



WETT SALES & DISTRIBUTION INC.

Connecting Breweries, Wineries, and Distilleries with Customers since 1991



**WAREHOUSING
& DISTRIBUTION
SERVICES**

Effective February 2021

WETT Sales & Distribution Inc. is pleased to introduce our warehousing & distribution services in this short overview document.

WHO WE ARE

WETT currently occupies a 90,000 sq. ft. warehouse in Winnipeg, Manitoba, located within CentrePort, at 1835 Sargent Ave.

Within Manitoba, WETT provides warehousing, order processing, and distribution throughout the province for a large selection of Beer and RTD (malt-based, spirit-based), and Cider products. In addition, WETT is authorized to warehouse Spirits and Wine in our Winnipeg warehouse. WETT also ships Beer in packaged and draught formats to the SLGA Distribution Centre in Regina, SK, on a regular basis.

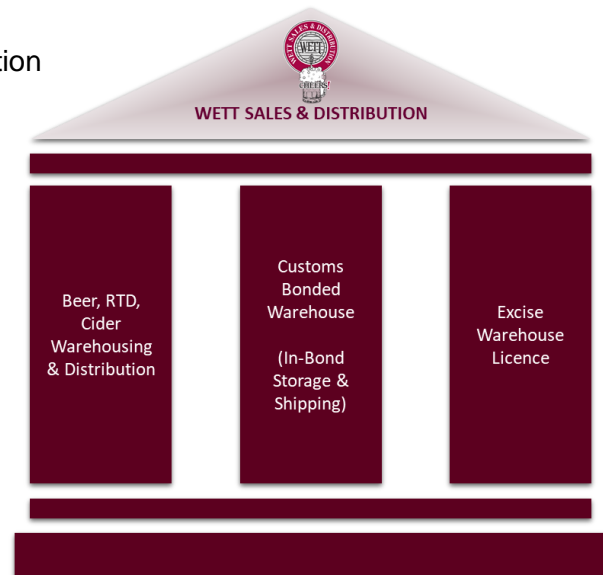
In addition to our warehousing and distribution services, WETT also operates a full-service beverage alcohol agency, providing sales & marketing representation for many suppliers in the Canadian provinces of Manitoba and Saskatchewan.

WAREHOUSING & DISTRIBUTION SERVICES

WETT Sales & Distribution offers our partners a strategic route to market based on three key pillars:

- 1) Beer, RTD, & Cider Warehousing & Distribution
- 2) Customs Bonded Warehouse
- 3) Excise Warehouse

In discussions with both the Manitoba Liquor & Lotteries (MBLL) and the Saskatchewan Liquor & Gaming Authority (SLGA), an opportunity to provide closer and more economical warehousing to their Distribution Centres for the Beverage Alcohol community was developed. The business model provides overnight delivery into the SLGA Distribution Centre in Regina, SK and same day delivery of goods to the MBLL Distribution Centre in Winnipeg, MB.



WETT Sales & Distribution Inc. has a **Customs Bonded Warehouse (CBW) Licence**, which sets aside a 17,000 sq. ft. area within our warehouse for storage of all Beverage Alcohol products. We are currently providing both bonded storage, duty paid storage, and shipment for several products from outside of Canada to both liquor boards. WETT also provides these services for domestically produced products.

WETT also possesses an **Excise Warehouse Licence (EWL)** for our facility. This is the third pillar of our warehousing and distribution services. This licence allows domestic suppliers to store packaged alcohol (spirits or wine) destined for the Canadian marketplace on which excise duty

has not been paid. These duties are paid when the goods are ordered from a Canadian Liquor jurisdiction. Taxes are due at the end of the month the product is shipped out.

WETT, with the approval of the MBLL and the SLGA, is the source point for several SKUs that are currently sourced from outside of the two provinces and not direct from the supplier. The potential combination of the volume of these two liquor jurisdictions will allow suppliers to enjoy the savings of full load freight costs and have a much closer access point to each jurisdiction. These savings could also be realized for SKUs being sold in only one province.



