

LCBO

February 25, 2019

Re: Standard Freight Rates

Gary Rock

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Dear Agents,

The LCBO has completed a review of our standard freight rates. Standard freight rates apply to products sold through the VINTAGES and Specialty Services channels. Please remember that suppliers can take advantage of the FCA rate*, which gives them the option of delivering directly to a LCBO Consolidation warehouse, thereby reducing the standard freight rate. Another significant advantage of opting for the FCA rate is that it eliminates the Ex-Cellar** minimum case quantity requirement.

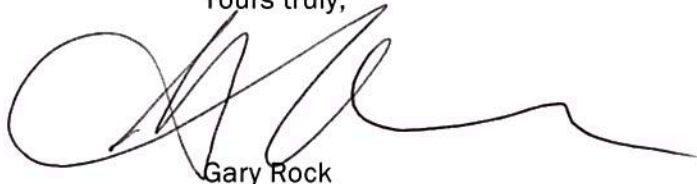
The standard rates will be applied to all orders received on or after March 11, 2019.

*FCA is the term used when product is delivered by the supplier at their expense to the forwarder's warehouse for consolidation and shipment.

**Ex-Cellar denotes product that is picked up at the supplier location with freight costs paid by the LCBO. The minimum Ex-Cellar case quantities are shown on the attached standard rate sheet. Please note that Ex-Cellar terms may have additional costs applied if the minimum case quantities are not met. Ex-Cellar rates are offered in those countries with a significant number of orders per year. However, if there is a specific request, we will attempt to establish a rate and advise on the cost per case.

Please direct any questions or inquiries to Bruce Dunstan, Manager, Customs, Excise and Payments at (416) 365-5811 or to myself.

Yours truly,



Gary Rock

c.c. Nick Nanos, Senior Vice President, Supply Chain and Wholesale
Nicholas Merendina, Director of Transportation
Bruce Dunstan, Manager, Customs, Excise and Payments

STANDARD FREIGHT RATES**Effective March 11, 2019**

Port		Country	Region	Consolidation Warehouse Location	FCA	Excellar	
EXC	FCA				\$/case	Suggested Order Qty	\$/case
3173	281	Argentina	Mendoza	Mendoza, AR	\$ 7.57	35	\$ 11.37
3379	202	Australia	Sydney	Mascot-Sydney, AU	\$ 8.17	No quote	
3572	203	Australia	Melbourne	West Melbourne, AU	\$ 7.18	No quote	
3305	204	Australia	Adelaide	Gillman-Adelaide, AU	\$ 7.41	34	\$ 12.95
3089	216	Austria	Vienna	Maintal, DE	\$ 5.54	29	\$ 12.17
3251	238	Belgium	Antwerp	Antwerpen, BE	\$ 5.17	28	\$ 8.39
3366	208	Chile	San Antonio	San Antonio, CL	\$ 6.10	73	\$ 6.93
3008	215	France	Burgundy	Chatenoy le Royale, FR	\$ 5.17	35	\$ 8.98
3063	260	France	Bordeaux	Bruges, FR	\$ 5.92	16	\$ 8.92
3020	261	France	Marseille	Salon de Provence, FR	\$ 5.29	16	\$ 8.97
3193	216	Germany	Rhineland	Maintal, DE	\$ 5.54	28	\$ 10.01
3509	317	Greece	Athens	Athens, GR	\$ 6.81	38	\$ 15.31
3275	216	Hungary	Budapest	Maintal, DE	\$ 5.54	No quote	
3136	239	Ireland	Dublin	Dublin, IE	\$ 7.15	No quote	
3052	210	Italy	Verona	Mazzantica di Oppeano, IT	\$ 5.48	29	\$ 7.55
3303	299	Italy	Livorno	Guasticce (Livorno), IT	\$ 4.55	18	\$ 8.68
3686	421	Japan	Tokyo	Tokyo, JP	\$ 11.72	No quote	
3110	222	New Zealand	Auckland	Mangere, Auckland, NZ	\$ 7.35	40	\$ 8.64
3381	262	New Zealand	Blenheim	Riverlands, Blenheim, NZ	\$ 10.64	24	\$ 12.08
3519	446	Portugal	Lisbon	Alverca-do-Ribatejo, PT	\$ 4.25	42	\$ 7.98
3182	447	Portugal	Oporto	Sao-Mamede-de-Infesta, PT	\$ 4.29	41	\$ 7.65
3573	227	South Africa	Cape Town	Bellville, Cape Town, ZA	\$ 5.82	54	\$ 7.20
3304	228	Spain	Barcelona	Castellbisbal (Barcelona), ES	\$ 5.07	26	\$ 9.19
3360	236	Spain	Cadiz-Sevilla	Dos Hermanas, ES	\$ 5.37	No quote	
3143	225	United Kingdom	Glasgow	Cambuslang, Glasgow, GB	\$ 3.74	36	\$ 8.52
5031	330	USA	Napa	American Canyon, CA	\$ 6.94	17	\$ 8.71

Notes:

- 1) No quotes are provided for areas in which the LCBO has less than 10 orders in a calendar year.
- 2) For areas that have established Excellar quotes the suggested order quantity must be ordered. Any orders placed for less than the suggested order quantity will result in a higher freight cost.
- 3) The LCBO cannot guarantee that each country/consolidation facility will at any given time have sufficient order quantities to allow for a consolidation. Insufficient volumes or case quantities from a consolidation facility may result in additional freight costs being applicable.
- 4) Suggested order is simply a recovery of the minimum Excellar charge at a specific consolidation location, i.e. when the average order size decreases, the suggested order quantity increases to recover the minimum charge assuming no change in the underlying rates.
- 5) Standard Freight Rates will be applied to Vintages Non-Essential and Specialty Services orders that are less than 500 cases. Orders 500 cases or greater will be assigned the actual freight cost.