

TABLE OF CONTENTS

1. Introduction.....2

2. Enhancement.....2

3. Application Process, Timelines and Fees.....2

4. Compliance.....2

5. Other Related Policies.....3

6. Appendix 1 - Term Dictionary.....4

7. Appendix 2 - Application Form.....5

Introduction

The Product Enhancement Program (PEP) is an optional program that allows participating brewers the opportunity to enhance their product in Beer Stores across Ontario subject to prior approval and applicable fees. The role of the enhancement is to increase the perceivable value of the product to consumers by providing information or value add with purchase. The enhancement can be applied or securely attached to product onsite by brewer reps in customer-accessible areas of retail stores (Distribution Centre locations are excluded from this program). TBS reserves the right to modify these Guidelines or cancel the Product Enhancement Program with 30 days written notice.

Enhancement

An enhancement can include without limitation a sticker, neck tag or value-add. According to the AGCO Liquor Advertising Guidelines “a value added item may have a nominal value not exceeding 20% of the retail value price of the product with which it is included” and “the value of a gift will be assessed by its ordinary retail value rather than the actual cost to the manufacturer”. Signage with the value add must read “Free with Purchase”. If the enhancement is detachable from the product, it must include brewer contact information (customer service phone number and/or email address). The enhancement must not interfere with product displays or store operations as determined by the Beer Store. Each promotional period will consist of a 4-week turn. The promotional period refers to the period of time the brewer will have access to enhance their product in store lobbies. Enhanced product can remain on display beyond the promotional period with no penalty until such time that the enhancement is no longer valid (see Compliance). Brewers are responsible for all costs associated with the design, production and application of the enhancement to product. TBS will not apply the enhancement or remove the enhancement from product.

Application Process, Timelines and Fees

Brewers must complete the PEP application form and submit their plans to the Beer Store for review no later than 8 weeks out. A final, approved plan must be in place 4 weeks out. Approval of each enhancement plan will be the sole responsibility of the Beer Store. Brewers will be charged a flat fee of \$700 per product enhancement to cover administration of the program. Charges will appear on the weekly brewer statement.

Compliance

It is the brewer's responsibility to ensure all promotions comply with applicable packaging and advertising laws, rules and regulations. Product will be removed from display and returned to the supplying brewer at the brewer's expense if the enhancement was not pre-approved, does not meet with AGCO requirements or is no longer valid. Reps may have the option to amend product in store (update or remove the non compliant enhancement) with prior approval from TBS. Reps are not permitted to engage TBS customers to influence purchase decisions. All consumer enquiries will be directed back to the brewer.

Other Related Policies

Refer to the following policies found on thebeerstore.ca:

- TBS Listing Policy (Section 4: In-Case or On-Case Promotions Policy)
- Pricing Communication Policy

Appendix 1 - Term Dictionary

AGCO.....Alcohol and Gaming Commission of Ontario (agco.ca)

Brewer.....the party named in the signed User Agreement.

Brewer Representative (Rep)any individual (brewer or agent representatives or third party demonstrators retained by the
brewer) that conducts activity in the Beer Store on behalf of a brewer.

Enhancement.....an enhancement can include without limitation a sticker, neck tag or value-add.

Promotional Period.....the period of time (4 consecutive weeks) the brewer has been granted access to store
lobbies to apply the enhancement.

Store Manager.....the manager of a location of the Beer Store or a store employee designated by the store
manager to supervise store operations on their behalf.

Appendix 2 – Application Form

(a soft copy of the Application Form will be provided to participating brewers)

BEER STORE

Product Enhancement Program • Application Form

Please refer to the 2019 Product Enhancement Program Guidelines for full program details.

Application Version: # Date:

Brewery and Contact Name:

Product: Brand Name:
 pack ml B (bottles) or C (cans)

Suggested Launch Date*:

**Applications must be submitted 8 weeks out for review with the final plan approved 4 weeks out from launch date.*

Enhancement Stores*: Number of stores applied for: **Include the list of stores you are applying for in a separate excel file*

In-Store Activity: *Include detailed plans for your in-store activity.*

1

Brewer will be contacted to discuss any issues with this application

Appendix 2 – Application Form continued

Product Enhancement:

Details must include artwork, dimensions (L x W x H), print stock/material, fine print and any other relevant information.

SAMPLE
FORM