

STANDING OFFER CONTRACT NUMBER: [REDACTED]

BETWEEN:

ALBERTA GAMING, LIQUOR AND CANNABIS COMMISSION  
("AGLC")

- and -

TORONTO HERBAL REMEDIES INC.  
("Licensed Producer")

BACKGROUND

AGLC is responsible for the regulatory oversight and distribution of cannabis in Alberta.

In order to support the distribution of cannabis in Alberta, AGLC is required to purchase cannabis from producers licensed to produce cannabis under the Access to Cannabis for Medical Purposes Regulation or the Cannabis Act (SC 2018, c.16).

For the purposes of this Contract, any reference to goods means cannabis as defined in the *Gaming, Liquor and Cannabis Act* (Alberta) , as amended from time to time, ("Goods") and set out more specifically in a purchase order.

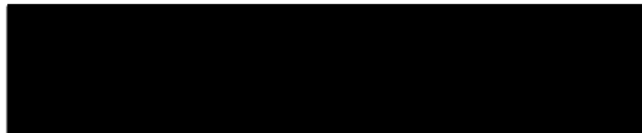
The parties agree as follows:

A. GENERAL

- A.1 The Background is part of this Contract.
- A.2 Headings in this document are used for convenience only and will not affect the meaning or interpretation of the clauses.
- A.3 In this Contract words in the singular include the plural and vice versa.
- A.4 The Licensed Producer agrees to supply the Goods and be paid in accordance with the provisions of this Contract.
- A.5 This Contract is a non-exclusive supply and services contract for the Goods. During this Contract, AGLC may purchase the Goods from sources other than the Licensed Producer.
- A.6 AGLC is not obligated to purchase any Goods unless otherwise stated in Schedule "B".
- A.7 Notices or reports to be provided under this Contract will be deemed to be given to the other party if in writing, and:
  - a) sent by e-mail;
  - b) sent by prepaid registered mail; or
  - c) personally delivered.

Notices or reports must be addressed to:

AGLC:  
Address:



Attention:  
Email:




The Licensed Producer:  
Address:



Attention:  
Email:

Either party may change its information by giving notice to the other in the manner described above. Any notice personally served or sent by email or fax will be deemed received when actually delivered or received, if delivery or email or fax transmission is from 8:15 am to 4:00 pm in Alberta from Monday through Friday excluding holidays observed by AGLC ("Business Day"), or if not on a Business Day, on the following Business Day.

- A.8 Time is of the essence of this Contract.
- A.9 This Contract will be interpreted and applied in the courts, and in accordance with the laws in force, in Alberta.
- A.10 The Licensed Producer must not assign, subcontract or otherwise dispose of any of its rights, obligations or interests, other than identified in this Contract, without AGLC's prior written consent. If AGLC consents to subcontracting, the Licensed Producer will still be responsible for the Contract's obligations and liabilities.
- A.11 This is to certify that the purchaser of the Goods is AGLC; therefore the purchaser is not subject to the Goods and Services Tax ("GST") or the Harmonized Sales Tax ("HST"). The Licensed Producer is responsible to determine whether or not it is subject to the GST or the HST. AGLC's GST Registration Number is 
- A.12 This Contract contains the entire agreement of the parties for the Goods to be purchased and no other understandings or agreements, verbal or otherwise, exist between the parties.

**B. TERM**

- B.1 This Contract will become effective upon signing by both parties and will continue until November 30, 2020 (the "Term"), unless terminated earlier. The term of this Contract may be extended upon mutual agreement of the parties for a maximum of two (2) additional terms of up to one (1) year each.
- B.2 AGLC may extend the term of this Contract by providing sixty (60) days' advance written notice to the Licensed Producer.
- B.3 AGLC may immediately terminate all or any part of the Contract, without cause, upon written notice to the Licensed Producer. AGLC will only pay the Licensed Producer for the Goods delivered in accordance with the Contract, up to the effective date of the termination of the Contract.

**C. SUPPLY/DELIVERY**

- C.1 The Licensed Producer must, upon receipt of a:

- a) purchase order; or
- b) any other form approved by AGLC

("Order"), which forms part of this Contract, sell to AGLC the Goods from Schedule "A" or otherwise mutually agreed and identified in the Order.

