

ENHANCED DISPLAY PROGRAM | GUIDELINES

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1. Introduction

- 1.1 The Enhanced Display Program (EDP) is an optional service that allows participating brewers the opportunity to advertise on the selling floor of participating locations of The Beer Store (TBS) across Ontario and online as a curated omnichannel promotional package for a fee (Appendix 1 and 2). Participation varies by store and display model.
- 1.2 Participating brewers are responsible for a) designing advertising for their promotion using TBS supplied templates and criteria b) supplying product to participating stores for the displays.
- 1.3 TBS is responsible for a) reviewing and approving product and advertising b) managing the print production and shipping of advertising to stores c) managing the online advertising d) setting up product displays and advertising in stores and e) replenishing product displays over the 4 week cycle.
- 1.4 The EDP calendar consists of 13, 4-week cycles and 7 zones based on an amalgamation of the existing 14 Retail Districts for a total of 273 windows per year (13 cycles x 7 zones x 3 brewer displays).
- 1.5 The rate card includes in-store and online promotional placements along with the costs described in section 1.3 assuming full booking of all zones each cycle (Appendix 2). In the event the program is not fully subscribed, the rate card will not apply and fees will be quoted separately.
- 1.6 Only those stores listed with the approved brand and pack will participate in the program. All stores may not carry the brand and pack in accordance with the Store Listing Policy. Fees will not be adjusted to reflect a reduced number of participating stores as a consequence of not being listed. Refer to section 6.5 for substitution protocol.
- 1.7 TBS reserves the right to modify or cancel any part of the Enhanced Display Program with 30 days written notice.
- 1.8 These Guidelines and all communication related to the Enhanced Display Program are for the sole use of The Beer Store and for the reference of those brewers participating in the program.
- 1.9 The safety and security of customers, staff and company assets take precedence over merchandising and marketing initiatives.
- 1.10 All brewers interested in booking this program must subscribe through the survey link in the announcement email before the noted deadline. The final draft order and agenda will be announced to those who have subscribed.

2. Window Allocation, Assignment and Draft Process

- 2.1. Windows are allocated to brewers based on total brewer provincial sales through TBS (including Home Consumer, Licensee and 50% of sales to LCBO, Agency and Retail Partner, excluding Cider sales) for the most recent 12 month period (Appendix 3). All data is reviewed, indexed and updated annually.
- 2.2. Any brewer with a window allocation of 46 or greater will be assigned the windows by TBS to a maximum of 91 as determined by The Beer Store based on the principle of maximizing exposure across zones and cycles. Such brewers will receive notice of their assignments and will agree to accept or decline the windows before the noted deadline. Any windows earned over and above the 91 assigned windows will be selected in the draft.
- 2.3. Any brewer with a window allocation of 45 or less will participate in the draft to select those windows (Appendix 4).
- 2.4 Small brewer provincial sales are indexed so that small brewers are allocated 20% or 55 windows in this program.

