7.8.2018

#### **HEARING**

#### Planning of selection

#### Purchase plan

The timetable for publishing the Purchase plans of the specialties:

Tenders	Listing of products	
November 2018	May - August 2019	
March 2019	September - December 2019	
June - July 2019	January-April 2020	

#### **Seasonal selection products**

*Text is specified:* A seasonal product can transfer into a non-allocated main product of the general selection, if sales of a seasonal product:

• exceed 1000 sales units during the season and come through a minimum of 20 shops

or

• exceed a turnover of 10,000 euros without tax during the season and come through a minimum of 20 shops.

Product can be transferred to the general selection when the season has ended based on sales monitoring. A seasonal product may also transfer to the sale-to-order selection after the season. The request of the product to be transferred to the sale-to-order selection should be issued during the next calendar month when the season has ended.

#### **Specialties**

*Text is specified*: A specialty product can transfer to a non-allocated main product of the general selection after the specialty period if sales of a specialty product:

• exceed 1000 sales units during specialty period and come through a minimum of 20 shops

or

• exceed a turnover of 10,000 euros without tax during specialty period and come through a minimum of 20 shops.

Product can be transferred to the general selection when the specialty period has ended based on sales monitoring. A specialty product may also transfer to the sale-to-order selection after the specialty period. The request of the product to be transferred to the sale-to-order selection should be issued during the next calendar month when the season has ended.



If different vintages of the same product are searched for specialties or other selection:

- only one vintage defined by supplier can be transferred to the general selection. Other vintages can continue in a saleto-order selection to the end of its lifecycle without vintage changes.
- each vintage must have a unique, readable code (e.g. EAN-code).

#### Product searches and offering procedure

#### Selecting and listing the products Evaluation of the products offered

Sentence is specified: The reliability of the product's availability, the functioning of the material flow and space management related point of view of the package are also assessed in order to meet the customer service aspects.

#### Cancelling the listing

Paragraph is specified: The listing is cancelled if the product is not available for deliveries to Alko shops within three months from the listing date. If a larger specialty product is delayed from the delivery starting date or the product availability is not enough for the initial channel filling, the charged cost is 1,250.00 euro (+ VAT) from the seller.

#### Sale-to-order selection

#### Offering products to the sale-to-order selection Take into consideration when making the offers

Multi-packages of the same product can be offered to Alko's sale-to-order selection, if:

- single consumer package of the product with own product number is in the selection.
- and single consumer packages (e.g. a bottle or a can) are smaller than package sizes below:
  - Wines, less than 0,75 liters
  - o Spirits, less than 0,2 liters
  - Brewery products, less than 0,7 liters.

Alko encourages the use of environmental friendly multi-packages instead of using plastic multi-package wrapper (so called shrink wrap).

# Product transfer from the sale-to-order selection to another selection (before: Product transfer from the sale-to-order selection to the general selection)

Paragraph is specified: Transfer from the sale-to-order selection to the general selection is possible in two ways. A sale-to-order product can participate in a general selection product search and may be purchased to the general selection or a product can transfer to the general selection on the basis of sales monitoring. Sale-to-order selection product can also be offered to the specialties or seasonal product tenders.

## Participation in product searches (before: Participation in general selection product searches)

Paragraph is specified: If a sale-to-order-selection product is offered and listed to the other selection, Alko will close the product from shop orders and delist it from the sale-to-order selection before its listing date. The stock of Alko shops can be transferred to the new product number, if EAN-code remain the same. In addition, the product needs to fulfill the criteria defined in the search and quality of the product must be equal the offered sample for the transferring to be done.

#### On the basis of sales monitoring

When multi-package is transferred to the general selection on the basis of sales monitoring, by default, it won't be allocated, but the sale of the multi-package will be counted to the sale of the single consumer package.

Because some products have a particularly seasonal demand (e.g. mulled wine) those products cannot be transferred from sale-to-order selection to the general selection. Also, packages that due to their shape or size are not suitable for Alko's normal space management or logistics, cannot be transferred to the general selection.

#### **Information on sales**

Seller or/and agent, current or potential, can have information about the sales of all monopoly products. Sale statistics are confidential and cannot be given to the third parties. This also concerns third parties inside the company. Reports are available for current suppliers on Alko's Extranet, or for potential suppliers on request by email.

