

Bryant & May's draft policy directive to its employees

BRYANT & MAY

CUSTOMER NEGOTIATIONS POLICY DIRECTIVE

The following instructions apply to all negotiations with all customers by all sales personnel covering trading arrangements.

Note: These instructions should be read in conjunction with the UK Price Manual Edition 12 November 1990.

1. Pricing

- 1.1 Pricing arrangements will be negotiated separately for the individual product areas of Matches, Lighters, Smokers Requisites, Cigarette Papers and Confectionery.
- 1.2 No 'linking' of product areas is permitted in the negotiation of prices.

It is for example *not* permitted to offer a better price on one product or product category for stocking a product or products in another category (eg improved prices on Lighters in return for stocking Cigarette Papers).

2. LTAs

- 2.1 Negotiations for LTA arrangements will be conducted separately for the individual product areas of Matches, Lighters, Smokers Requisites, Cigarette Papers and Confectionery.
- 2.2 No 'linking' or 'umbrella' arrangements are permitted.

It is for example *not* permitted to negotiate an LTA covering all products and/or product areas.

3. Sales 'Targets'

- 3.1 A scale of discounts for a scale of volume or turnover achievement is *not* permitted on Matches.
- 3.2 A scale of discounts for a scale of volume or turnover achievement is permitted on Lighters, Smokers Requisites, Cigarette Papers and Confectionery as separate product areas where the need arises. They must however not be treated collectively in any combination.
- 3.3 In each case the discount for the achievement of specific volumes or turnover will be retrospective back to zero.

4. Product Ranges

- 4.1 The number of products to be stocked in return for any Prices, LTAs or Discounts in the case of Matches must not be specified.
- 4.2 It is permitted in the case of Lighters, Smokers Requisites, Cigarette Papers or Confectionery.

5. Special Note

Net Pricing Arrangements and *all* LTAs and Discounts will be expressed and calculated as percentages only. The Scale 4 price on the price list is the base from which all percentages (to two decimal places) are to be calculated. Arrangements expressed or calculated as x or y pence are *not* permitted.

6. `Solus' Arrangements

- 6.1 `Solus' arrangements are *not* permitted.

They are not to be offered *or* accepted on any product or product area.

- 6.2 In the event of a customer stating that his company has decided to stock only one product or product area from one supplier you should endeavour to have this put in writing.

In this event no inducement for implementing this policy will be offered by Bryant & May.

7. Promotional Activity and Support

Where promotional, activity and support is offered it will be unconditional. This means that Pricing, LTAs and sales `targets'-where permitted-will *not* be conditional on the customer taking up promotional activities.

8. Other Fees

In the event of customers demanding any payments (other than those listed in paragraphs 2 and 7 above) they must be requested to do so in writing to the company.

9. Competitors

If sales personnel become aware of any activities which are not in accordance with the above policies being offered by any of our competitors this is to be reported to the Managing Director immediately.

10. Implementation

It is vital that these instructions are fully understood and immediately complied with by everyone.

If you are unclear on any aspect of these instructions please discuss this with your line manager before you commence negotiating arrangements for 1992.