- 2.5 An individual small brewer with sales that exceed 5% of the total provincial sales described in section 2.1 will be allocated a number of windows proportionate to their provincial sales. An individual small brewer with sales of less than 5% of the total provincial sales will be allocated up to 5% of the total program windows according to their indexed share with the total number of windows reserved per year not to exceed 5%.
- 2.6 Any small brewer who does not earn at least 1 window according to their indexed market share will participate in the small brewer draft. Small brewer draft windows are included in the 20% of total EDP windows that are reserved for small brewers.
- 2.7 Small brewers will have reserved access to all zones in the draft as follows: a selection of 7 windows total in Zone 1 and a selection of 8 windows total in each of Zones 2 through 7 for a combined total of 55 allocated windows for the category.
 - 2.7.1 Small brewers with a window allocation of 13 (5% of 273) can choose a maximum of 43% of their round 1 draft windows in cycles 5 through 9.
 - 2.7.2 Small brewers with a window allocation of at least one and less than 13 (5% of 273) can choose one window in cycles 5 through 9 during round 1 of the draft and 1 window in cycles 5 through 9 will be reserved for the small brewer draft (Section 2.6).
- 2.8 The draft for un-assigned windows is structured as a series of rounds. The market share used to determine order is market share less a pro-rata amount for any windows already assigned (Section 2.2). For round 1, brewers are placed in descending order of market share with a maximum selection of 7 windows per brewer. For subsequent rounds, brewers are ranked in descending order of remaining windows with a maximum selection of 4 windows per brewer. Brewers with an equivalent number of remaining windows will then be placed in descending order of market share. The minimum selection for any brewer is one window.
- 2.9 The small brewer draft occupies the last position in round 1. The maximum and minimum selection for any brewer in the small brewer draft is one window. Priority is determined in the following manner:
 - 2.9.1 First priority to brewers that applied for the program in the previous year but did not have an opportunity to participate in the draft (according to the order of the previous year).
 - 2.9.2 Second priority to brewers applying for the first year (a random draw will determine the draft order).
 - 2.9.3 Third priority to brewers that applied for the program in the previous year and participated in the draft but declined the opportunity (according to the order of the previous year).
 - 2.9.4 Fourth priority to brewers that participated in the program in the previous year (according to the order of the previous year).
- 2.10 Any windows remaining following the completion of the draft (Appendix 4) will be offered to brewers in descending order of market share, in a final round, to a maximum of 1 window per selection to all interested small brewers, then to all interested large brewers, then back to all interested small brewers again subject to 2.5. This process will repeat until all windows are reserved.
- 2.11 Any brewer earning assigned windows will forfeit the windows if they a) decline the windows or b) if they fail to accept the windows before the noted deadline. Any brewer earning draft windows will forfeit the windows if they a) decline the windows b) do not participate in the draft to reserve the windows or c) participate in the draft but fail to select their windows within the required time frame. Brewers provided with the opportunity to participate in this program may accept or decline any or all offered windows at their discretion.

- 2.12 In the event of a brewer merging with or being acquired by another during the term of this program, the resulting entity (brewer) will retain the windows originally allocated to or reserved by that brewer for the remainder of the program term.
- 2.13 The draft process for any reserved window(s) for which a brewer has cancelled (section 3.1) will be offered in increments of one window per brewer in descending order of market share, first to interested brewers not already offered a window in the same brewer category (e.g. small brewers) subject to section 2.5 and then to the alternate brewer category (e.g. large brewers). Any remaining windows will be offered next to brewers in descending order of market share. If a brewer accepts a window with minimal lead time before the start of the program, the brewer accepts all responsibility to comply with Section 3.2.
- 2.14 Following acceptance of a window, a brewer may re-assign the window to another brewer with which it has a registered agency relationship pursuant to applicable liquor regulations. There will be no impact to the draft order for either brewer.
- 2.15 Depending on brewer interest, it may not be possible to provide every brewer with a window in the program due to the limited number of windows available.

3. Planning and Timelines

- 3.1 Cancellations for reserved windows must be received by TBS in writing 16 weeks before the activation is scheduled to begin. The brewer will be charged in full according to the rate card if this deadline is not met. Small brewers will be designated a “participating” brewer for the next year’s draft (Section 2.9.4) and will not be provided with a replacement window. Cancelled window reservations will be offered to other brewers in accordance with Section 2.13.
- 3.2 Participating brewers will agree to comply with a workplan, as defined by TBS, that will ensure product and advertising are in market and online on time. Any brewer that fails to meet the deadlines detailed in the workplan will be subject to incremental fees that will be charged in addition to the rate card. Any additional print material required outside of the standard scope of this program such as price adjustment stickers or reprinted advertising will also be subject to incremental fees that will be charged to the brewer in addition to the rate card.
- 3.3 Participating brewers will receive a summary notification of brand packs 2 weeks before the start of each cycle.
- 3.4 Rate card fees will be charged to the brewer proportionately during the month(s) of the activation on the weekly brewer statement at month end.