#### **Trading conditions**

## Changes to listed products Changes to price and to mode of delivery

#### Price list periods:

Price list period	Change to be notified by
5 February 2019 to 3 June 2019	1 December 2018
4 June 2019 to 1 October 2019	1 April 2019
2 October 2019 – 3 February 2020	1 August 2019

# Maintaining product information and product changes (before: Changes in products)

Technical solution for the product changes is changing.

Paragraph is specified: The contract between Alko and the seller concerns the offer and the offer sample approved by Alko. Supplier is responsible for keeping the product information and required documentation up-to-date for the products it represents. This is done through the product information card. The changes related to packaging, content, closure or appearance of label must be approved by Alko before the distribution of the product begins.

Paragraph is specified: Product information is maintained through the product information card in Alko's Partner network. If supplier is not using Alko's Partner network, changes will be made by using product change form (www.alko.fi).

Paragraph is specified: If there is a relevant mistake in the product information from customer's point of view, a fee of 300.00 euro (+ VAT) will be issued for the supplier. Such a mistake can be e.g. anomaly in product's allergen markings, not updated product image or vintage.

# Annex 2 – Alko's terms of purchase and delivery Product specifications

Paragraph is specified: The product must match the offer and sample approved by Alko and it must be free from quality defects. Supplier is responsible for the correct product information maintained in the product information card. Any alterations to beverage containers, their content, closure or the appearance of labels must be agreed upon in advance with Alko.

#### Annex 2A - Alko's import service

The supplier must have the necessary license and capability for excise goods shipment in the EU, for electronic export covering letter (eAD) in the EMCS system.

# Annex 5 - GTIN codes, Valvira codes and the codes of transport packages

#### **GTIN** codes

Sentence is specified: The bar code requirement is not categoric in all cases of products in the smaller specialties, but then a Valvira's code must be sought for the product.

#### **Annex 8 – Changes to listed products**

# Product changes that require a change notification (before: A product change that requires a product change request)

Product information change process is mainly done electronically by using Alko's partner network. Change notification must be made for each product change and when necessary, samples must be sent, and a new product image provided when product's appearance is changing.

5) Product selection changes, e.g. transferring specialty product or seasonal product to the general selection or sale-to-order selection.

## Maintaining product information (Before: Making a product change request)

#### Paragraph is specified:

• Product information changes will be made in Partner network's product information card. If supplier is not using Alko's Partner network, changes will be made by using product change form (www.alko.fi).

#### Paragraph is clarified:

- Product information change notification must be made without delay and the product must not be distributed before approval.
- Also, after product information change, supplier is responsible for the product's quality and correct package markings. Alko will test the product after the change is accepted and if necessary, takes appropriate action in case of anomalies.

#### Delivering samples

By default, product change samples must not be sent. Exceptions are products transferred from sale-to-order selection to general selection and products that need to be photographed by Alko. In these cases, filled and printed product change form must be sent as a covering letter with the samples.

#### Annex 9 - Dolly pallets

### Seasonal dolly pallets for the main products in the general selection

Distribution time of dolly pallets is specified:

**Sparkling wine** (bottle size 0.75 liters) can be seasonally in supplier-packed dolly pallets without a sales limit

- 1) for summer season, weeks 14 30 and
- 2) for Christmas season, weeks 45 52

**Red wine** (bottle size 0.75 liters) can be seasonally in supplier-packed dolly pallets without a sales limit

- 1) for the last two weeks before Easter and
- 2) for Christmas season, weeks 45 51

**White wine** (bottle size 0.75 liters) can be seasonally in supplier-packed dolly pallets without a sales limit

1) for Christmas season, weeks 45 - 51

	Dolly calendar	Offer/notification deadline	Shop deliveries
Seasonal dollies	Red wine (Easter)	week 1	weeks 15-16 / 2019
	Sparkling wine (Spring)	week 7	weeks 14-30
	Red wine (Christmas)	week 33	weeks 45-51
	White wine (Christmas)	week 33	weeks 45-51
	Sparkling wine (Christmas)	week 33	weeks 45-52