

February 24, 2022

Re: Standard Freight Rates

Dear Trade Partners.

The LCBO has completed a review of our standard freight rates. These rates are applied to products sold through the VINTAGES and Specialty Services channels and will be applicable to all orders received on or after March 14, 2022.

Please remember that suppliers can take advantage of the FCA rate\* which gives them the option of delivering directly to a LCBO Consolidation warehouse. This will reduce the standard freight rate and eliminate the minimum case quantity requirement associated with Ex-Cellar\*\*

\*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 contact me with any questions or inquiries.

Yours truly,

Gary Rock

c.c. Nick Nanos,
 Chief Supply Chain Officer, Senior Vice President – Supply Chain & Wholesale
 Geoff Allaire,
 Vice President Distribution and Logistics

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| Port Code |     |                |             | Consolidation                  | FCA |       | Minimum   | EXCellar |       |
|-----------|-----|----------------|-------------|--------------------------------|-----|-------|-----------|----------|-------|
| EXC       | FCA | Country        | Region      | Warehouse Location             | \$  | /case | Order Qty | \$/case  |       |
| 3173      | 881 | Argentina      | Mendoza     | Perdriel-Lujan de Cuyo-Boceani | \$  | 10.17 | 26        | \$       | 12.49 |
| 3379      | 202 | Australia      | Sydney      | Port Botany NSW-Associated Cus | \$  | 12.32 | n/a       | No       | quote |
| 3572      | 203 | Australia      | Melbourne   | West Melbourne-ACFS Coode Rd   | \$  | 10.47 | n/a       | No quote |       |
| 3305      | 204 | Australia      | Adelaide    | Gillman SA-AWH Pty Ltd         | \$  | 10.71 | 24        | \$       | 17.20 |
| 3089      | 116 | Austria        | Vienna      | Mainz-Hechtsheim               | \$  | 9.14  | 42        | \$       | 17.80 |
| 3251      | 137 | Belgium        | Antwerp     | Moerdijk NL-LIS                | \$  | 6.96  | 20        | \$       | 12.41 |
| 3366      | 208 | Chile          | San Antonio | Barancas, San Antonio-SAAM     | \$  | 9.52  | 24        | \$       | 11.51 |
| 3008      | 215 | France         | Burgundy    | Chatenoy le Royal-Transports B | \$  | 7.76  | 15        | \$       | 13.32 |
| 3063      | 260 | France         | Bordeaux    | Bruges-Transeurope Logistique  | \$  | 8.02  | 16        | \$       | 12.78 |
| 3020      | 261 | France         | Marseille   | Brignoles-Provence Distributio | \$  | 7.99  | 15        | \$       | 12.52 |
| 3193      | 116 | Germany        | Rhineland   | Mainz-Hechtsheim               | \$  | 9.14  | 14        | \$       | 15.80 |
| 3509      | 817 | Greece         | Athens      | Aspropyrgos-Unifreight Interna | \$  | 8.29  | n/a       | No quote |       |
| 3275      | 116 | Hungary        | Budapest    | Mainz-Hechtsheim               | \$  | 9.14  | n/a       | No       | quote |
| 3136      | 139 | Ireland        | Dublin      | Dublin-PRL Freight Warehouse   | \$  | 8.93  | n/a       | No       | quote |
| 3052      | 210 | Italy          | Verona      | Mazzantica di Oppeano-Giorgio  | \$  | 7.72  | 15        | \$       | 11.54 |
| 3303      | 299 | Italy          | Livorno     | Guasticce-Giorgio Gori Srl     | \$  | 6.55  | 15        | \$       | 11.54 |
| 3686      | 121 | Japan          | Tokyo       | Tokyo-Suzuyo & CO              | \$  | 27.84 | n/a       | No quote |       |
| 3110      | 222 | New Zealand    | Auckland    | Mangere, Auckland              | \$  | 10.71 | 24        | \$       | 12.22 |
| 3381      | 262 | New Zealand    | Blenheim    | Port Nelson-Quayconnect        | \$  | 11.78 | 24        | \$       | 13.49 |
| 3519      | 246 | Portugal       | Lisbon      | Sta Iria Azoia-Abreu Carga     | \$  | 6.42  | 26        | \$       | 10.39 |
| 3182      | 247 | Portugal       | Oporto      | Moreira da Maia-Abreu Carga    | \$  | 6.46  | 27        | \$       | 10.88 |
| 3573      | 827 | South Africa   | Cape Town   | Cape Town-Freight Max          | \$  | 8.16  | 62        | \$       | 8.78  |
| 3304      | 128 | Spain          | Barcelona   | El Prat de Llobregat-Amara S.A | \$  | 6.21  | 24        | \$       | 9.42  |
| 3403      | 133 | Spain          | Bilbao      | Santurtzi (Bizkaia)-Progeco S. | \$  | 7.60  | 24        | \$       | 11.68 |
| 3169      | 198 | Spain          | Valencia    | Paterna-Syrtrans Logistica, S. | \$  | 7.77  | 24        | \$       | 11.53 |
| 3143      | 225 | United Kingdom | Glasgow     | Glasgow-John G Russells        | \$  | 4.47  | 36        | \$       | 9.05  |
| 5031      | 330 | USA            | Napa        | American Canyon, CA            | \$  | 9.01  | 17        | \$       | 11.25 |

## Notes:

Date: 2022-02-24

- 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.
- The LCBO cannot guarantee that each country/consolidation facility will at any given time have sufficient order quantities to allow for a consolidation from that country/consolidation facility. 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 goes down, the suggested order quantity goes up 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.