4. Product and Inventory

- 4.1 Each promotion can consist of 1 brand and pack. The EDP brand can be featured on concurrent programs (FDP, ECP, Discovery) in different stores and can repeat for consecutive cycles in the same zone featuring a different pack and promotion.
- 4.2 To promote a stable and secure display, the pack on display will be the largest pack size available in that brand, or a promotional or launch pack. Single containers are excluded from this program.
- 4.3 Brewers can expand their listings into stores in advance of the activation subject to applicable listing policies and fees. When the brand pack is not listed at a store, the substitution protocol described in section 6.5 will be followed.
- 4.4 To promote an eye-catching and creative display without overloading the stores with inventory, TBS has defined display quantity maximums for standard pack sizes (Appendix 5). Other standards will be defined as required.
- 4.5 All product will be displayed as shipped from the brewer. TBS reserves the right to remove plastic wrap from product or inner packs from mother cartons for a fee which will be in addition to the rate card.

- 4.6 Brewers are responsible for ensuring product supply is available 3 weeks before the in-market date for store ordering 2 weeks prior.
- 4.7 Display inventory is not included in the calculation of store capacity.

5. Display Models and Advertising

- 5.1 The Enhanced Display Program is a curated promotional package including in-store and online advertising (Appendix 1).
 - 5.1.1 In-Store Promotion: Includes product and/or advertising according to display models. To maximize the number of participating stores, there are 4 EDP display models that accommodate the requirements of varying store formats without compromising store operations. Each participating store will feature 3 equal displays on the selling floor (one display per booking). Designation and placement of each display is determined solely by TBS as dictated by store format, operational requirements and customer flow. All display models elevate the product and/or advertising from the floor to prevent damage.
 - 4'x2' Display – includes product merchandised on a 4'x2' footprint, rubber mat base with free standing 3-panel display customized with brewer designed artwork
 - 3'x2' Display – includes product merchandised on a fixture with 3'x2' footprint and built-in frame featuring a 3'x2' poster customized with brewer designed artwork
 - End Aisle Display – includes product merchandised on a 3'x2' footprint, custom built end aisle with wall mounted frame featuring a 3'x2' poster customized with brewer designed artwork
 - TriPanel Display – includes a free-standing fixture designed to feature 3'x2' posters customized with brewer designed artwork (1 poster per booking). The TriPanel does not include product and can be found in stores with limited space or where security mandate restricts the display of product in the lobby.
 - 5.1.2. Digital Promotion: Includes product feature on Occasions Connections Page Tier 3 or Product Feature on TBS Flyers & Deals and FLIPP Digital Flyer, and inclusion in Meta Flyer.
- 5.2 As part of the workplan (Section 3.2), brewers are responsible for designing advertising for their promotion using TBS supplied templates. Artwork composition and copy is subject to review and approval by TBS. Brewer and brand content is restricted to the approved brewer and brand pack, and all pricing references must comply with the TBS Pricing Communication Policy. Once approved, final artwork files will be transferred to TBS to manage a) printing and shipping of advertising to participating stores and b) online advertising.
- 5.3 Advertising, legal and regulatory compliance for brewer supplied artwork is the sole and absolute responsibility of the brewer supplying the artwork. TBS reserves the right to remove any signage at the request of an applicable regulatory authority and no program fee refund will be payable for brewer non-compliance. Brewers will indemnify and hold harmless TBS for any non-compliance.