- C.2 The Licensed Producer must deliver the Goods identified in the Order within thirty (30) Business Days after the Licensed Producer receives an Order, unless otherwise specified by AGLC in writing. If the Licensed Producer fails to deliver the Goods within this time period or delivers an amount of Goods that is less than the amount set out in the Order, the Licensed Producer will be charged a penalty as set out in paragraph F, below. If the Goods identified in the Order cannot be provided by the Licensed Producer, substitute products may be suggested; however, revisions to the Order must be made in writing by AGLC through a formal change order and accepted by AGLC.
- C.3 The Licensed Producer must pay all costs related to complete inbound delivery, acceptance and quality assurance of the Goods to the Alberta address identified in the Order. Quality assurance costs are defined as, but not limited to, costs related to correct, test, or return unsatisfactory Goods delivered to AGLC warehouse. All costs referred to in this clause must include, but are not limited to, any packaging, handling, shipping, unloading, duty, customs, brokerage fees, and insurance charges.
- C.4 Failure to comply with any term of the Order may constitute a breach of Contract on the part of the Licensed Producer.
- C.5 An Order may be terminated prior to shipment upon mutual agreement between the parties.
- C.6 Prior to fulfilling an Order, the Licensed Producer must deliver an advanced shipping notice ("ASN") in a standardized format to AGLC at [REDACTED]. The ASN will include a number of criteria in a specified format which will be outlined in the Licensed Producer Operational Manual, including the address of the location the Goods were shipped from to meet federal reporting requirements and date on which the Goods were packaged.
- C.7 All Goods must comply with labelling requirements set out by Health Canada.
- C.8 All Goods must comply with all regulatory requirements set out in regards to Barcode Standards.
- C.9 Notwithstanding clause C.8, any Goods that are edible cannabis products must have at least two-thirds (2/3) remaining shelf life when delivered. If any Goods have a durable life of ninety (90) days or less, those Goods must have a human readable "Best Before Date" printed on both the master case and the retail units.
- C.10 Upon delivery of the Goods, AGLC will inspect ten percent (10%) of the cases of each Stock Keeping Unit (SKU) for accuracy. Should any discrepancies be found, a secondary inspection will be conducted on the remaining ninety percent (90%). The Licensed Producer will be responsible for the inspection costs incurred during that secondary inspection.

#### D. PRICING

- D.1 Subject to clauses D.2, D.3, D.4 and F, the Licensed Producer must supply the Goods to AGLC at the purchase price outlined in Schedule "A" ("Purchase Price"). The Purchase Price (including taxes) represents the landed costs to AGLC and includes but is not limited to fees for shipping/transportation, packaging, handling, insurance, recycling, container deposit, environmental fees and excise taxes related to delivering the Goods. During the Licensed

Producer's annual line review, there will be the opportunity to negotiate the Purchase Price charged to AGLC.

- D.2 The Purchase Price of Goods set out in Schedule "A" is the maximum Purchase Price during the Contract. AGLC may agree to increase the Purchase Price of Goods during the Contract in certain limited circumstances during AGLC's annual line review following a cost justification process. Any consent to increase the Purchase Price must be given, in writing, by AGLC.
- D.3 If the Licensed Producer offers to any third party the same Goods in similar quantities and circumstances, at a lower Purchase Price (excluding taxes) than the Purchase Price (excluding taxes) as calculated from Schedule "A", the Purchase Price (excluding taxes) to AGLC for such Goods must then be lowered by the Licensed Producer to this lower Purchase Price (excluding taxes) for all Goods ordered after the offer to the third party. The Licensed Producer will also adjust any open purchase orders to the new price, and credit AGLC the difference in price for all Goods remaining in the AGLC supply chain. AGLC at its sole discretion may choose to invoice the Licensed Producer and request payment for any credits owed, or deduct from the next payment.
- D.4 If the Licensed Producer elects to decrease the Purchase Price of the Goods due to promotional prices or otherwise, the Licensed Producer must:
  - a) send AGLC written notification of all Purchase Price decreases, and their effective and expiry dates, within five (5) Business Days' of the Licensed Producer's announcement date; and
  - b) supply the Goods to AGLC, at the decreased Purchase Prices, beginning on the effective date of the Licensed Producer's announcement. In the circumstance where AGLC has already purchased the Goods, the AGLC at its sole discretion may invoice the Licensed Producer for the difference between the Purchase Price and the promotional price for all Goods remaining in the AGLC supply chain and request payment, or deduct from the next payment. All open purchase orders will also be adjusted to the new price.
- D.5 The Licensed Producer must provide AGLC with thirty (30) Business Days' advance notice, in writing, of any Goods that are discontinued and, if applicable, the replacement Goods, including the associated prices and effective dates.

