

Product Portfolio

Listing Procedures & Regulations



Category Management

April 2016

LISTING PROCEDURES AND REGULATIONS

INTRODUCTION

The New Brunswick Liquor Corporation is a Provincial Crown Corporation established as the sole authority for the importation and retailing of beverage alcohol within the Province of New Brunswick.

The Corporation operates a Head Office and Distribution Centre, which is located in Fredericton. All warehousing and distribution of beverage alcohol is done through this facility with the exception of direct delivery of locally produced/bottled beer.

The provincial retail network consists of 44 Corporate Stores, 82 Agency Stores that are privately operated and 31 Manufacturer's Agency Stores.

The purpose of this document is to provide the reader with information on the listing process utilized by Alcool NB Liquor (ANBL). Within this document you will find answers to questions pertaining to how to apply for a listing; definitions of the various listing types; how to maintain a listing and finally how a brand exits the portfolio.

In addition this document will provide the reader with all of the necessary details pertaining to product identification requirements and standards as well as product production standards.

Document History

August 2010	Version 1.0	
June 17, 2011	Version 1.1	Updated
February 27, 2012	Version 1.2	Updated
January 2014	Version 1.3	Updated
December 2014	Version 1.4	Updated
February 2016	Version 1.5	Updated

PROCESS OVERVIEW

The product portfolio at ANBL has been sub-divided into four main departments:

Beer

Wine

Spirits

Miscellaneous Beverages (Coolers, Ready To Drink, Cider, Refreshment Products)

The Category Management & Marketing Department is responsible for the “cradle to grave” management of the product portfolio. (Contact details can be found in Appendix “A”)

Based on the schedule in Appendix B a call for submissions will be issued on a regular basis.

- Agents /suppliers responding to the listing call must complete the spreadsheet and return to the indicated portfolio analyst by the specified date
- After completion of the category review ANBL will determine which products will advance to the next phase of category review. At this time, suppliers / agents will be notified and complete the full listing application online and submit samples.
- Agents / suppliers will be notified in writing of the final outcome from the submission review

Companies that wish to have products outside the scope of the listing call reviewed for consideration in New Brunswick must first meet with the appropriate category team.

The purpose of this meeting will be to discuss the current market conditions, review the state and needs of the ANBL product portfolio and therefore determine the feasibility of submitting a product for a listing review. (While it is recommended that representatives arrange for a meeting in person, it is not mandatory. The initial meeting may also occur via telephone or through web conference.)

Suppliers that are selected to proceed must provide a duly completed listing application form for each product (or size of product) for which a listing is being sought. Any applications that are found to be incomplete, or contain inaccurate information will not be processed until the issue has been resolved, and may result in the forfeiture of the listing.

Suppliers are expected to demonstrate to the Corporation a strong commitment to the New Brunswick marketplace and provide detailed marketing plans to support of any products offered to the Corporation for listing.

GENERAL REGULATIONS

DIRECT NEGOTIATIONS WITH SUPPLIERS

The Corporation shall negotiate and transact its purchases directly with the supplier and payments will be made only to them. At no time will the Corporation be responsible for payment of commissions or other remuneration to any person.

SUPPLIER AND/OR AGENT REPRESENTATION

Suppliers are not required to have a local agent in order to conduct business with the New Brunswick Liquor Corporation. While local representation is not a requirement, the benefits of having local representation are obvious and significant in nature.

Suppliers are required to notify the corporation in writing of the appointment, or conversely, of the termination of any agents/agencies authorized to act on the supplier's behalf within the province.

The Corporation maintains a list of Independent Agents operating within the province that is available upon request.

PRODUCT STANDARDS

All products must meet the requirements of the Canadian Food and Drugs Act and Regulations. In the unlikely event that there are issues with the product standards, it is the suppliers responsibility to resolve the issue, or pay for the disposal of the product.

LABELLING STANDARDS

Suppliers shall ensure that labels meet the requirements of all Federal Legislation, including the Food and Drugs Act and Regulations. Failure to do so will result in the removal of products from retail stores and delisting. These regulations can be found in the Guide to Food Labeling and Advertising – Chapter 10 available on the Canadian Food Inspection Agency web site.

Suppliers shall ensure that labels meet the requirements of the Beverage Containers Act of the Province of New Brunswick. Failure to do so will result in penalties ranging from removal of the offending product, up to and including monetary penalties.

The following are approved versions of acceptable refund statements:

Refund/Consignee
Return for refund where applicable/Consignee La Ou La Loi Le Prescrit
Return for refund where applicable/Consignee La Ou Applicable

All labels or changes to labels must be submitted to the appropriate Category Manager for approval.

