

SUPPLIER MANUAL

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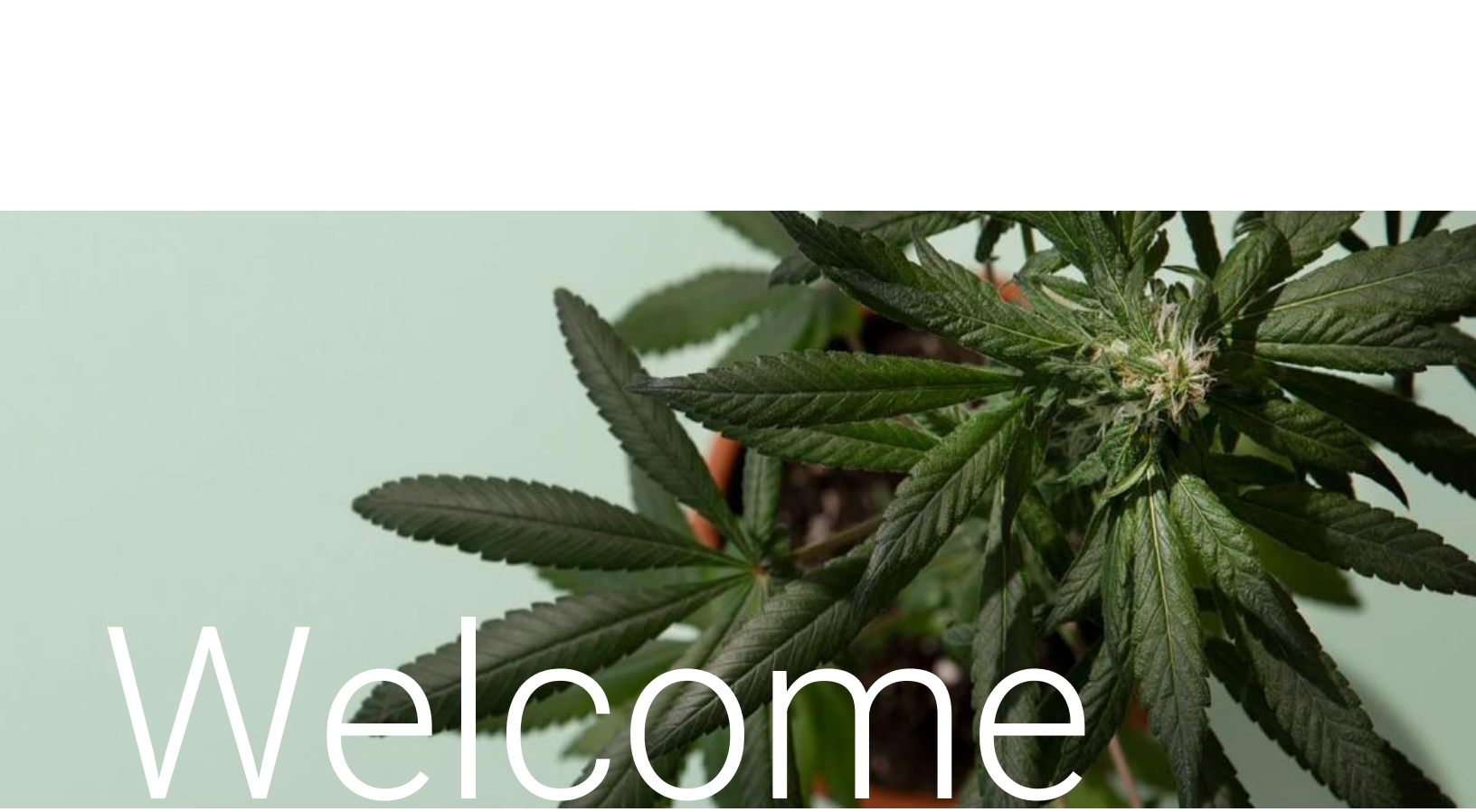