E. FEES

- E.1 The Licensed Producer will be charged the following fees which will be deducted from AGLC's payment to the Licensed Producer:
  - a) Listing Fee: \$1,500 per SKU;
  - b) Public Education Fund Fee: 2% of gross shipment amount; and
  - c) Salvage/Damage: 2% of gross shipment amount.

Salvage/Damage fees are charged to Licensed Producers on every order to cover the cost of damaged orders.

- E.2 In the event that any Goods offered by the Licensed Producer are or become subject to any additional fees, such as beverage container recycling program deposit or recycling fees, or Alberta's Electronics Recycling Program for environmental handling fees or advance disposal surcharges, the Licensed Producer will apply the applicable fees to its invoice. Fees for product registration with industry associations, boards or programs are the responsibility of the

Licensed Producer and will not be passed on or invoiced to AGLC.

F. PENALTIES

F.1 During the Term of the contract, the following penalties will be charged to the Licensed Producer, unless otherwise agreed to in writing by AGLC:

- a) Short or Delayed Shipments: 3% of Order for the first incident;  
4% of Order for the second incident; and  
5% of Order for any subsequent incidents.

The penalty for short or delayed shipments will be applied to the outstanding portion of the Order.

F.2 Early shipments may not be accepted and any associated costs will be covered by the Licensed Producer. Early shipment is defined as any time prior to the scheduled receiving appointment time but excludes small orders delivered by Purolator.

F.3 Any non-compliance with the packaging and shipping criteria as outlined in the Licensed Producer Operational Manual will result in a minimum penalty of \$1,000 up to and including the cost to remedy the error.

G. ACCEPTANCE

G.1 The Licensed Producer will be deemed to have completed its delivery obligations if, in AGLC's opinion, the Goods delivered for any Order satisfy the Acceptance Criteria as set out in the Licensed Producer Operational Manual, and AGLC does not otherwise notify the Licensed Producer in writing that it is not accepting the Goods.

G.2 AGLC will have three (3) Business Days to visually inspect the Goods after the delivery date before notifying the Licensed Producer if it is rejecting the Goods, following which the Goods will be deemed to be accepted by AGLC.

G.3 The Acceptance Criteria are the specifications the Goods must meet for the Licensed Producer to comply with its' requirements and obligations under this Contract, detailed in the Licensed Producer Operational Manual.

G.4 AGLC may test the Goods to ensure they meet the specifications set out in the Certificate of Analysis as provided by the Licensed Producer. The Certificate of Analysis must be submitted to [REDACTED] prior to Goods arriving at the AGLC warehouse. The Certificate of Analysis assures the quality of the product meets regulated specifications (e.g., confirmation that the product passed testing for potential contaminants). If the Certificate of Analysis varies from the test results, AGLC may return the Goods to the Licensed Producer.

G.5 Photos of all listed SKUs must be received and approved by AGLC prior to shipment of the SKUs. Photos must meet all criteria outlined in the Alberta Cannabis Photo Manual.

G.6 The Licensed Producer acknowledges that AGLC will continue to monitor the Goods following acceptance to ensure the Goods satisfy the Acceptance Criteria as set out in the Licensed Producer Operational Manual.

G.7 AGLC and the Licensed Producer are jointly responsible to ensure all issues are resolved, and future instances of such issues are prevented, pertaining to the acceptance of Goods in accordance with the Acceptance Criteria as set out in the Licensed Producer Operational Manual.

