



Sales Representatives Policy

POLICY

The policy of the Newfoundland & Labrador Liquor Corporation (NLC) is to allow suppliers and sales representatives to carry out their functions in the marketplace so that the best interests of the suppliers, the general public, and the Corporation can be served.

DEFINITION

A sales representative/agent is defined as a person or organization appointed by a supplier or agency and duly registered with the NLC who is presently active in representing one or more suppliers in a promotional capacity in the Province of Newfoundland & Labrador. No distinction will be made in this policy between the permitted activities of a sales representative as legally separate from an agent; where the term sales representative is used, it should be taken as applying to both sales representatives and agents.

FUNCTIONS OF A SALES REPRESENTATIVE – RE-DEFINE/INCORPORATE SAMPLING

- (1) To maintain contact with the NLC for the purpose of securing and providing sales and product information.
- (2) To carry out normal public relations and promotional work on behalf of a supplier in dealing with Licensees and the general public.
- (3) To act in an advisory capacity in the organizing of conventions, meetings, special functions and product tasting.

REGISTRATION

All sales representatives operating in the Province of Newfoundland & Labrador must be registered by the NLC. No other person may act in a promotional capacity on behalf of a supplier unless permission is

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requested from the NLC; in such cases, permission may be granted for the required time period.

Any distillery, winery, brewery, or agency, which wishes to have sale representatives in Newfoundland & Labrador, should forward the names and addresses of the individuals or companies to the President of the NLC.

DEALINGS WITH THE CORPORATION

Sales representatives are entitled to full customer privileges in any Liquor Store or Liquor Agency Store. However, sales representatives may not make themselves known to nor otherwise interact for promotional purposes with any other customer while in or near any Liquor Store or Agency Store.

Sales representatives shall have no dealings of a promotional nature with Liquor Store or Liquor Agency personnel nor shall they request any manager or designate statistical information from such personnel.

Any requests for statistical information concerning sales or distribution must be made to the Chief Financial Officer. Such statistical information will be provided to the sales representative at the established cost per line/report. Arrangements can be made to have this data provided on a regularly scheduled basis.

Any business pertaining to matters other than sales or distribution statistics that concerns the sales representative shall be directed to the head of relevant Corporation Department.

Sales representatives shall not provide any monetary remuneration nor any article or service of value to any employee of the NLC.

DEALINGS WITH LICENSEES

Sales representatives may maintain normal business relations with licensed establishments and may introduce, discuss, and provide samples of products, which they represent. However, no sales representative shall provide any inducement to the license holder in



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order to receive special treatment for his products, whether this inducement be in the form of direct or indirect price rebates on alcohol beverages, supplies, fixtures, or equipment for use in the licensee operations, or any other article or service of value. In addition no sales representative shall purchase on behalf of nor deliver any alcohol to any licensee, aside from properly recorded samples.

A sales representative may provide promotional materials such as recipe booklets, table tent cards, wine posters, and point-of-sale materials for use on the licensee's premises but the sales representative must ensure that any such items are available to other licensees in the Province, regardless of whether these other licensees carry the sales representative's products. Prior to providing any such promotional material to any licensee, the sales representative must obtain written approval for such material from the NLC.

SAMPLING – IN-STORE SAMPLING PROGRAM

Sampling is defined as the occasional giving of unopened sample products to selected individuals for the purpose of introducing those products to potential customers. Registered sales representatives may only conduct such sampling

Each sales representative is entitled to engage in sampling but in no instance shall any representative give to any one customer more than one bottle of spirits, one bottle of wine, or one half dozen bottles or cans of beer or cider of the same product in any one year.

All samples used by sales representatives must be purchased from and listed by the NLC.

Each sales representative shall maintain complete records of all alcohol that is purchased and disposed of by him in his capacity as a sales representative. These records shall include information containing dates, customer names and addresses, brands, and quantities used for any sampling. By the third working day of each calendar month, each sales representative shall forward to the Marketing Committee of the Corporation on the forms provided a complete listings of the quantities and specific brands used in sampling during the previous month. The

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sales representative must ensure that all other information is kept up to date and is available to the Corporation if required.

In certain instances sales representative will be permitted to hold tastings of either spirits, wine or beer. Any such tastings conducted by a representative must be by invitations only and will not be permitted to be open to the general public.

For tastings involving more than ten people in addition to the sales representative and other representatives of the supplier, prior authorization is required from the NLC. If less than ten people are involved, the sales representative must keep full records of the tastings and must submit on his monthly report a list of the numbers of people involved and the numbers of tastings held during the previous month; no formal authorization is required from the Corporation on such occasions.

PURCHASES ON BEHALF OF THIRD PARTIES

Sales representatives will be permitted to act as intermediaries on behalf of companies and organizations other than licensees for the purpose of purchasing, transporting, and delivering liquor. All such orders must be prepaid by the customer to the sales representative before the goods are picked up from a liquor store. The sales representative must keep complete record of all such orders handled by him/her and must submit details of quantities and brands on the monthly reports referred to in the section entitled, "Sampling".

By handling an order on behalf of a customer, the sales representative accepts full responsibility for ensuring that the regulations and laws governing the sale of alcohol are adhered to in each case. No such orders are permitted to be delivered to any customer except between the hours of 10:00 a.m. and 10:00 p.m., Monday to Saturday – Operation of NLC.

PENALTIES

The responsibility for ensuring compliance with this policy rests with the supplier of goods on whose behalf, the sales representative is involved in the promotion of goods from two or more suppliers, any penalties

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imposed will apply only to the supplier or suppliers of goods involved in the specific action which contravenes the guidelines of this policy.

The contravention of any section of this policy could lead to a withdrawal of one or more of the supplier's product from the Newfoundland & Labrador Market, for a period of not less than three months and to the suspension of the sales representative for a period of not less than three months. During the period of any suspension or withdrawal of a product, the suspended sales representative shall not engage in any type of promotional activity for any products listed in the Province of Newfoundland. The extent of any additional penalties that might be applied will be dependent on the severity of the specific situation under consideration.

GENERAL

In addition to the specific guidelines contained in this policy, it is to be expected that suppliers and their representatives, will act with common sense and discretion in the promotion of their products. Any obvious and continued failure to do so will be brought to the attention of the supplier for immediate correction.

Since the guidelines outlined above are not all encompassing, each sales representative must ensure that he has a thorough working knowledge of The Liquor Control Act, The Liquor Corporation Act, The Liquor Licensing Regulations (1974), any other Regulations issued under those Acts, and any additional directives issued by the NLC.

For those situations not covered by this policy statement or for those activities to which a sales representative feels that special circumstances apply, the sales representative should contact the NLC in writing to request a ruling.