All retail sales units must bear the Universal Product Code as outlined in the Product Identification Standards Manual, as issued by the Canadian Association of Liquor Jurisdictions. (Copy of this report is available at the supplier section of the corporate web site at www.anbl.com)

CASE LABELING

All shipping cases processed through our central warehouse must conform to the Case Label Specifications as contained in the Product Identification Standards Manual, issued by the Canadian Association of Liquor Jurisdictions

ADDITIONAL SIZES

Requests for additional sizes of already listed products will be considered on the same basis as requests for new products.

While product samples are not required for this type of application, a sample of the actual package to be used must be included with the application.

PRICE CHANGES

Please refer to the current ANBL Pricing policy as issued by ANBL.

CHANGES IN PRESENTATION OF A PRODUCT

Changes of any kind in the presentation of a product must have prior written approval of the Category Team.

Requests for approval of changes will be accepted at any time throughout the year, provided they are received by the Category Team a minimum of eight weeks in advance of the requested implementation date of change.

SPECIAL PACKAGING

Product that is packaged in special containers or contains additional non-beverage items must have the cost of containers and non-beverage items shown separately from the beverage alcohol contents on the application form.

APPLICATION PROCESS

All applications received will be reviewed by the Category Teams based upon the published review schedule. (Appendix "B")

All applications are subject to final approval by the Director of Category Management and applicants will be advised in writing by the respective Portfolio Analyst as to the disposition of their application.

APPLICATION FORMS

All suppliers who are selected to submit an offer to the Corporation for the sale of products or a request for an exchange, or an additional size for products already listed must complete a formal listing application via the ANBL BevHub portal accessible at <http://www.nbliquor.com/Home/Suppliers>. To register your company and get access to the online listing application, please contact the ANBL Service Desk at ServiceDesk@anbl.com.

Listing applications must be accompanied by a comprehensive marketing plan including supporting data indicating consumer demand, supplier support, investment, representation intended, and

Listing applications must include complete pricing information, and digital copies of all product labels and product images.

Suppliers should note failure to complete the application in full or submission of an application without digital image and labels will result in rejection of the application and possible forfeiture of the listing.

Listing applications are considered incomplete until product samples have been received. Samples must be received by the deadline date indicated in Appendix "B".

PRODUCT SAMPLES

Samples requested by ANBL for each product for which a listing is sought must be forwarded on an FOB basis to the Category Teams at:

New Brunswick Liquor Corporation
170 Wilsey Road
PO Box 20787
Fredericton Industrial Park
Fredericton, NB E3B 5B8

Samples required:

- Wine – General Listing - 2 bottles
- Wine – Specialty Listing - 1 bottle
- Spirits – 1 bottle
- Beer – 6 x 341 ml bottles or equivalent
- Coolers – 8 x 341 ml bottles or equivalent

A document outlining the sample shipping process is available upon request.

APPLICATION DEADLINES

All applications received will be reviewed by the Category Management group based upon the published review schedule. (Appendix "B")

Any product that has been rejected for listing will not normally be reconsidered for listing until after the expiration of a twelve-month period from the original date of application.

Any product that has been rejected based on pricing issues only, may be reconsidered for listing once the original pricing concern has been resolved, and the supplier/agent requests reconsideration of the previously rejected product.

UNSOLICITED APPLICATIONS

Suppliers are reminded that unsolicited applications will not be accepted or reviewed.

INVITATION OF APPLICATIONS

The Corporation may at its discretion, invite suppliers to submit applications for specific products.

The Corporation may at its discretion, invite a supplier to submit another request for a previously rejected product, prior to the expiration of the twelve-month period stated above.

FAIRS AND FESTIVALS PRODUCT SELECTION

Applications for products to be considered for inclusion within one of the product festivals supported by the corporation, must be received on the official listing application and must be received by the appropriate date. (Please contact the appropriate Portfolio Analyst for the current schedule.)

Upon reviewing the applications received, the appropriate Portfolio Analyst will forward to the Director of Category Management a recommendation including the brands to be listed and quantity of each product to be ordered.

DEFINITION OF LISTING TYPES

General Listing (GL)

- Products that are considered to appeal to a large cross section of the buying public and have reasonable sales expectations in majority of stores will be considered for a General Listing.
- As such there are no restrictions on the distribution of these products, and they will be expected to maintain annual sales that meet or exceed the established targets for their specific product category.
- The routing of the application and listing type being applied for will be determined in the initial pre-submission meeting with the Category Teams.
- Products granted a General Listing will be re-ordered on a regular basis based on projected sales volumes and kept in continuous stock at the ANBL central warehouse.