6. Display Merchandising

- 6.1 TBS is responsible for positioning the displays in the store, loading the product onto the displays and/or setting up the advertising.
- 6.2 Each product display will have a maximum height of 4 feet. The perimeter of each product display must be covered to a height of 18" (approximately 2 equivalent, 341ml industry standard bottle stacked cases) to prevent a trip hazard. Product may overhang the display by a maximum of 1" on each side (where applicable) and only if required for a safe and stable display as dictated by product dimensions

- 6.3 Display positioning is determined in each store using the following priority: position 1 is closest to the store entrance followed by position 2 and 3. Positioning is identified on notifications to stores and brewers.
- 6.4 Provided sufficient stock is available, TBS will replenish the product displays twice daily and ensure the displays do not sell down below approximately 18" of product (2 rows of equivalent 341ml industry standard bottle stacked cases).
- 6.5 When the approved brand pack is not listed, out of stock or sells down below 18" and cannot be replenished the entire display will be constructed with a substitute product as determined by the Store Manager following this protocol in priority order: a) same brand, alternate pack b) same brewer, alternate brand c) same brewer category (small or large). Advertising will remain on display only if the promoted content is consistent with the product on display.
- 6.6 TBS will replace missing and/or damaged signage as needed by stores.
- 6.7 At the conclusion of each cycle, TBS will remove all product from display and transport it to the stock room. Signage will be removed and recycled.

Appendix 1: Visuals

IN-STORE

4'x2' Display
4'x2' product footprint
free standing advertising



3'x2' Display
3'x2' product footprint
3'x2' advertising



End Aisle Display
3'x2' product footprint
3'x2' advertising



TriPanel Display
3'x2' advertising
(1 poster per booking)



End Aisle footprint is 6'x2' in select stores

DIGITAL*

Occasions Connections Product Tile



Flyers & Deals Product Tile



*For placement only, subject to change

Appendix 2: Rate Card*

4-WEEK CYCLES	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7
1 Jan. 1 - 28	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
2 Jan. 29 - Feb. 25	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
3 Feb. 26 - March 24	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
4 March 25 - April 21	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
5 April 22 - May 26	\$23,750	\$30,875	\$28,500	\$29,925	\$30,400	\$21,375	\$20,425
6 May 27 - June 23	\$23,750	\$30,875	\$28,500	\$29,925	\$30,400	\$21,375	\$20,425
7 June 24 - July 21	\$23,750	\$30,875	\$28,500	\$29,925	\$30,400	\$21,375	\$20,425
8 July 22 - August 18	\$23,750	\$30,875	\$28,500	\$29,925	\$30,400	\$21,375	\$20,425
9 Aug. 19 - Sept. 15	\$23,750	\$30,875	\$28,500	\$29,925	\$30,400	\$21,375	\$20,425
10 Sept. 16 - Oct. 13	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
11 Oct. 14 - Nov. 10	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
12 Nov. 11 - Dec. 8	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200
13 Dec. 9 - Jan. 5	\$20,000	\$26,000	\$24,000	\$25,200	\$25,600	\$18,000	\$17,200

***Announced April 5:**

Please note an operational update to TBS promotional cycle timing in an effort to drive efficiencies with advertising & promotional planning and executions this year for all participating Brewers. Cycle 5 will extend by one week and all cycles thereafter will shift by one week to align closer to LCBO cycles. Brewers who have booked into programming this calendar year have received a personal notification from TBS.

Appendix 3: Window Allocation

	BREWER	# WINDOWS	ASSIGNED	DRAFTED
LARGE BREWERS	Labatt Breweries	102	91	11
	Molson Coors Brewing	80	80	
	Sleeman Breweries	17		17
	Carlsberg Canada	12		12
	Diageo Canada	1		1
	Royal Unibrew	1		1
	Kompania Piwowarska	1		1
	Birra Peroni	1		1
	Plzensky Prazdroj	1		1
	Heineken	1		1
	Bavaria NV	1		1
SMALL BREWERS	Moosehead Breweries	13		13
	Steam Whistle Brewing	11		11
	Muskoka Cottage Brewery	6		6
	Flying Monkeys Craft Brewery	2		2
	Minhas Craft Brewery	2		2
	Nickel Brook Brewing	1		1
	Ace Beverage Group	1		1
	Equals Brewing	1		1
	Cowbell Brewing	1		1
	Mark Anthony Group	1		1
	Great Lakes Brewing	1		1
	S.A.Damm	1		1
	Wellington County Brewery	1		1
	Innis & Gunn Brewing	1		1
	SMALL BREWER DRAFT	12		12
		273	171	102

