



Information Bulletin

Price management

To all agents and suppliers

New approach

Intent on pursuing its commitment to improve its operations, the Société des alcools du Québec (SAQ) has revised its price management process. Work on this project began early in the year, in partnership with the AQA VBS and the ADQ. The main objective was to ensure that this new approach would improve and facilitate our way of doing things in all areas, to the benefit of everyone involved. The SAQ also wanted to allow consumers to take advantage of improved operating costs, which are reflected in service costs.

The new orientations that have resulted from this revision will come into effect at different times, as described below.

December 2009

- **Currency:** Only 5 currencies will be authorized: the Australian, the Canadian, the American, the New Zealand dollars and the Euro. For your information, agents and suppliers who are affected by the withdrawal of the other 4 currencies have been notified.
- **Maximization:** All Supplier Price Change Requests whose objectives is to maintain the retail price that is already in effect must be systematically submitted to the SAQ for evaluation, in accordance with the process described below, using the negotiation form that will be posted on the www.saq-b2b.com electronic portal.
- **Speciality products:** All Price Change Requests involving speciality products must be submitted through the SAQ Catalog of offers, and will be processed by the Purchasing Department. These requests will be considered to be updates of the offers, and can be submitted at any time.
- The system will automatically update the estimated retail price for all spontaneous offers and proposals for renewals for which the status is *Submitted* within 48 to 72 hours following the announced rate changes. The supplier or the agent is responsible for updating the proposal (i.e.: adjusting the warehouse price) if there is a specific targeted retail price.

January 2010

- **Number of authorized periods:** The 2010-2011 schedule for Price Change Requests will consist of 11 price change periods, corresponding to the announcements of exchange rates. However, Supplier Price Change Requests that involve an increase will be processed 7 times per year, during the following periods: P13, P01, P03, P05, P07, P08 and P11.

- **Entry filter:** In general, Price Change Requests that are in keeping with the annual inflation rate in the producing country will be considered to be acceptable. The SAQ uses the list of inflation rates for each producing country that is published by the *International Monetary Fund* (IMF) as the official reference. This [list](#) is available on the SAQ-B2B online gateway, under the *Price Change* section of the *Policy and Standards* tab. The list will be revised twice per year, in April and October (in accordance with the IMF revision).
 - All Price Change Requests that involve an increase and that do not comply with these parameters must be submitted to the Merchandising team for discussion. In order to do so, you must fill out the negotiation form and return it to changementdeprix@saq.qc.ca. Allow 30 days for the file to be reviewed before it is received by the SAQ (date indicated on the calendar). An SAQ representative will contact you to follow up. If your request for negotiation is accepted, you must then submit your Price Change Request via the SAQ-B2B or GWS online gateway, as usual. If it complies with the discussions that were held, it will be considered to be approved.

General

- **Regional context:** We will continue to consider exceptional circumstances that may affect an entire region. These circumstances must be brought to our attention by means of a negotiation form, as described in the previous paragraph.

Promotional programs: As stipulated in Paragraph 5.3 of the *Application Procedures* section of the *Purchasing and Marketing Policy*, once a product has been selected for an SAQ print promotion, no increase request from suppliers to the FOB warehouse price, at the supplier initiative, will be accepted for the price change period preceding the promotion, or during the period of the promotion, or the period following the promotion, unless the SAQ agrees to make an exception.

- Depending on the situation, the SAQ will ensure that a maximum of three (3) periods are affected.
- **Work context:** We prefer annual negotiations for each supplier's entire portfolio.
- **Exchange rates:** We continue to manage exchange rate adjustments independently of our price management policy. We would like to remind you that any rate fluctuation that may benefit the consumer will be applied at the outlets, even outside of the authorized periods.

In closing, please note that the service charges for products at outlets and private orders, the negotiation form, and the 2010-2011 Price Change Requests Schedule will be available through SAQ-B2B in early December 2009, in a single Information Bulletin.

For more information, please contact our
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