Core Specialty Listing (CS)

- Products that the Corporation deems to be essential in order to offer a complete and appropriate product portfolio to the public may be granted a Core Specialty Listing.
- Products that the Corporation considers to have consistent and reliable sales patterns and following amongst the buying public, but yet would not exceed sales targets, may be granted a Core Specialty Listing.
- Core Specialty Listings will be re-ordered on a regular basis, based on projected sales volumes.

Transitional Products (TP)

- Products that are considered to appeal to a large cross section of the buying public and have reasonable sales expectations but that may be subject to specific conditions agreed to by the Corporation will be considered for Transitional Product listing.
- There are no restrictions on the distribution of these products.
- TP products are expected to maintain annual sales that meet or exceed the established targets for their specific product category.
- Products granted a General Listing will be re-ordered on a regular basis based on projected sales volumes and kept in continuous stock at the ANBL central warehouse.

Licensee Listing (LL)

- Products that are available to Licensees exclusively, by means of regulation shall be considered for a Licensee Listing. These products will only be available for sale to the Licensee community and would not normally be displayed in the public area of a retail location.

Specialty Listings (SL)

- Premium brands that are not allocated but fill a need in the portfolio, and/or may have a cult following, and/or strong accolades.
- Specialty Listings will be distributed to key stores at the discretion of the Portfolio Analyst.
- Specialty Listings will be ordered as a one-time purchase. Subsequent orders are at the discretion of the Portfolio Analyst.

Classic Feature (CF)

- Products listed by ANBL that are limited or rare, including items on allocation by suppliers or products purchased as “futures”.
- Classic Feature listings will be distributed to key stores at the discretion of the Portfolio Analyst.
- The majority of CF Listings will be released / purchased once a year. New vintages are considered new products.

Duty Free Listing (DF)

- Due to operating requirements and regulations, Duty Free operators may be restricted as to the size of products (1L) allowed for sale at their location. As a result, the Corporation must carry a number of products that will be available to Duty Free Operators only.
- The existence of Duty Free Listings does not in any way restrict Duty Free Operators access to other listing types.

Product Festival Listing (WF, SF, BF,)

- The Corporation may, in order to support various product festivals, grant products a Festival Listing status. These listings are temporary and apply only to a particular event.
- All Festival Listings will have their life cycle determined at the time of listing.

Temporary Listing (TL)

- A Temporary Listing may be granted to products that have a seasonal appeal or are available for a limited time only.
- All Temporary Listings will have their life cycle determined at the time of listing. The majority of Temporary Listings will be considered ‘one-time purchases’. Products assigned this listing type would include items truly offered as one-time only by suppliers, or products expected to be ordered only once.
- Products listed as TL with remaining inventory after the agreed upon life-cycle are subject to a 25% reduction of retail price at the suppliers expense as stated in the ONE-TIME PURCHASES – SALES EXPECTATIONS.

Depot Listing (LP)

- A listing granted to the ANBL Depot stores (Salisbury, St. Stephen, Campbellton, Edmundston, and Bathurst) only, subject to specific conditions agreed to by the Corporation.

APPLICATION EVALUATION PROCESS

ROLE OF CATEGORY MANAGEMENT TEAM

The Category Management Team is responsible for the “cradle to grave” management of all products within the product portfolio.

The Category Management Team recommends acceptance or rejection of an application for listing based on the following criteria:

- Suitability for the NB market
- Price
- Evaluation of proposed marketing plan
- Relationship to other products currently listed
- Performance in other markets
- Uniqueness
- Packaging
- Supply chain considerations
- Labeling
- Past performance of supplier and/or local agent
- Strategic fit for ANBL
- Portfolio requirement

ROLE OF THE TASTING COMMITTEE

The Tasting Committee conduct tasting sessions in order to determine the palatability of products recommended for acceptance by the Category Teams.

All sessions of the committee are conducted “blind”.

An unacceptable score from the committee for any product constitutes just cause for the application to be rejected even though previously recommended by the Portfolio Analyst.

The Tasting Committee is composed of ANBL employees, but may include approved members of the General Public.

APPEALS

In the event a supplier receives notice that an application has been rejected, the decision may be appealed in writing to the Director of Category Management.

The letter should clearly state the suppliers reasoning for appeal and must be supported by additional information that was not contained in the original application.

