

**TO**: All Local Manufacturers and Local Contract Producers

**FROM**: Laurie Kennedy, Manager, Supply Chain Administration

**DATE**: August 20, 2020

RE: Red Tape Reduction and Process Simplification for Local Contract Producers

As part of MBLL's ongoing commitment to local manufacturers, process simplifications and red tape reduction we are please to announce that MBLL is streamlining the process for MBLL to do business with contract producers.

Under the current process MBLL does not maintain a business relationship with any local contract producer and all communication and monies flow to the host producer. The host producer is then required to pass on information and reconcile monies with the contract producer.

The new process, upon mutual agreement between the local host brewery and the local contract brewer, will allow MBLL to have a full business relationship with any local contract manufacturer. This will allow the contract producer to manage:

- New Product Applications
- Confirmation of Pricing
- Product availability

- Product restrictions
- Price Change submissions
- Termination of products

Under the new process a local contract manufacturer will need to be:

- Set up as an LGCA registered agent
- Submit a Supplier Information Form (attached) to MBLL.

Once this paperwork is submitted and approved, a representative from the local host production facility will submit a Letter of Authorization to MBLL for all the contract producer's SKUs.

The Letter of Authorization will allow MBLL to share information and remit payment directly to the local contract producer. The template for the Letter of Authorization is attached for your reference.

Please note the reporting process for micro-producer status has not changed:

- Contract producers are marked up at the host facilities production volume
- The host facility's production volume is based on all product manufactured at the facility, including any product produced on behalf of a contract producer
- Additional details are available in the Industry Memo Program Changes to Micro-Producer Program effective July 1, 2020

If you have any questions, please feel free to reach out to me directly.

Best Regards,

Laurie Kennedy,

Manager, Supply Chain Administration