Table of Contents

INTERPRETATION.....	8
Master Supply Agreement	8
Definitions	8
Headings	8
Extended Meanings.....	8
Currency	8
THE ROLE OF SUPPLIERS.....	9
Suppliers.....	9
WHO ARE OUR SUPPLIERS?	9
SUPPLIER RESPONSIBILITIES	9
INFORMATION SECURITY.....	9
BANKING INFORMATION AND UPDATES.....	9
USING A SUBCONTRACTOR OR AGENT	9
BACKGROUND CHECKS	10
PRODUCT SELECTION	11
Submitting Product for Consideration of Purchase	11
PRE-SUBMISSION	11
SUBMISSION	12
PRODUCT ONBOARDING	13
Definitions of Listing Types	13
GENERAL LIST.....	13
STORE BRANDS	13
FARMGATE.....	13
LIMITED RELEASE SKUS.....	13
Definitions of Fulfillment Types	14
STOCKED	14
FLOW-THROUGH.....	14
Subcategory Product Definitions.....	14
Wholesale Pricing Overview	15
LANDED COST	16
WHOLESALE PRICE	16
OCS.CA	16
Fixed Wholesale Markup Rates.....	17
EFFECTIVE DATE	17
FREQUENCY.....	18
Product Lifecycle Management.....	18
Change Request Submission Process.....	21
Information Prior to Purchase.....	22
Forecasting	22
Purchase Order Parameters.....	23
Purchase Orders.....	24

Movement of Goods.....	25
Packaging Requirements	26
Damaged Product Packaging or Containers	27
Case Labelling Requirements^[OBJ]	28
Retail Sellable Units.....	29
Shipping and Receiving.....	29
PLACARD REQUIREMENTS	30
MIXED PALLET REQUIREMENTS.....	30
LOAD QUALITY	31
PALLET SPECIFICATIONS	32
BARCODES.....	33
TAPING REQUIREMENTS.....	33
SHIPMENT CONTAMINATION AND SAFETY STANDARDS	33
SHIPPING REQUIREMENTS.....	34
DELIVERY APPOINTMENTS.....	35
FIRST IN, FIRST OUT REQUIREMENTS	35
Odour-Free Shipping Containers	35
Safety	35
Service Level	36
Slow Moving Inventory.....	37
Return to Vendor (“RTV”).....	37
Quarantine Upper Limit.....	37
Product Rework	38
Flow-Through Overview and Requirements^[OBJ].....	39
PURCHASE ORDER REQUIREMENTS	39
INVENTORY AVAILABILITY REQUIREMENTS	39
QUALITY REQUIREMENTS.....	39
LOGISTICS REQUIREMENTS.....	39
<i>Quality Assurance and Regulatory Compliance.....</i>	<i>40</i>
Initial Listing.....	40
LABEL AND PACKAGING REVIEW	40
FEDERAL EXCISE DUTY STAMPS.....	41
MASTER CASE LABEL AND RETAIL PACKAGING BARCODE SCANS	41
BARCODE REQUIREMENTS	41
PROHIBITED SPECIAL CHARACTERS	42
PRINT ACCURACY	42
GS1 BARCODE CHECKLIST	43
Delivery	43
TEMPTALE REQUIREMENTS.....	43
TEMPERATURE CONTROLLED TRUCK AND TRAILERS.....	43
TEMPLATE DATA LOGGERS.....	44
SHIPMENT ASSESSMENT ON ARRIVAL AT DISTRIBUTION CENTRE	44
CERTIFICATE OF ANALYSIS SUBMISSIONS	44
TESTING REQUIREMENTS	45
Guidelines for Cannabis Product COA Submission	46
TIMELINE REQUIREMENTS.....	46
PROCESS FLOW	47
COA REQUIREMENTS	47

Accessories	48
ACCESSORIES SUPPLIERS	49
ACCESSORIES DISTRIBUTORS.....	49
EAN VERSUS UPC	50
Released for Sale.....	50
CUSTOMER SERVICE CENTRE	50
COMPLAINTS.....	51
PRODUCT QUALITY COMPLAINT PROCESSING PATH	51
STABILITY STUDIES.....	51
RECALLS.....	52
Quality Monitoring.....	54
CHANGE NOTICE: PRODUCTS TRANSITIONING TO NEW PACKAGING	54
Vendor Compliance	54
QUALITY ASSESSMENT.....	54
CONTINUOUS IMPROVEMENT: SCARS	54
<i>CONTACT INFORMATION</i>	55
CANNABIS PRODUCT CALL CONTACT	55
MERCHANDISING CONTACT	55
PRICING CONTACT	55
QUALITY ASSURANCE CONTACT	55
REGULATORY REVIEW.....	55
RECALL CONTACT.....	55
SUPPLY CHAIN CONTACT	55
WEBSITE	55



Welcome

Cannabis and cannabis accessory suppliers (each a “**Supplier**”) have a critical role to play in contributing to Ontario’s vibrant cannabis marketplace. Together, the Ontario Cannabis Store (“**OCS**”) and its Suppliers are able to provide access to safer, tested, traceable legal recreational cannabis across the province.