H. PAYMENT

- H.1 Despite any other provision in this Contract AGLC will, upon receiving an invoice referencing this Contract and the Order number, pay the Licensed Producer the Purchase Price in effect on the date the Goods were ordered within sixty (60) days after the invoice date. If payment is made within fifteen (15) days after the invoice date, AGLC will receive a 2% discount on the Order. The invoice cannot be dated before the Goods have been accepted by AGLC.
- H.2 The invoice must follow the requirements as outlined in the Licensed Producer Operational Manual. This manual may be updated throughout the contract term, and updated versions will be re-issued to the Licensed Producer. The Licensed Producer must adhere to the most recent version.
- H.3 AGLC at its sole discretion may choose to invoice the Licensed Producer and request payment for other fees and penalties identified in Article E and F, or deduct from the next payment.
- H.4 Invoices must be sent electronically to the e-mail account: [REDACTED] AGLC will send all payments to the Licensed Producer via electronic funds transfer.
- H.5 Payments made by AGLC for any Goods returned to the Licensed Producer pursuant to Article L will be reimbursed to AGLC. AGLC at its sole discretion may choose to invoice the Licensed Producer and request payment due upon receipt for any credits owed, or deduct from the next payment.

I. WARRANTY and TITLE

- I.1 The Licensed Producer warrants that:
  - a) it has the right to offer the Goods;
  - b) the Goods meet all legislative requirements with respect to the production, packaging, labelling and any other standards;
  - c) the Goods are undamaged and in a merchantable condition at time of delivery to AGLC.
- I.2 If clause I.1(a) is breached or the Goods violate any patent, copyright, trade secret, industrial design or any other proprietary right of any other party, the Licensed Producer must, at its expense, either obtain for AGLC the right to purchase the Goods or replace or modify them so that they are no longer in violation and continue to meet the specifications in this Contract.
- I.3 Title to and risk of loss for each Good will pass to AGLC upon acceptance by AGLC in accordance with Section G.2.

J. SOURCING OF GOODS

- J.1 Where the Licensed Producer sources the Goods from another licensed producer, AGLC may request information on the secondary source. Response to this request for information will be expected in a reasonable time frame.

K. PRODUCT LISTING REQUIREMENTS

- K.1 The Licensed Producer will provide listing requirements for each Good in an Order as set out in the Licensed Producer Operational Manual. This manual may be updated throughout the contract term, and updated versions will be re-issued to the Licensed Producer. The Licensed Producer must adhere to the most recent version.

L. RETURNS

- L.1 Goods sold to AGLC may be returned to the Licensed Producer for any reason including if the Goods remain unsold, are deemed unsatisfactory, or have a remaining shelf life of six (6) months, or half (1/2) of the remaining shelf life of the Goods, whichever is more. Inventory at the warehouse will be managed on a first in first out basis, and any products that are returned to Licensed Producers will not have previously been removed from the warehouse. The Licensed Producer will be responsible for all costs including but not limited to the Purchase Price of the Goods and the cost of the expenses incurred by AGLC related to the return.
- L.2 Goods returned to the Licensed Producer will be reimbursed at the Purchase Price to AGLC.

M. RECALLS

- M.1 The parties will promptly comply with any recalls of the Goods issued by either the Licensed Producer or any applicable governmental authority. Unless a product recall is caused by any act or omission of AGLC, the Licensed Producer will be responsible for all commercially reasonable costs associated with Goods that are subject to product recall including but not limited to the cost of the Goods and expenses incurred by AGLC related to the recall. The Licensed Producer must notify AGLC, in writing, as soon as Health Canada is informed of a voluntary recall initiated by the Licensed Producer.

N. FEDERAL LICENCE REQUIREMENT

- N.1 Throughout the Term the Licensed Producer must be validly licensed to produce and sell cannabis under the Cannabis Act (SC 2018, c.16). Any suspension or cancellation of the license must be reported immediately to AGLC, no further Orders will be requested, and any outstanding Orders will be cancelled without penalty to AGLC.

O. REGISTERED REPRESENTATIVE

- O.1 As set out in the Gaming, Liquor and Cannabis Regulation, as amended from time to time, the Licensed Producer is required to have a registered cannabis representative to represent its cannabis in Alberta ("Cannabis Representative"). For the purposes of this Contract the Licensed Producer must be the Cannabis Representative and at all times during the Term the Licensed Producer will be a Cannabis Representative in good standing with AGLC.
- O.2 AGLC must be notified, in writing, of any corporate structure changes that may impact the Cannabis Representative Registration. This includes, but is not limited to, change in Licensed Producer Ownership, Directors, and/or Shareholders.
- O.3 If the Cannabis Representative has its registration suspended or cancelled during the Term, no further Orders will be made and any outstanding Orders will be cancelled without penalty to AGLC.

