destruction and disposal fees. Destruction and disposal fees may depend on the quantity of product affected.

PRODUCT SAMPLE POLICY

EVALUATION SAMPLES FOR CATEGORY CALLS

In order to submit samples of products to the NLC, Agents may order directly from the Supplier they represent. Such shipments, which are not ordered by or through the NLC are for listing application purposes only and are to be ordered in the following quantities:



2 BOTTLES OF WINE

2 BOTTLES OF SPIRITS

2 SINGLE UNITS OF BEER OR REFRESHMENT BEVERAGES

1 MULTI PACK SELLING UNITS OF BEER OR REFRESHMENT BEVERAGES

Samples must be sent by freight methods; they may not be sent by post/mail. All samples are to be delivered directly to the NLC by the carrier.

The Agent is responsible for paying all costs incurred by the NLC including freight and brokerage charges, all applicable taxes, duties and levies.

International samples will be processed by the NLC's appointed Customs Broker and the product will be directed to the NLC Category Management Department at NLC's Head Office, 90 Kenmount Road, St. John's.

Agents are not to pick up or personally deliver samples.

In order to process samples, shipments **must** have the following information attached to the **exterior** of the package.

If proper documentation is not provided, samples will be destroyed by the Carrier or the Customs Broker at the expense of the Payee.

Samples to be shipped to the below address:

**90 Kenmount Road
St. John's, NL
A1B 3V1**

1. Name, Address and Contact Information of Supplier and Agent
2. Applicable NLC Category Manager
3. Call for Order (e.g. "Chilean Wine Call")
4. Bill of Lading # (BOL#) for tracking
5. Description of Goods (e.g. Product Name, Type of Wine: Red, White, etc.)
6. Percentage of Alcohol
7. Bottle Size
8. Quantity of Bottles
9. Country of Origin
10. Value of Goods for Customs Purposes
(This cannot be zero dollars. It has to represent the actual value of the product at supplier costs. If the value is not correctly indicated the shipment will be delayed and all storage fees will at the expense of the Payee)
11. Currency

PROMOTIONAL SAMPLES FROM INITIAL ORDER

Based on the size of the initial order, agents will be entitled to draw samples from the initial order in the following quantities within the first 4 weeks from the release date of the product:

The Supplier or Agent is responsible to pay the landed cost of the product. Contact the applicable Category Manager for approval.

PROMOTIONAL SAMPLES FOR NEW LOCAL AGENT

When a Local Agent acquires a brand that is already listed in market, they are permitted to purchase two (2) units at landed cost. The Supplier or Agent is responsible to pay the landed cost of the product. Contact the applicable Category Manager for approval.

SPIRITS/WINE

3 (750ml) Bottles per tier
{14-16 cases/tier}

REFRESHMENT BEVERAGES

8 Bottles per tier
{15 cases/tier}

BEER

6 Bottles per tier
{12 cases/tier}



NON-NLC EVENT SAMPLES

Subject to the following maximum quantities on recommendation of the applicable Category Manager and Director of Merchandising, Suppliers/Agents may purchase listed products for promotional events at a 15% discount from regular retail price for the product plus applicable taxes. These promotional events are either educational dinners which involve NLC products or product tastings and are held externally i.e. not in NLC Corporate Stores, Express Stores or other NLC owned or controlled facilities. Local Agent/National Agent must be present at the event to avail of the approved discounted samples.

EDUCATIONAL DINNERS

PERSONS	# OF OUNCES PER PERSON	# OF OUNCES PER BOTTLE	BOTTLES NEEDED
1 - 8	3	24.0	1
9 - 16	3	24.0	2
17 - 24	3	24.0	3
25 - 32	3	24.0	4
33 - 40	3	24.0	5
41 - 48	3	24.0	6
48+	3	24.0	Contact Category Manager

EDUCATIONAL TASTINGS

PERSONS	# OF OUNCES PER PERSON	# OF OUNCES PER BOTTLE	BOTTLES NEEDED
1 - 24	1	24.0	1
24 - 48	1	24.0	2
48+	1	24.0	Contact Category Manager

To avail of this discount, Agents/Suppliers must contact the applicable Category Manager. Approval of the discount is at the discretion of the Corporation and must be approved by the Chief Merchandising Officer.