



Frequently Asked Questions regarding Wholesale Pricing Changes – Wholesale Customers

When the new wholesale pricing model takes effect on April 1, 2015, Retailers will purchase their product from the Liquor Distribution Branch (LDB) at a common wholesale price.

PRICING MODEL

Under the new wholesale pricing model:

Q. What is wholesale pricing, and what does it mean for Retailers?

- A. When the new wholesale pricing model takes effect on April 1, 2015, Retailers, including BC Liquor Stores, will purchase their product from the LDB at a common wholesale price.

Previously, different retailers operated with different discounts off the BC Liquor Store display price.

PRICE LIST DISTRIBUTION

Under the new wholesale pricing model:

Q. When can I expect to know the wholesale price of products?

- A. Wholesale prices of products will be made available on March 6, 2015 for Period 1 (effective April 1, 2015). For future Periods, wholesale prices will be made available to all Retailers approximately three weeks prior to the next Period.

Q. Where can I access the wholesale price list of available products?

- A. The wholesale prices, reflecting the new wholesale pricing model effective April 1, 2015, are available through a temporary website at: <https://wholesale.bcldb.com/>. To view the new wholesale prices, please logon to this site (using the following My LDB Account login instructions) and access the Wholesale Price List PDF document.

My LDB Account login instructions:

- Enter URL: <https://wholesale.bcldb.com/>
- Enter LDB Account: <Insert your Licence Number>
- Enter Password: bc<Insert your Licence Number>ldb

This temporary website will be live until a permanent solution is made available. We will keep you informed of these updates.

Q. When will BC Liquor Store prices be available?

- A. Like other Retailers, BC Liquor Stores will be setting their own retail prices and will not be sharing them with other Retailers. The Product Guide will be discontinued.



ORDERING PRODUCTS

Under the new wholesale pricing model:

Q. How do I order LDB products?

- A. Effective April 1, 2015, all Retailers will be serviced by the Wholesale Customer Centre (WCC) located in Vancouver. Retailers who have not yet transitioned to the WCC can contact a WCC customer service representative today at 604-775-0681 and complete an application form or fill out the application form on the LDB wholesale website at www.ldbwholesale.com.

Q. What are my delivery/freight charges?

- A. There is no fee to order from the WCC. A \$30 processing fee will be charged to wholesale customers who require delivery from the LDB Wholesale Distribution Centre.

Q. How do I order non-stock wholesale products?

- A. Non-stock wholesale products (ie, SPEC, SIPS) are ordered through the WCC.

Q. What are the WCC ordering requirements?

- A. The typical rules* for ordering through the WCC are:
3/6/9 partial cases for regularly stocked product in bottle sizes larger than 375 ml but less than 1.75 Liter to a maximum of 10% of the total selling units. Excluded are: bag in box, beer, refreshment beverages, and non-stocked wholesale product.
A minimum of 30 cases must be ordered per shipment.

Q. What happens to privately distributed beer and wine?

- A. For privately distributed beer, Retailers are required to contact the brewery or third party distributor directly. Please visit www.ldbwholesale.com for a comprehensive list of privately distributed breweries and distributors.
British Columbia wineries that currently privately distribute to wholesale customers will continue to do so as of April 1, 2015.

Q. Can I continue to purchase wholesale product from BC Liquor Stores?

- A. Retailers may choose to purchase products from a BC Liquor Store, however products will be available only at the retail price.

PRICING TO CONSUMERS

Under the new wholesale pricing model:

Q. How should I price my products?

* Rural Agency Stores - please see communication dated February 24, 2015.



A. All Retailers are entitled to set their own prices in line with the needs of their business, subject to minimum retail prices established by Liquor Control and Licensing Branch.

Q. Is there a minimum retail price?

A. Effective April 1, 2015 Retailers will not be able to sell product below the wholesale price it was purchased at. This policy is established and managed by Liquor Control and Licensing Branch.

Q. Do I have to include, or rather exclude, tax in the shelf price?

A. It is at the discretion of each Retailer to include, or exclude, tax in their shelf prices.

RETURNS, PRODUCT RECALLS AND EMPTY CONTAINER RETURNS

Under the new wholesale pricing model:

Q. How do I return product?

A. All requests to return product must be made to the WCC and must first be approved in writing. To return product, Retailers are to contact the WCC and request a Return Authorization Form. When the return request is approved, arrangements will be made to return the product. Wholesale product cannot be returned at a BC Liquor Store.

Sales to wholesale customers are generally considered final, however, exceptions may be considered in the following limited circumstances:

- the product is defective, or
- the product is in saleable condition, and:
- the LDB makes an error on the customer's order;
- the customer's licence is discontinued or suspended;
- the customer's licence is for seasonal operation only; or
- the product has been the subject of bankruptcy or legal seizure (court documents required).

Defective product refers to product that is not fit for consumption and has at least one third of its contents remaining, if it is open, or has damage that was not identifiable at the time of purchase. Aside from instances where the LDB makes an error or the product is defective, a 10% re-stocking fee applies.

A valid proof of purchase must be provided and returns will be processed in the original method of tender.

If products are purchased at BC Liquor Stores (at retail price), please follow the in-store return policy.

Q. How will I find out about a product recall?

A. For products that were ordered through the WCC, and that are subject to a product recall, Retailers will receive product recall notices by email.



Q. Where do I take my empty containers?

A. Retailers* are to arrange for all empty liquor containers to be taken to a designated bottle depot.

CUSTOMER TYPES

Under the new wholesale pricing model:

Q. Can I sell to hospitality customers (licensees)?

A. Licensee Retail Stores (LRS) cannot sell products to hospitality customers. Where authorized (with written pre-approval) Rural Agency Stores (RAS) may sell liquor to hospitality customers (licensees), and must do so at the LDB established retail price.

Q. Can I sell to Special Occasion License Holders (SOL)?

A. LRS cannot sell to SOL Holders. RAS may sell to SOL holders, subject to any minimum pricing rules as defined by the Liquor Control and Licensing Branch.

Q. I have an LRS with an attached restaurant/pub. Can my LRS sell to my restaurant/pub?

A. No. The restaurant/pub (as a hospitality customer) will continue to purchase product from BC Liquor Stores, agents of the LDB and the WCC (where applicable) at the LDB established retail price.

CHANGES TO THE PRIVATE RETAILER MARKETPLACE

Under the changes:

Q. What changes are happening with the grocery store liquor retail model?

A. Changes associated with the grocery store liquor retail model are being managed by Liquor Control and Licensing Branch. These changes can be found on their website - <http://www.pssg.gov.bc.ca/lclb/>. An announcement made February 26, 2015 can be found at the following link - <http://www.pssg.gov.bc.ca/lclb/docs-forms/policy-directive-2015-01.pdf>

* Rural Agency Stores - please see communication dated February 24, 2015.