This Supplier Manual (the “**Manual**”) will help guide and enable current and prospective Suppliers to be successful in their role, and in working with the OCS. It also outlines in greater detail the responsibilities and processes from purchasing and packaging to shipping and returns.

This Manual outlines a general framework for the relationship between Suppliers and the OCS in alignment with the OCS Master Supply Agreement (the “**MSA**”), which has been provided to current Suppliers.

We strongly encourage all Suppliers who conduct business with the OCS — or who want to learn more about how to work with us — to regularly visit [Doing Business with OCS](#). It contains the most up-to-date version of all documents, planning tools and program and business information.

INTERPRETATION

Master Supply Agreement

This Manual supplements the MSA between the OCS and each Supplier and should be read together with the MSA. Nothing in this Manual will limit the generality of any provisions of the MSA.

Definitions

Capitalized terms used but not defined in this Manual have the meanings ascribed to them in the MSA. In this Manual, the terms “**we**,” “**us**” and “**our**” refer to the OCS, and the term “**third party**” means any person other than the OCS and the Supplier.

Headings

The division of this Manual into sections and headings is for convenience of reference only and does not affect the construction or interpretation of this Manual.

Extended Meanings

In this Manual:

- words importing the singular number include the plural and vice versa;
- words importing any gender include all genders;
- words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities; and
- words or abbreviations that have well-known technical industry or trade meanings are used herein in accordance with their recognized meanings.

In this Manual, the term “**including**” means “including without limiting the generality of the foregoing” (and the terms “**include**” and “**includes**” have similar meanings).

Currency

All references to currency and monetary amounts in this Manual refer to Canadian dollars.

SECTION A

THE ROLE OF SUPPLIERS

Suppliers

WHO ARE OUR SUPPLIERS?

For cannabis Products, we work directly with Suppliers and Licensed Producers who hold a valid licence issued by Health Canada under the Cannabis Act and its Regulations that authorizes them to sell cannabis Products to the OCS. For cannabis accessories, we work with both manufacturers and wholesalers.

SUPPLIER RESPONSIBILITIES

The responsibilities of each Supplier include:

- adhering to the terms and requirements of the MSA
- adhering to the terms and requirements of this Manual
- complying with Applicable Law
- acknowledging and filling Purchase Orders (“POs”) accurately and on time
- ensuring consistent Product quality

INFORMATION SECURITY

All Suppliers must document an Information Security Risk Management plan to mitigate any potential risks involving or impacting the OCS. The OCS recommends that Suppliers purchase cybersecurity insurance, with the OCS as an additional insured party. In the event of a cybersecurity breach or incident, all Suppliers are required to disclose the event immediately by contacting the OCS Corporate Security team, copying the Finance and Internal Audit & Risk teams and the OCS Corporate Security team. Suppliers are expected to work with OCS Information Security throughout the investigation process to ensure that OCS data and systems are not negatively impacted and that services are restored promptly per agreed-upon Service Level Agreements. Failure to comply with the disclosure requirement is a material breach of the MSA, and the OCS will hold the Supplier responsible and liable accordingly.

BANKING INFORMATION AND UPDATES

If a Supplier updates or amends their banking information,

To update or amend banking information, a Supplier’s signing agent must request the changes through a Vendor Form and provide a void cheque directly to accountspayable@ocs.ca. All banking requests will be reviewed by OCS Finance. OCS Corporate Security will also complete a secondary review. Payments from the OCS will be delayed for 10 business days after any change to corporate banking information.

USING A SUBCONTRACTOR OR AGENT

As per section 24.07 (1) of the MSA, a Supplier may not, without the prior consent of the OCS, engage any Subcontractor (which includes an agent) to perform and may not otherwise outsource the performance of, all or any part of the Supplier’s covenants, agreements or obligations under the MSA.

Therefore, if a Supplier wants to allow a Subcontractor to access or perform Supplier functions on the Vendor Portal, the Supplier should submit a written consent request to the OCS. The consent

SECTION A: THE ROLE OF SUPPLIERS

request can be in the Supplier's own form but should include:

- the name of the Subcontractor
- the proposed time frame of access
- an acknowledgment from the Supplier of its obligations regarding Subcontractors under the MSA (section 24.07).