P. DUE DILIGENCE

- P.1 For the purposes of determining suitability as a supplier of the Goods in Alberta, AGLC reserves the right to conduct its full or a partial due diligence process on the Licensed Producer at any time during the course of this Contract. The Licensed Producer will be responsible for any costs associated with this process.
- P.2 For the purposes of determining suitability as a supplier of the Goods in Alberta, AGLC reserves

the right to conduct audits and/or visits of the manufacturing facility, co-manufacturers and co-packers. AGLC reserves the right to request supporting documentation from any of the above listed, such as, but not limited to, recall standard operating procedure, food safety plans and shelf life studies.

Q. PROHIBITED RELATIONSHIPS

Q.1 In accordance with the Gaming, Liquor and Cannabis Regulation, as amended from time to time, the Licensed Producer, the Licensed Producer's employees, subcontractors and agents and its Cannabis Representative are prohibited from directly or indirectly offering or providing anything of value to licensed cannabis retailers in Alberta.

R. PROMOTIONS

R.1 The Licensed Producer will comply with all legislative requirements with respect to promotion and advertising of Goods.

S. AUDIT

S.1 AGLC may, during regular business hours, conduct an audit of the Licensed Producer's financial records and production facilities for the purposes of ensuring compliance with this Contract. For audits of financial records, AGLC will provide the Licensed Producer with thirty (30) days' advance written notice. For publicly traded companies, AGLC may use the public financial records or AGLC may also request additional information and reports. For audits of production facilities, Licensed Producers will be given forty-eight (48) hours' advance written notice. All audit personnel must comply with Licensed Producer's access and site safety policies as a precondition of access. AGLC may also request additional information and reports, which may include, but is not limited to; recall procedures, copies of audit reports and Certificates of Analysis.

T. CONFIDENTIALITY, SECURITY OF INFORMATION AND INFORMATION SHARING

- T.1 The parties, their employees, subcontractors and agents must:
- a) subject to legislative requirements, keep strictly confidential all information concerning the other party, or any of the business or activities of the other party acquired as a result of participation in this Contract;
  - b) only use, copy or disclose such information as necessary for the performance of this Contract or upon written authorization of the other party; and
  - c) maintain security standards, including control of access to data and other information, consistent with the highest standards of business practice in the industry.
- T.2 The Licensed Producer and AGLC will adhere to the Information Sharing requirements as outlined in Schedule "C"
- T.3 The Licensed Producer is aware that AGLC's third party warehouse operator may offer, and the Licensed Producer may choose to accept, certain value added services. The License Producer agrees that AGLC may review any and all invoices issued by the third party warehouse operator to the Licensed Producer for any value added services provided.

U. BUSINESS REVIEWS AND PERFORMANCE MANAGEMENT



- U.1 The Licensed Producer and AGLC will agree to conduct business reviews in accordance with the criteria and frequency outlined in Schedule "D", unless otherwise agreed upon by both parties.
- U.2 AGLC and the Licensed Producer will use performance measures to evaluate the Licensed Producer's performance of its obligations under this Contract. Performance measures are set forth in Schedule "E".
- U.3 The performance measures reflect the parties' joint understanding as to the standards to be met by the Licensed Producer. AGLC will use reasonable commercial efforts to support the Licensed Producer in achieving these measures.
- U.4 The Licensed Producer must provide AGLC upon request a written report prior to business reviews that will include the Licensed Producer's performance against performance measures set forth in the Contract, action plans to address deficiencies in performance, and suggested opportunities for added value.
- U.5 Performance measures may be modified and updated at any time during the term of the Contract upon mutual agreement in writing by both parties.
- U.6 The Licensed Producer understands and warrants that it can be suspended and/or debarred for:  
(a) a recurring failure to meet Contract obligations, including at the defined required level of performance, or  
(b) a violation of criminal law involving fraud or bribery.

