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Ms. Connie Dejak
Chair
Ontario Cannabis Retail Corporation
4100 Yonge Street, Suite 200
Toronto, Ontario M2P 2B5

Dear Ms. Dejak:

As you begin planning for 2021–22, I am pleased to write to you in your capacity as Chair of the Ontario Cannabis Retail Corporation (OCRC) to provide you with a letter setting out expectations and direction for OCRC in the year ahead. Pursuant to the requirements of the Agencies and Appointments Directive, this letter sets out my expectations for the OCRC Board of Directors, working with the President and Chief Executive Officer and the Senior Leadership Team, for the 2021–22 fiscal year.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high-quality services to the people of Ontario. The work that you and your fellow board members undertake to establish the goals, objectives, and strategic direction for the OCRC ensures that the agency can continue to provide socially responsible sale of cannabis and related products through its website, and wholesale cannabis to authorized private cannabis retail stores. It is important that this direction is consistent with government priorities, your agency's mandate, key policies and directives and my directions where appropriate. I thank you for your willingness to serve.

As part of the government of Ontario, I expect all agencies to act in the best interest of the people of Ontario by being efficient, effective, and providing value for money. As people and employers face immense challenges due to COVID-19, this expectation is more important than ever. In every action, decision, and expenditure, I expect you to consider the interests of the taxpayer and the people we serve.

This includes:

1. Competitiveness, Sustainability and Expenditure Management

- Identifying and pursuing opportunities for revenue generation, innovative practices, and/or improved program sustainability;
- Identifying and pursuing efficiencies and savings; and

- Complying with applicable direction related to Supply Chain Centralization, Realty Interim Measures and Agency Office Location Criteria.

2. Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting;
- Adhering to requirements of the Agencies and Appointment Directive (AAD), and responding to audit findings, where applicable; and
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

3. Risk Management

- Identifying, assessing and mitigating risks, including planning for and responding to emergency situations such as COVID-19.

4. Workforce Management

- Optimizing your agency's workforce to enable efficient and effective fulfilment of government priorities, while enhancing customer service standards; and
- Streamlining back office functions to ensure that all available resources are redirected towards the critical front-line services that the people of Ontario depend upon.

5. Data Collection

- Improving how the agency uses data in decision-making, information sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery; and
- Supporting transparency and data sharing with the ministry, as appropriate.

6. Digital Delivery and Customer Service

- Exploring and implementing digitization or digital modernization strategies for the provision of services online and continuing to meet and exceed customer service standards through transition; and
- Using a variety of approaches or tools to ensure service delivery in all situations, including COVID-19.

In addition to these government-wide priorities, I expect the OCRC to focus on:

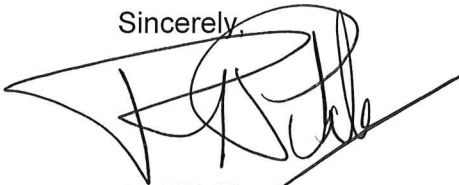
- Continuing to work with the government, the Alcohol and Gaming Commission of Ontario (AGCO) and authorized cannabis retailers to ensure the sale of legal cannabis throughout the COVID-19 pandemic, aligned with applicable safety protocols recommended by public health officials;
- Continuing to work closely with the government and the AGCO to expand access to cannabis retail stores in communities across Ontario;
- Continuing to deploy critical wholesale infrastructure to drive cost-efficiencies and enable Ontario's private retail store network to drive sustainable economic growth across the province;

- Continuing to work with federally-licensed producers in Ontario, and across Canada, to bring new product innovations to market, thereby increasing choices for consumers and creating a strategic advantage over the illegal cannabis market;
- Further developing the OCRC as the Ontario industry leader in market data and consumer insights for the purpose of informing future government policy decisions and continuing to equip OCRC's commercial partners with information needed to better serve consumers and capture market share from the illegal market;
- Working to inform Ontario's submission to the federal government's review of the Cannabis Act in 2021, particularly in the area of commercial opportunities for industry;
- Working with government to continue to build partnerships with First Nation communities interested in enabling on-reserve retailing;
- Working with the industry to advance social responsibility efforts that demonstrate the province is taking a responsible approach to rolling out cannabis retail;
- Managing the operational, strategic and financial risks encountered by the OCRC, to help ensure the OCRC and government meet financial and social objectives as they relate to the sale of cannabis;
- Continuing to work with the government as the OCRC Board of Directors is expanded in order to ensure ongoing collaboration with government and enhanced oversight of the agency;
- Adhering to directives and policies regarding expenditure management and executive compensation; and
- Submitting to the ministry a business and financial plan for 2021–22 to 2024–25 and a year-end report outlining the financial and operational results for 2020–21, each of which will meet the requirements of the AAD and the memorandum of understanding between the OCRC and the Ministry of Finance.

Through these measures, we can continue to ensure that the OCRC is continuing to fulfill its mandate to provide socially responsible sale of cannabis and related products through its website, and wholesale cannabis to authorized private cannabis retail stores.

I thank you and your fellow board members for your continued support, and for your valuable contributions. Should you have any questions/concerns, please feel free to contact Erin McGinn, Associate Deputy Minister at erin.mcginn@ontario.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rod Phillips', written over a white background.

Rod Phillips
Minister of Finance

- c: Thomas Haig, President and CEO (Interim), Ontario Cannabis Retail Corporation
Greg Orencsak, Deputy Minister, Ministry of Finance
Nancy Mudrinic, Associate Deputy Minister, Ministry of Finance