BACKGROUND CHECKS

Suppliers will maintain a record of all personnel and Subcontractor personnel who have access to cannabis Products, including those responsible for delivering Products to the OCS Distribution Centre ("DC"). Where reasonably practicable, Suppliers will conduct background checks on any of its personnel with access to cannabis Products and require its Subcontractors to conduct background checks on any of their personnel that may have access to cannabis Products in the performance of their services.



SECTION B

PRODUCT SELECTION

Submitting Product for Consideration of Purchase

The OCS procures cannabis Products and cannabis accessories through a request for Product submissions (a “**Product Call**”). The OCS determines the timing of any Product Call, and targets running a Product Call approximately four times per calendar year. OCS retains sole discretion to run seasonal Product Calls, as required. Ad hoc submissions may be triggered by the emergence of new innovations, trends and developments in the marketplace, or trade shows and market visits. The seasonal Product Call timelines will be available on [Doing Business with OCS](#), and Product Calls are open to any current or potential Suppliers. Visit [Doing Business with OCS](#) to stay updated on future Product Call announcements.

The Product Call process involves three stages:

1. **Pre-Submission:** The OCS publishes an Assortment Needs Bulletin and invites interested Suppliers (both current and prospective) to pre-submit Products they wish to list for sale in Ontario.
2. **Submission:** Eligible Suppliers chosen through the Pre-submission process are invited to submit through the Product Call Submission Portal. The OCS evaluates submissions against standardized criteria, provides all Suppliers with feedback and issues notices to purchase (“**NTPs**”) to successful Suppliers.
3. **Product Onboarding:** Suppliers work with the OCS to complete the listing process, build forecasts and arrange for Product to be sold into Ontario’s recreational cannabis market.

PRE-SUBMISSION

1. The OCS publishes an Assortment Needs Bulletin.
 - Bulletins are published four times per year, prior to each Product Call launch.
 - The OCS may also occasionally call for event-specific Product Calls, at its sole discretion, and including event-specific requirements in the Assortment Needs Bulletin.
 - Bulletins identify assortment gaps or category trends in the provincial catalogue that the OCS is looking to address.
 - Assortment needs are determined by assessing insights and market research, current sales trends and input received from Licensed Producers (“**LPs**”), Authorized Retailers and end consumers.
2. Suppliers submit a Pre-Submission Form.
 - Suppliers submit a form to share critical information about new Products they wish to sell into Ontario’s recreational cannabis market prior to proceeding with a formal Product submission.
 - Suppliers should save a copy of the completed form in portable document format (“**PDF**”) for their records.
3. The OCS assesses Pre-Submission Forms and provides all Suppliers with feedback.

SECTION B: PRODUCT SELECTION

- The OCS reviews Pre-Submission Forms against [Pre-Submission Scorecard Criteria](#), which include but are not limited to, current executional performance, innovation, market support plans and cost or value.
 - Assigned Category Managers offer clear and consistent feedback within approximately 15 business days.
 - Category Managers will recommend what items to submit to Suppliers and will offer feedback to Suppliers not invited to proceed with a formal submission to the Product Call.
4. The OCS invites shortlisted Suppliers to formally submit to the Product Call.
 - Only Suppliers that have met the following criteria are eligible for selection:
 - The Supplier must have submitted a successful Pre-Submission Form.
 - Cannabis Suppliers must hold the appropriate Health Canada licence that authorizes the sale of the cannabis Products they included in their submission to a provincially authorized distributor, such as the OCS.

SUBMISSION

1. Suppliers submit to the Product Call.
 - Suppliers submit Products to be considered for listing through the Product Call Submission Portal. Suppliers must save a copy of the completed form in PDF for their records.
 - The OCS reviews all submitted Products to ensure they align with product submission expectations. Please refer to the [Cannabis Product Names and Branding Element Guidelines](#) for more information.
2. The OCS evaluates product submissions.
 - The OCS evaluates all submitted Products and measures them against mandatory, clear and consistent [Submission Scorecard Criteria](#), which include but are not limited to current executional performance, innovation, market support plans and cost or value.
3. The OCS makes listing decisions and communicates next steps to Suppliers.