As WETT's warehouse rates do not increase after a certain number of months, slower moving products could be added to shipments into WETT without the penalty of increased storage costs. Our rates are outlined below.

WETT can receive shipments direct from Supplier for shipment to other Canadian Liquor Jurisdictions and markets, including the LCBO in Toronto, Ontario. Products held in-bond can also be shipped to the U.S.

The opportunity to warehouse at WETT and ship to the MBLL, the SLGA and other liquor jurisdictions gives suppliers the following advantages:

- Option for In-Bond storage to manage cash flow
- Option for Excise Non-Duty Paid storage for domestically produced products to manage cash flow
- Overnight / Same-day delivery of orders
 - Proximity to both MBLL and SLGA Distribution Centres
- Lower cost storage, order assembly, and processing fees
- Non-escalating monthly storage costs
- Value-Added Services including on-packs, carton re-configuration, labelling and stickering
- Reduced freight rates for full container shipment to supply two liquor jurisdictions
 - MBLL has a freight rate for all products sourced at WETT

MANITOBA - PRIVATE DISTRIBUTION SERVICES

(BEER/MALT-BASED RTD/SPIRIT-BASED RTD/CIDER)

SERVICES PROVIDED:

- Receipt and warehousing of packaged and keg products received from your production facility for distribution in the Manitoba market.
- Order processing of packaged & draught Beer, RTD's and Cider orders from the MBLL for all brands.
- Delivery of packaged & keg products to all licensees throughout Manitoba.
- Pick up and return to WETT of empty draught kegs and empty packaged containers.
- Generate empty credits for draught keg returns and empty packaged beer returns for licensees in Manitoba through the MBLL.
- Stock count and balance weekly following orders being picked.
- Stock activity report weekly generated every Friday.
- Monthly sales report by SKU by licensee and stock activity report.

Fee Schedule:	
Distribution fee for keg products	<i>Contact Us for More Information</i>
Distribution fee for keg products 30 litres in size and less	<i>Contact Us for More Information</i>
Cold storage for kegs	<i>Contact Us for More Information</i>
Distribution fee for package products	<i>Contact Us for More Information</i>
Cold storage for cans/bottles	<i>Contact Us for More Information</i>
Storage fee	<i>Contact Us for More Information</i>
Hand Loading of Empties (if required)	<i>Contact Us for More Information</i>
Value-Added Services (mutually agreed upon project work, such as product destruction, value adds, stickering etc.)	<i>Contact Us for More Information</i>

MANITOBA – WAREHOUSING FOR SHIPMENT TO MBLL

(ALL BEVERAGE ALCOHOL PRODUCTS)

SERVICES PROVIDED:

- Receipt and warehousing of packaged and keg products received from your production facility for shipment to MBLL Distribution Centre.
- Order processing of packaged & draught Beer, RTD, Cider, Wine and Spirits orders on MBLL P.O.'s for shipment to MBLL Distribution Centre.
- Stock activity report weekly generated every Friday.

Fee Schedule:	
Cross docking and loading of full pallets to MBLL	<i>Contact Us for More Information</i>
Shipment of full pallets to MBLL	<i>Contact Us for More Information</i>
Trailer rate	<i>Contact Us for More Information</i>
Monthly storage	<i>Contact Us for More Information</i>

SASKATCHEWAN – WAREHOUSING FOR SHIPMENT TO SLGA

(ALL BEVERAGE ALCOHOL PRODUCTS)

SERVICES PROVIDED:

- Receipt and warehousing of packaged and keg products received from your brewery for shipment to SLGA Distribution Centre.
- Order processing of packaged & draught Beer, RTD, Cider, Wine and Spirits on SLGA P.O.'s for shipment to their Distribution Centre.
- Stock activity report weekly generated every Friday.

Fee Schedule:	
Cross docking and loading of full pallets to SLGA	<i>Contact Us for More Information</i>
Shipment of full pallets to SLGA	<i>Contact Us for More Information</i>
Trailer Rate	<i>Contact Us for More Information</i>
Monthly storage	<i>Contact Us for More Information</i>

ADMINISTRATION FEE:

- One-time \$25 fee per new SKU for set-up in our system.