

## Key Supply Terms

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The following lists certain key terms to be included in the master supply agreement between Ontario Cannabis Retail Corporation (OCRC), doing business as the Ontario Cannabis Store (OCS), and each supplier. This list is indicative only and may be subject to change. Supply agreements are provided to suppliers whose products are selected by the OCS.

### Cannabis Products & Cannabis Accessories

- **Term:** Two years (may be extended for successive two-year renewal terms by mutual agreement)
- **Pricing:** Firm prices are in effect for the term (subject to limited ability for increases/decreases)
- **No Commitment:** Agreement is not a commitment to purchase products. POs will be issued for orders
- **Payment:** Net 60 days from OCS receipt confirmation
- **Supplier Delivery:** FOB warehouse (GTA West)
- **Insurance:**
  - Insurance for Cannabis Licensed Producers: Supplier to maintain \$5MM commercial general liability per occurrence and \$15MM recall insurance to OCS's satisfaction; OCS to be an additional named insured and certificate holder
  - Insurance for Cannabis Accessory Suppliers: Supplier to maintain \$5MM commercial general liability per occurrence to OCS's satisfaction; OCS to be an additional named insured and certificate holder
- **Regulatory/Quality Assurance:** Products supplied must be safe for use and must comply with all applicable regulatory, quality assurance or other requirements under applicable laws (including Certificate of Analysis for each LOT from an accredited facility). Supplier must maintain all required Health Canada licences
- **Customer Complaints:** Supplier to be responsible for responding to and investigating OCS customer complaints relating to the Supplier's products, taking appropriate corrective and/or preventative action and updating the OCS

- **Charge Backs:** Supplier is charged back for product returns, recalls, slow moving, discontinued and expired products (including destruction, disposal, processing, shipping, handling, and related costs)
- **Analyst:** Supplier is to provide a designated analyst to support OCS forecasting and analysis activities
- **Supplier Manual:** Supplier is to comply with prescribed OCS policies, including the OCS Supplier Code of Conduct and operational procedures, including for packaging, labelling, shipping, and other requirements set out in the Supplier Manual, a copy of which will be provided upon execution of the master supply agreement
- **Data Subscription:** Automatic enrollment of the Supplier in the OCS data subscription program for an annual fee equal to \$2,500, plus an additional 0.2% per purchase order line item. There is an option to suppliers to upgrade to Level 2 to access competitor data in your sub category for an annual fee equal to \$2,500, plus an additional 0.3% per purchase order line item.
- **Barcoding /Product Registry:** GS1 bar coding standards, product registry, product photography