

Role of Suppliers and Agents

Suppliers

The term, "Supplier" generally refers to the manufacturer or producer of a product. This includes the distiller, brewer, winemaker and anyone the LCBO agrees to purchase liquor from ("Liquor" means spirits, wine, and beer, or any combination thereof). It also includes alcohol in any form appropriate for human consumption as a beverage alone or in combination with any other matter. This definition is further detailed in the Liquor Licence Act, R.S.O. 1990, c.L. 19.

Generally, the LCBO will not recognize someone as a Supplier of product unless they carry out a substantial part of the manufacturing process. In all cases, a Supplier must have full legal rights to sell the product that it proposes to sell to the LCBO.

Suppliers must comply with applicable liquor laws, regulations, and the terms and conditions of the LCBO Purchase Order. Suppliers must also comply with the advertising guidelines of the Alcohol and Gaming Commission of Ontario (AGCO). A copy of their guidelines is available from their website: www.agco.on.ca.

Supplier's responsibilities include but are not limited to the following:

- Adhering to the Purchase Order terms and conditions
- Adhering to compositional packaging and labeling requirements and standards
- Filling orders accurately and on time
- Ensuring consistent product quality

Supplier of Record

Once a product is purchased by the LCBO, the LCBO recognizes the Supplier of that product as the "Supplier of Record" for the product. The LCBO will not change the name of the Supplier of Record or remove the Supplier of Record without the written consent of the Supplier of Record, unless the LCBO stops purchasing the product for any reason.

Please note that when the LCBO approves a new Supplier of Record for a product that it has been purchasing, whether due to the sale or transfer of the previous Supplier's business or otherwise, the new Supplier of Record assumes responsibility for the payment to the LCBO of all amounts that are then due (or subsequently become due) to the LCBO for such product, (including, for example, those costs relating to defective or discontinued

product), even though such costs may relate to the period of time when the product was shipped to the LCBO by the previous Supplier.

Appointment of an Agent by a Supplier

All products selected for purchase by the LCBO WINES CATEGORY or the LCBO SPIRITS & BEER CATEGORY should have Agent representation.

A Supplier may wish to appoint an Agent to represent its interests when dealing with the LCBO. The LCBO will not recognize an Agent's authority to represent a Supplier unless the Supplier provides written confirmation on the Supplier's own stationary (letterhead). It is recommended that the Supplier use the "Appointment of Exclusive Agent" template available in the "Forms" section of the LCBO Trade website. A Supplier may appoint only one Agent to represent a single product line.

A list of Agents in Ontario licensed to represent a manufacturer can be obtained by contacting the Alcohol and Gaming Commission of Ontario, (AGCO). Their website is www.agco.on.ca.

The LCBO is unable to recommend specific Agents. However, as part of your search for an Agent, you may wish to visit the website of Drinks Ontario, a large trade association made up of both large and small agencies. Their website, www.drinksontario.com, lists their members and the products they represent. Please note that not all Licensed Agents in Ontario are members of Drinks Ontario as membership is voluntary.

Once appointed, the Agent will begin the process of submitting the Suppliers' product(s) for evaluation by the LCBO.

For the purpose of this document, the term "Agent" refers to a representative of a Supplier/manufacturer, licensed by the Alcohol and Gaming Commission of Ontario (AGCO). An Agent may work for a single Supplier or may represent several simultaneously.

The LCBO will deal only with Agents directly appointed in writing by a Supplier. Any Sub-Agents who are appointed by an Agent (i.e. who are not direct appointees of a Supplier) will not be recognized by the LCBO as Agents of the principal Supplier for the purpose of conducting business with the LCBO.

Agents

Section 11 of the Liquor Licence Act requires Agents to be licensed by AGCO for the purposes of soliciting orders of liquor in Ontario on behalf of a manufacturer of liquor. Agents may only canvass for, receive, take or solicit an order for the sale of liquor on behalf

of a manufacturer but cannot sell liquor. Please note that a “manufacturer” for these purposes means a person who produces liquor for sale.

Please visit the Alcohol and Gaming Commission of Ontario’s website at www.agco.on.ca for information about becoming a licensed manufacturer’s representative, useful FAQs and AGCO’s application form and guide.

The LCBO permits a Supplier to appoint only one Agent to represent a specific product or product line. This appointed Agent is referred to as the “Agent of Record” and represents that product in all its package sizes, forms (e.g. bottles, cans, etc.) and the entire brand line for the product across all LCBO sales channels.

A Supplier may authorize an Agent to set price quotations or payment terms on its behalf. However, the LCBO will recognize the Agent’s authority to act on this basis only upon receipt of an additional express written authorization from the Supplier on the Supplier’s stationary.

The LCBO will continue to deal with the Agent of Record exclusively on the basis authorized by the Supplier in writing until such time as the LCBO receives from the Supplier express written instructions to the contrary.

Agents’ Mandatory Requirements

An Agent must:

- Have a licence to represent a manufacturer issued by the Alcohol and Gaming Commission of Ontario (AGCO), under the Liquor Licence Act, R.S.O. 1990, c.L.19.
- Present their licence to represent a manufacturer to the LCBO, listing all of the manufacturers/Suppliers they represent, upon request.
- Comply with all applicable laws and the terms and conditions of any permit, authorization or licence issued by the LCBO or the AGCO.
- Comply with the terms and conditions of all programs administered by the LCBO in which the Agent is involved.

If an Agent does not comply with these requirements, the LCBO may, at its discretion, stop conducting business with the Agent, and may, in its discretion, notify the Suppliers it represents of the non-compliance by the Agent.

Being a Supplier's Agent to the LCBO requires extensive resources. Agents are responsible for marketing, promoting and the sales distribution of the products they represent. Agents need to spend time and resources making sure customers choose their products.

Agent's responsibilities include but are not limited to the following:

- Making applications to sell product to the LCBO.
- Ensuring Supplier information is accurate and provided in a timely fashion.
- Receiving samples from Suppliers that will be forwarded to LCBO as part of the application process.
- Liaising with the Suppliers regarding packaging and pricing.
- Determining participation in LCBO Merchandising programs.
- Executing Supplier advertising, public relations and other promotional campaigns.
- Liaising with LCBO store managers regarding product knowledge and other promotional activities.

We recommend that licenced representatives obtain and be familiar with a copy of the Liquor Licence Act and Regulations (1990) which governs the sale and service of liquor in Ontario. It is available online at www.e-laws.gov.on.ca. Copies can be purchased from the Ontario Government Bookstore. The address and phone number can be found in the "Contacts" section of this website.