Appendix 4: Preliminary Draft Order

ROUND	ORDER	BREWER	# WINDOWS
1	1	Labatt Breweries	7
	2	Sleeman Breweries	7
	3	Carlsberg Canada	7
	4	Moosehead Breweries	7
	5	Steam Whistle Brewing	7
	6	Diageo Canada	1
	7	Royal Unibrew	1
	8	Kompania Piwowarska	1
	9	Muskoka Cottage Brewery	6
	10	Birra Peroni	1
	11	Plzensky Prazdroj	1
	12	Heineken	1
	13	Bavaria NV	1
	14	Flying Monkeys Brewery	2
	15	Minhas Craft Brewery	2
	16	Nickel Brook Brewing	1
	17	Ace Beverage Group	1
	18	Equals Brewing	1
	19	Cowbell Brewing	1
	20	Mark Anthony Group	1
	21	Great Lakes Brewing	1
	22	S.A.Damm	1
	23	Wellington County Brewery	1
	24	Innis & Gunn Brewing	1
	25	SMALL BREWER DRAFT	12
2	1	Sleeman Breweries	4
	2	Moosehead Breweries	4
	3	Carlsberg Canada	4
	4	Labatt Breweries	4
	5	Steam Whistle Brewing	4
3	1	Sleeman Breweries	4
	2	Moosehead Breweries	2
	3	Carlsberg Canada	1
4	1	Sleeman Breweries	2

Appendix 5: Display Quantity Maximums

(Use these standards to calculate display quantity maximums for other pack sizes)

CONTAINER	PACK SIZE	4'x2'	3'x2'	END AISLE
BOTTLES	24 x 341 ml bottles	24 cases	20 cases	20 cases
CANS	24 x 473ml cans	26 cases	22 cases	22 cases
	30 x 355ml cans	26 cases	22 cases	22 cases
	24 x 355ml cans	34 cases	30 cases	30 cases

Appendix 6: Term Dictionary

activation	a brewer display approved by TBS, consisting of product and/or advertising featured in a group of stores (zone) for a 4-week cycle
brand pack	a unique brand + pack + volume + container combination (e.g. ABC Lager 24 pack x 341ml bottles)
brand	a 3 or 4 digit merchandise category
brewer	the party named in the signed User Agreement
cycle	one of 13, 4-week cycles as defined on the Rate Card
display advertising	free-standing advertising featured on the 4'x2' display model with custom artwork designed by the brewer using a TBS supplied template, subject to TBS review and approval, and produced/shipped to participating stores by TBS
large brewer	a brewer with annual worldwide production greater than 400,000 hl.
launch pack	a new brand or pack introduced into TBS
pack	a pack + volume + container combination (e.g. 24 pack x 341ml bottles)
poster advertising	advertising featured in a frame on the 3'x2', End Aisle and TriPanel display models with custom artwork designed by the brewer using a TBS supplied template, subject to TBS review and approval, and produced/shipped to participating stores by TBS
promotional pack	a change to the standard package e.g. contest, in-case, offer, on-case etc.
retail price	the total price of the product to the consumer
round	a round in the draft process
sale	a reduction in price, advertised at TBS for a 4-week period
single containers	single bottles or cans (not wrapped in packs)
small brewer	a brewer with annual worldwide production less than or equal to 400,000 hl. For greater certainty, Moosehead is designated a small brewer.
User Agreement	a User Agreement between a manufacturer of beer and TBS providing for the listing of the manufacturer's products for sale through TBS
window	one cycle x zone combination
window reservation	a window (cycle x zone) chosen by the brewer and confirmed by TBS as part of the assignment and/or draft process
zone	1 of 7 EDP zones (geographic areas), based on an amalgamation of the existing 14 Retail Districts, each consisting of a selection of TBS stores as detailed in the store list