



B.A.T (U.K. and Export) Limited

Woking

C. MURPHY

16 January 1991

RB/canadase/NEK

NOTE TO: Mr N Salter

555's Canada

I am pleased to inform you that there is a good chance Imperial Canada will accept our proposal of a 10% commission following my discussions. I attach for your early information, a financial model drawn up by Walter Granby, Financial Planning Manager.

You will note there has been two changes to various duties since the original submission.

- Federal Sales Tax has been replaced by a VAT of 7%. Therefore FST has been removed as a liability upon the manufacturer to one upon the Retailer.
- Federal Excise Tax has been increased by 40 cents.

The pricing model takes into account a market price compatible with other Imperial mainstream brands. Apparently the FOB of \$22.54 Canadian has been accepted. ✓

Sean

pp R Brentnall

cc: R F Burton
G Bonar

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