PRODUCT DISTRIBUTION

Consequent to the granting of a listing, all stores are notified of a products' availability through the issuance of a New Product Release Letter that communicates pricing and ordering information about a product.

All new listings that are subject to fees will receive automatic distribution of the product to stores upon release. The distribution will be determined by Category Management at the time of the listing being granted.

For stores that are not included in the initial distribution of a new listing, it is the responsibility of the Store Manager, after reviewing all pertinent information, to determine whether or not the product will be carried in their store.

The Category Management Team reserves the right to determine the distribution of selected products and/or product types at their discretion. Store Managers will be advised of terms and conditions of the listings and may have initial distribution of these products determined by the Category Team.

PORTFOLIO REVIEWS

The Category Management Team will review the entire portfolio quarterly, ranking products on items such as brand performance within category, sub-category, supplier performance, other criteria, and current ANBL portfolio requirements.

The resulting score card identifies top performers that are safe from delistings, mid-range performers that will require attention by the supplier and bottom performers that are strong candidates for delisting.

The results are shared with the suppliers' representatives on a quarterly basis via email. SKUs other than top performers should be discussed with the Category Team.

DELISTINGS

The Category Management Team will conduct delisting reviews in conjunction with the Application Review Schedule. If a particular product category is reviewed four times per year for listing opportunities, it will be reviewed at the same time for the purpose of identifying products for potential delisting.

Category Management also reserves the right to delist a brand at any time if deemed to be in the best interest of ANBL.

Once it has been determined that a product will be delisted provincially, the Agent/Supplier of that brand will be notified in writing of the Corporation's decision. At this point the product will be identified as having been delisted, any outstanding purchase orders will be cancelled and no further purchase orders will be issued.

Permanent listings (GL, CS, and TP) delisted during their first 24 months in market will be marked down 25% at the suppliers expense. Depending upon the individual circumstances, alternate arrangements may be made with regards to moving delisted stock out of the ANBL system. Please contact the Category Team for details.

In the event that a Supplier does not agree with the Corporation's delisting decision, a Letter of Appeal may be sent to the Director of Category Management for consideration. All decisions rendered by the Director of Category Management are final.

Store Managers will conduct periodic reviews of their individual store portfolio in order to identify brands that may be discontinued at store level. Once this review has been completed, any brands that remain identified for delisting will no longer be carried in that store.

ONE-TIME PURCHASES – SALES EXPECTATIONS

ANBL strives to work with the agent and supplier community to maximize potential sales of seasonal and one-time offer opportunities to provide customer with innovation and trial of new brands and seasonal impulses. These products are meant to be in market for short measured time, ideally 1-2 months, and the forecast and sell-through date will be agreed upon by the supplier and ANBL before a listing will be granted.

Below is a list of guidelines to be used by all parties to ensure steps are being taken to optimize the business need of variety, while ensuring all parties are protected from the risk of an overabundance of product that would need to be liquidated after the desired time in market.

Guidelines for One-Time product listings:

1. Each supplier/sales agent will provide a sales forecast to the Category Manager for each SKU listed, broken down by month, as part of the listing offer.
2. The forecast is reviewed by the Category Management department and is either accepted as submitted or returned to the supplier/sales rep with the suggested revisions. If ANBL decides to purchase a quantity exceeding the forecast given from the agent/supplier, ANBL will be responsible for the liquidation of product above-and-beyond the original forecast submitted.
3. Once the forecast is agreed upon, Supply Chain will ensure that the proper orders are placed in a timely manner.
4. Once the product is released into the market, Category management will complete a monthly date sensitive review and forward all products in jeopardy of not meeting their sell-through targets to the appropriate agent/supplier.
5. A product with remaining inventory after the agreed upon selling period will be liquidated and the discount up to 25% of retail will be changed back to the supplier on an FOB Reduction.

DATE SENSITIVE PRODUCTS

ANBL strives to work with the agent and supplier community to prevent stale-dating of time sensitive products. Below are a list of guidelines to be used by all parties to ensure all steps are being taken to prevent loss, both prior to ordering, and after the product has arrived in our facilities.