V. RETAILER ACTIVITY

- V.1 The Licensed Producer agrees to conduct any activity within licensed cannabis retail locations in compliance with the AGLC Cannabis Representative Handbook. This includes, but is not limited to, ensuring all employees, subcontractors, and agents acting on behalf of the Licensed Producer have obtained their Qualified Cannabis Worker certification.
- V.2 The Licensed Producer will support Alberta's retail licensees in accordance with the criteria outlined in Schedule "F".

W. RESPONSIBILITY AND LIABILITY

- W.1 Each party will indemnify and hold harmless the other, its employees, and agents against and from any and all third party claims, demands, actions, or costs (including legal costs on a solicitor-client basis) to the extent arising from:
  - a) that party's breach of this Contract, or
  - b) the negligence, other tortious act or willful misconduct of that party, or those for whom it is legally responsible, in relation to the performance of its obligations under this Contract.
- W.2 The Licensed Producer will indemnify and hold harmless AGLC against and from any loss or damage to the real or personal property of AGLC to the extent arising from the Licensed Producer's breach of this Contract or from the negligence, other tortious act or willful misconduct of the Licensed Producer, or those for whom it is legally responsible.

X. INSURANCE

- X.1 During the Term of the Contract the Licensed Producer must:
  - a) at its own expense and without limiting its liabilities in this Contract, insure its operations under a contract of General Liability Insurance, in accordance with the *Alberta Insurance Act*, in an amount no less than \$10,000,000 inclusive per occurrence

insuring against bodily injury, personal injury, property damage including loss of use and product liability;

- b) ensure product liability coverage extends for twelve (12) months following the expiry or termination of this Contract.
- c) provide copies of insurance documents in a form of a detailed certificate of insurance, acceptable to AGLC; and annually within one month of the renewal date of the General Liability policy and at any other time requested by AGLC;
- d) provide evidence of endorsement to provide AGLC with thirty (30) days advance written notice of cancellation of or material change to their insurance coverage; and
- e) comply with the Workers' Compensation Act, when the Act applies, and must, upon demand by AGLC, deliver to AGLC a certificate from the Workers' Compensation Board showing that the Licensed Producer is registered and in good standing with the Board.

#### Y. CONFLICT OF INTEREST AND ETHICAL CONDUCT

- Y.1 The Licensed Producer, upon request by AGLC, will deliver copies of all written ethical standards, conflict of interest policies and codes of conduct established or observed by the Licensed Producer in its business practices or in relation to its employees, subcontractors, or agents.
- Y.2 The Licensed Producer, its employees, subcontractors, or agents must refrain from making any offers of gifts, hospitality or other incentives that would place an AGLC employee in a conflict of interest. Examples of this include event tickets (hockey, football, shows, or otherwise), golf green fees, or other items of value. If the Licensed Producer is approached by an AGLC employee, subcontractor, or agent with such a request, the Licensed Producer should contact *ConfidenceLine* at [REDACTED] or online [REDACTED].
- Y.3 The Licensed Producer must comply with, and ensure that its employees, subcontractors, and agents comply with, the *Lobbyists Act* (Alberta), as amended from time to time.
- Y.4 The Licensed Producer shall ensure that there is not a conflict of interest or an apparent conflict of interest on the part of the Licensed Producer or its employees, subcontractors or agents in relation to the supply of Goods or the performance of related services, and all activities shall be performed with high ethical standards, in accordance with AGLC's Vendor Code of Conduct and Ethics available online at [www.aglc.ca](http://www.aglc.ca). In the event the Licensed Producer becomes aware of any matter that causes or is likely to cause a conflict of interest in relation to the Contract, the Licensed Producer must immediately disclose such matter to AGLC in writing.
- Y.5 The Licensed Producer must receive written consent from AGLC prior to making any public announcements respecting the existence or content of this Contract.

Z SURVIVAL OF TERMS

Z.1 Despite any other provision of this Contract, those clauses which by their nature continue after the conclusion or termination of this Contract will continue after such conclusion or termination, including:

- Clause E - Fees
- Clause F - Penalties
- Clause G - Acceptance
- Clause I - Warranty and Title
- Clause L - Returns
- Clause M - Recalls
- Clause T - Confidentiality, Security of Information and Information Sharing
- Clause W - Responsibility and Liability
- Clause X - Insurance (Product Liability only)

The parties have made this Contract.