Accepted submissions

1. The OCS sends Suppliers NTP and submission packages for accepted stock keeping units ("SKUs") within approximately 20 business days of the Submission Deadline.
2. The OCS works with Suppliers to determine Product quantity, landed cost and listing Type – General List, Store Brands, Farmgate or Limited Release.
3. While Suppliers are encouraged to state their desired launch window during Submission, the anticipated launch dates will be available on both OCS.ca (if selected as part of the OCS.ca assortment) and the OCS Wholesale B2B Portal.

Rejected submissions

1. The OCS sends Suppliers with rejected SKUs a Rejection Letter that includes scoring showing why the SKUs were not accepted.
2. Rejection Letters are sent within approximately 20 business days of the Submission Deadline.
3. After a Rejection Letter has been issued to the Supplier, the OCS may consider appeals from the Supplier. Please refer to the [Appeal Process for Suppliers](#) for more information.

SECTION B: PRODUCT SELECTION

PRODUCT ONBOARDING

1. Suppliers sign and return NTPs and submission packages before engaging the OCS Supply Chain.
2. Suppliers must submit to the OCS all documentation indicated within the NTP, including:
 - GS1 packaging and Product images
 - brand logos
 - New Product Education Presentation
 - barcodes
 - labels for all containers (immediate and outermost)
 - Child Resistance Certificate for the immediate container
 - Cannabis Product Specification Form (most updated version)
 - Statement of Attestation ("**SOA**") for accessories and vape devices
 - Applicable hardware certification(s) for vape devices, ensuring the electrical and mechanical integrity of the device are maintained during usage and transportation. These include but are not limited to: UL8139, UL1642, CAN/CSA-E62133, UN/DOT38.3.
 - Category Expansion Form (if applicable)
3. Delivery Dates Booked
 - The OCS Supply Chain works with the Supplier to complete forecasts before issuing POs.
 - Once a PO has been received, the Supplier may book a delivery appointment with the DC.
 - Items will be visible to cannabis retailers authorized by the Alcohol and Gaming Commission of Ontario ("**Authorized Retailers**") on the OCS B2B Portal and tagged as "Coming Soon" once the OCS has issued the PO.



Definitions of Listing Types

GENERAL LIST

Products accepted through the Product Call which are a permanent SKU available as part of the OCS catalogue. Products selected as General List may be available both in the wholesale channel and on OCS.ca, or may be available only in the wholesale channel at the discretion of the OCS.

STORE BRANDS

Store brands include Products that are produced and sold to the OCS by a Supplier, which feature brand elements owned by or licensed from an Authorized Retailer. These may include white labels, private labels, private brands and in-house or house brands.

FARMGATE

Farmgate Products are produced and sold by a Supplier to the OCS that are primarily intended for resale to an Authorized Cannabis Store located at the Supplier's facility, as authorized under section 4(4) of the Cannabis Licence Act, 2018 ("**Farmgate Store**"). Product with a Farmgate listing type is not exclusive to the Farmgate Store; the OCS may issue POs to hold Farmgate Products in stock or as Flow-Through Products.

SECTION B: PRODUCT SELECTION

LIMITED RELEASE SKUS

Limited Release SKUs (“**LRSs**”) are Products accepted through the Product Call for which the OCS intends to issue a PO, but not replenish. This type of listing is appropriate for Products that have limited availability. The OCS will issue an initial order quantity (in either one or multiple POs) but will not replenish the order. LRSs cannot transition to a General List without being resubmitted through a future Product Call. Unsold inventory will follow an identical process as General List SKUs and is subject to the same conditions for returns.

Definitions of Fulfillment Types

STOCKED

Stocked Products are accepted through the Product Call, issued a PO and stored at the DC for future Authorized Retailers orders.

Any item designated as Stocked fulfillment type will be available for sale to Authorized Retailers and on OCS.ca.

FLOW-THROUGH

The OCS accepts Flow-Through Products through the Product Call with the intention of issuing a PO and storing the Products at the DC for a limited time, rather than holding them in stock, prior to distributing the Products to Authorized Retailers. See Section C of this Manual for more information on the Flow-Through process.

Any item designated as a Flow-Through fulfillment type will not be available for sale on OCS.ca. It will be available for sale to our Authorized Retailers only.

Subcategory Product Definitions

All Suppliers must ensure that Products made available to the OCS comply with Applicable Law. For clarity, this includes ensuring Products are appropriately classified in accordance with the *Cannabis Act* and its Regulations. The following subcategory definitions are intended as a guide.

