



December 18, 2003

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## TO ALL OUR SUPPLIERS OF ALCOHOLIC BEVERAGES

**Subject : Price management**

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Dear Madam,  
Dear Sir,

Please find attached, the 2004-2005 price change schedule. We would also like to remind you of some terms and conditions of our price policy.

### 1. Price changes

The selling price to the SAQ for any new product other than a specialty product cannot be increased for a twelve (12) month period, following the date it is marketed.

Unless specified otherwise, should the supplier request a price decrease, the SAQ will reduce the retail price of the product whole inventory. The supplier must then refund the inventory rebate invoiced by the SAQ. The rebate is equivalent to the portion of supplier's selling price to the SAQ, needed to obtain the desired retail price reduction.

As to price change dates for the next fiscal year, please refer to the **price change schedule attached**.

### 2. Maximum price

Suppliers shall sell their products to the SAQ at the most competitive prices and under the most favourable conditions that would be provided in similar circumstances to any other provincial organization in charge of the alcoholic beverages trade in any other province of Canada.

### 3. Invoicing currency

Please take note of the following information :

- All products coming from a same shipping warehouse of a supplier must be in the same currency.

A supplier operating with many warehouses may :

- a) confirm the prices for all his products in the same currency ;
- b) or select a different currency for each of his warehouses, provided that all products of a same warehouse are in the same currency.

- A supplier may submit his selling price to the SAQ :
  - a) in Canadian dollars ;
  - b) or in the currency of the country where either the supplier's warehouse or his head office are located.
- The invoicing currency can be modified once a year only :
  - a) for suppliers of regular or specialty products (continuous replenishment), the invoicing currency option must be made **before March 1<sup>st</sup>, 2004**, and the new currency will be **effective on all purchase orders issued as of March 5, 2004** until the end of the 2004-2005 fiscal year ;

Should you wish to change currency, please ensure that you confirm your the prices for all your products. Failing that, we will consider that the new currency applies to all your products from the same shipping warehouse, and we will apply the current exchange rate to convert your prices to the new currency.

N.B. : If we also carry your specialty products (batch purchasing), please note that the new currency will apply to subsequent orders of said products.

- b) for suppliers of products purchased in batch only and for new suppliers submitting new products to the SAQ, the invoicing currency specified on the 1<sup>st</sup> order renewal request or on the 1<sup>st</sup> submission made after March 1<sup>st</sup>, 2004, will be considered as being the invoicing currency for the remainder of the fiscal year.

### 4. Payment terms

The SAQ shall make its payments within thirty (30) days following the receipt of the goods at its warehouses, subject to the supplier's compliance with the other conditions of this purchase order and acceptance of the goods.

Please indicate if you offer a cash discount for payments made before the thirty (30) day period.

**5. Procedures**

Please transmit your price change requests by filling out the form attached, and sending them by e-mail to “ [changementdeprix@saq.qc.ca](mailto:changementdeprix@saq.qc.ca) ” or by fax to : **(514) 864.3532**.

We thank you for your attention to this matter,

**Phung Thi Phan**

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Phung Thi Phan, senior director – Administration  
Purchasing and Merchandising Division

PTP : ld

c.c. : AQAVBS  
ADQ  
Promotional agents

Att. : 2004-2005 price change schedule

**Appendix**

<b>2003-2004 price change schedule</b>			
<b>Supplier's price</b>		<b>Retail price</b>	
<b>Receiving date at the SAQ*</b>	<b>Effective</b>	<b>Effective</b>	
6 January 2004	9 January 2004	2 February 2004	P.12 – 2004
2 February 2004	6 February 2004	1 <sup>st</sup> March 2004	P.13 – 2004

<b>2004-2005 price change schedule</b>			
<b>Supplier's price</b>		<b>Retail price</b>	
<b>Receiving date at the SAQ*</b>	<b>Effective</b>	<b>Effective</b>	
1 <sup>st</sup> March 2004	5 March 2004	29 March 2004	P.01 – 2004
29 March 2004	2 April 2004	26 April 2004	P.02 – 2004
26 April 2004	30 April 2004	24 May 2004	P.03 – 2004
24 May 2004	28 May 2004	21 June 2004	P.04 – 2004
21 June 2004	25 June 2004	19 July 2004	P.05 – 2004
19 July 2004	23 July 2004	16 August 2004	P.06 – 2004
16 August 2004	20 August 2004	13 September 2004	P.07 – 2004
13 September 2004	17 September 2004	11 October 2004	P.08 – 2004
11 October 2004	15 October 2004	8 November 2004	P.09 – 2004
3 January 2005	7 January 2005	31 January 2005	P.12 – 2005
31 January 2005	4 February 2005	28 February 2005	P.13 – 2005

\* N.B. :

- Expiry date for receiving price changes at our offices.
- Every price change request received after the dates mentioned will be processed during the following period.