

ANNEX

TERMS OF ACCESS OF U.S. BEER TO ONTARIO'S BREWERS RETAIL INCORPORATED

Measures pertaining to the Brewers Retail Inc.

1. BRI Basic Service Fee

The BRI basic service fee will be set at:

<u>Packaged Beer</u>	<u>Draught Beer</u>
Cdn\$0.363 per litre	Cdn\$0.300 per litre

The basic service fee includes all retailing through the BRI; sales to licensed establishments (including on-premise draught, container pick-up, draught equipment services); recovery of standard containers; inventory management; and refrigeration and product rotation.

Adjustments to the basic BRI service fee may be done annually as long as they do not exceed the provincial CPI, based on the most recent 12-month period for which data from Statistics Canada are available. Further adjustments to this fee above the provincial CPI may be made annually when justified by, and based on, changes to costs as determined by audited financial statements to verify the actual costs. The justification and basis for such adjustments of this fee above the provincial CPI would be subject to prior consultation by the Parties. In such consultation, the audited financial statements will be available for review by both Parties.

2. Fees for Optional Services

a. Non-Standard Containers

Industry standard bottles which do not require sorting are exempt from the non-standard container fees. Cans, and single aperture kegs of approximately 30 litres and 58.6 litres capacity are considered standard containers and are exempt from the non-standard container fees. The non-standard container fees are as follows:

<u>Packaged Beer</u>	<u>Draught Beer</u>
Cdn\$0.10 per litre	Cdn\$1.00 per keg

b. Service for Handling Empty Containers not sold in BRI

Where a brewer elects to retail a beer brand in both the LCBO and the BRI, for the volume of a beer brand retailed by the LCBO, and returned for deposit refund to BRI, an