Guidelines for time sensitive product listings:

1. Each supplier/sales agent will provide a sales forecast to the Category Manager for each SKU listed, broken down by month, for one calendar year immediately following the listing. The supplier/sales agent will also identify for each SKU, the format, decryption key and location of the date coding on their packages, also indicating if the date is a production or expiry date.
2. The forecast is reviewed by the Category Management department and is either accepted as submitted or returned to the supplier/sales rep with the suggested revisions. If ANBL decides to purchase a quantity exceeding the forecast given from the agent/supplier, ANBL will be responsible for the stale-dated product above-and-beyond the original forecast submitted.
3. Once the forecast is agreed upon, Supply Chain will ensure that the proper orders are placed in a timely manner.
4. ANBL will complete a monthly date sensitive review and forward all products in jeopardy of stale-dating to the appropriate agent/supplier. Category Management will discuss options to prevent stale-dating with the agent/supplier including, but not limited to: LTOs, sampling, and increased store distribution. If the product stale-dates and we are required to destroy and discard the product, the agent or supplier will be billed the duty paid landed case cost in addition to the disposal cost for each case destroyed.

STOCKING ADMINISTRATION FEES

Stocking Administration fees apply to newly listed products as follows:

Permanent Listings (GL, CS, TP or LL) will be subject to a \$250.00 charge upon the listing being accepted by the Corporation.

The Category Management Team has the right to waive the Stocking Administration Fee at their discretion, should circumstances warrant.

Other Listing Types not indicated above are exempt from the Stocking Administration Fee.

Appendix "A"

ANBL Contact Information

Vice President, Cat. Mgmt, Marketing and Supply Chain	Stephen Richard	452-6505	Stephen.richard@anbl.com
Director of Category Management & Supply Chain	Andrea Dewitt	452-6495	andrea.dewitt@anbl.com

Beer & RTD

Category Manager – Beer, Cider & RTD	Jonathan Wilson	452-6451	Jonathan.wilson@anbl.com
Portfolio Analyst	Jodie Marshall	452-6406	Jodie.Marshall@anbl.com
Category Coordinator	Wendy Hovey	452-6427	Wendy.Hovey@anbl.com

Wine

Category Manager – Wine and Spirits	Charlotte Carr	452-6512	Charlotte.Carr@Anbl.com
Portfolio Analyst	Leah Anderson	452-6561	Leah.Anderson@anbl.com
Category Coordinator Wine & Spirits	Daniel Achorn	452-6523	Daniel.Achorn@anbl.com

Spirits

Category Manager – Wine and Spirits	Charlotte Carr	452-6512	Charlotte.Carr@Anbl.com
Portfolio Analyst	Marc Daigle	452-6478	Marc.Daigle@anbl.com
Category Coordinator Wine & Spirits	Daniel Achorn	452-6523	Daniel.Achorn@anbl.com

Pricing

Pricing Analyst	Dana Gregg	452-6571	dana.gregg@anbl.com
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Purchase Orders and Supply

Supply Chain Manager	Kim Carpenter	452-6419	kim.carpenter@anbl.com
Purchasing Analyst, Imports	Monica Brewer	452-6593	monica.brewer@anbl.com
Purchasing Analyst, Domestic	Karen Cliff	452-6572	karen.cliff@anbl.com

Marketing

Director of Marketing - Acting	Jonathan Wilson	452-6451	Jonathan.wilson@anbl.com
Marketing Manager Wine	TBC	452-6566	Linda.Stafford@anbl.com
Marketing Manager Beer, Cider & RTD	Sharon Cattan	452-6812	Sharon.Cattan@anbl.com
Marketing Coordinator Wine	Linda Stafford	452-6566	Linda.Stafford@anbl.com
Marketing Coordinator Spirits,	Brian Von Richter	452-6405	Brian.VonRichter@anbl.com

Appendix "B"

Please find below the product review schedule for ANBL:

SPIRITS

Call for Shortlist	Request Samples & Applications	Samples, Applications & Images Due	Review Results
July 4, 2016	July 19, 2016	August 5, 2016	September 2, 2016
NA	October 14, 2016	November 4, 2016	December 2, 2016
NA	January 13, 2017	February 3, 2017	March 10, 2017

WINE

Call for Shortlist	Request Samples & Applications	Samples, Applications & Images Due	Review Results
March 31st, 2016	April 18thth	April 30th,	May 19th 2016
NA	July 2, 2016	July 23, 2016	August 13, 2016
NA	September 3rd 2016	September 24th, 2016	October 1st

BEER & CIDER

Call for submissions	Call for Samples & apps	Samples, online applications & images Due	Review Results
February 24 15/16	March 11/16	March 18/16	March 25/16
April 11/16	May 9/16	May 23/15	June 6/16
July 11/16	August 8/16	August 22/16	September 5/16
October 3/16	November 7/16	November 21/16	December 5/16

COOLERS

Call for submissions	Request Samples & apps	Samples and applications due	Review Results
November 9/16	December 7/16	December 30/16	February 17/17