Alberta Gaming, Liquor and Cannabis  
Commission

Toronto Herbal Remedies Inc.

Per:

[Redacted Signature]

[Redacted Signature]

Date

Date

Schedule "A"

GOODS

The costs outlined in the table below will be firm for the Term of the Contract, unless otherwise documented in accordance to Article D of the Contract or modified during AGLC's annual line review.

GTIN	LP SKU ID	Product Name	Unit Size (i.e. 3.5g, 30 capsules, 10mL)	Purchase Cost to AGLC (including federal excise tax and provincial duty)	Manufacturer's Suggested Retail Price (excluding GST)	Shelf Life
		Berry White 1g Dried Flower	1g			365
		Berry White 3.5g Dried Flower	3.5g			365
		Lemon Z 1g Dried Flower	1g			365
		Lemon Z 3.5g Dried Flower	3.5g			365

Schedule "B"

VOLUMES

AGLC is not seeking a specific volume commitment. AGLC will issue purchase orders for Goods as required.

Schedule "C"

INFORMATION SHARING

The Licensed Producer commits to sharing with AGLC the following information:

- In depth market research results (if available) - including market insights, focus group results, sales trends, consumer demographic, and forward looking trends. This information should be provided on a national scope as well as specific to the Alberta market (and USA data where applicable)
- AGLC's purchases by SKU by month
- Rolling six (6) month product availability forecast (by SKU), to be updated monthly
- Comprehensive retailer/consumer feedback as gathered by the Licensed Producer's field team

AGLC commits to sharing with the Licensed Producer the following information:

- Weekly sales by SKU by channel
- Market share information related to the Licensed Producer's own portfolio
- In depth performance analysis based on several performance measures and outlined in AGLC's Vendor Performance Management Scorecard
- Rolling six (6) month demand forecast (by SKU), to be updated monthly
- Comprehensive retailer/consumer feedback as gathered by AGLC's Retail Account Management Team

Schedule "D"

BUSINESS REVIEW

The Licensed Producer and AGLC will conduct Business Reviews as follows:

<b>Frequency</b>	<b>Attendees</b>	<b>Actions</b>
Semi-Annually	Merchandising Team	Mid-year business review, including performance to date and strategic business alignment. Vendor Scorecard will be reviewed as well.

Schedule "E"

PERFORMANCE MEASURES

Evaluation Category	Key Performance Indicator (KPI)	How It's Measured	Scoring Frequency	Target	Data Source
Relationship Quality	KPI 1 - AGLC support	Licensed Producer (LP) maintains a collaborative, engaging, transparent relationship with AGLC. LP is easy to do business with, and solves issue promptly and collaboratively.	SEMI-ANNUALLY	4	MERCHANDISING
Operational Performance	KPI 2 - Quality	LP's Goods meet acceptable quality standards LP's packaging meets compliance standards outlined in Schedule B/ Health Canada regulations # of non-compliant products against specification purchased (i.e. CBD/THC/micro/pesticide levels). LP follows AGLC recall protocol if applicable.	SEMI-ANNUALLY	*100%	MERCHANDISING
	KPI 3 - PO delivery and logistics compliance	LP follows delivery protocol and complies with all product and packaging requirements as outlined in the LP Operational Manual.	SEMI-ANNUALLY	*30 DAYS	MERCHANDISING
Strategic Value	KPI 4 - Innovation & Value Improvement	LP provides innovative/new ideas and products that add value to the customer experience.	SEMI-ANNUALLY	4	MERCHANDISING
	KPI 5 - Retail Support	LP provides sufficient support and education to Alberta's Retail Licensees.	SEMI-ANNUALLY	4	MERCHANDISING



	KPI 6 - Social Responsibility	LP operates socially, ethically, environmentally responsibly.	SEMI-ANNUALLY	4	MERCHANDISING
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Financial Value	KPI 7 - Pricing Strategy & Price Changes	LP is proactive in addressing market price fluctuations and follows AGLC price protection protocol	SEMI-ANNUALLY	4	MERCHANDISING
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Schedule "F"

RETAIL ACTIVITY

The Licensed Producer commits to the following:

- Having a customer service individual available for Alberta's Retail Licensees to contact (can be remote).