SECTION B: PRODUCT SELECTION

Cannabis Class	Subcategory	Category Description
Dried Cannabis	Dried Flower	The flower of the cannabis plant that has been dried, trimmed and packaged
Dried Cannabis	Pre-Rolls	Dried cannabis products in pre-rolled joint formats that are intended to be conveniently ready to smoke
Cannabis Extract	Infused Pre-Rolls	Dried cannabis products in pre-rolled joint formats with the addition or infusion of concentrates either inside or outside the paper that are intended to be conveniently ready to smoke (See Concentrates and Extracts below)
Cannabis Extract	Oil and Capsules	An extracted form of the cannabis plant that has been processed into a product that contains discrete amounts of phytocannabinoids, such as THC and CBD, in a carrier oil (e.g., MCT oil) and that is intended to be ingested
Cannabis Extract	Concentrates	Products extracted from the cannabis plant and processed into a concentrated form — subcategories within Concentrates include Hash, Sift & Kief, Resin & Rosin, Wax & Shatter and Isolate & Distillate
Cannabis Extract	Vapes and Disposable Vape Pens	A cartridge or disposable unit (e.g., a pen) that contains a cannabis concentrate, which is heated by an element that enables consumption by inhalation
Cannabis Seeds	Cannabis Seeds	The viable (growable) seeds of a cannabis plant
Edible Cannabis	Edibles	A cannabis substance or mixture of substances that's intended to be consumed in the same manner as food
Edible Cannabis	Beverages	An edible cannabis product that is made available in a liquid format and that is intended to be consumed in the same manner as a drink
Cannabis Topicals	Topicals	Cannabis product that is intended for use, directly or indirectly, exclusively on external body surfaces, including hair and nails

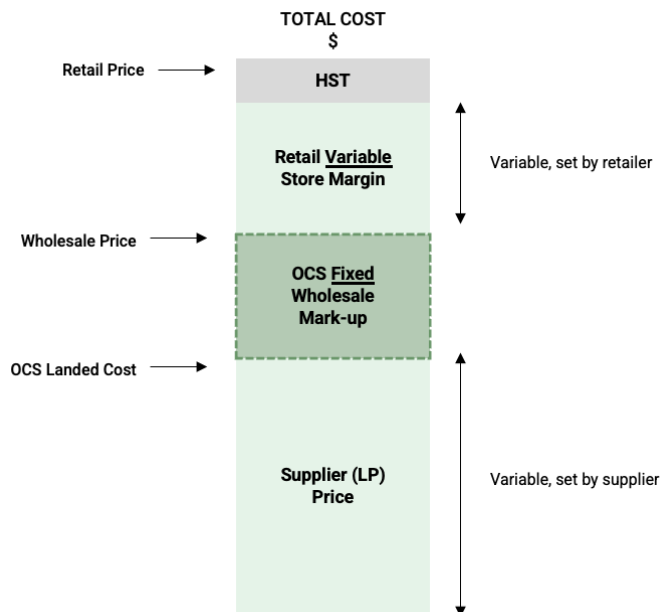
SECTION B: PRODUCT SELECTION

Wholesale Pricing Overview

The OCS's pricing strategy is guided by two principles:

- Pricing must be competitive enough to eliminate the illegal market, and
- Pricing must not appeal to those under the age of 19.

The OCS establishes wholesale prices under a cost-plus framework, using a fixed markup rate for each Product subcategory.



LANDED COST

The OCS uses the Landed Cost as the base calculation of a Product's Wholesale Price. The Landed Cost (also known as the OCS's Duty Paid Purchase Price) is the amount each Supplier provides to the OCS as this base. The Landed Cost consists of the Supplier's Production costs, federal excise duty, transportation costs to the DC, and additional supplier costs. This is the amount paid to the Supplier for goods rendered.

WHOLESALE PRICE

Using the Landed Cost, the OCS applies a fixed wholesale markup to arrive at a Wholesale Price for each SKU. This is the amount at which Authorized Retailers may purchase Product from the OCS. For clarity, the fixed wholesale markup is applied as a percentage above the Landed Cost. Fixed wholesale markup rates differ by Product subcategory, as outlined in the Fixed Wholesale Markup Rates section below.

OCS.CA

The OCS uses the Wholesale Price as the base calculation of a Product's retail price on OCS.ca. Using the Wholesale Price, the OCS applies a fixed 39% e-commerce markup followed by the harmonized sales tax ("HST"). The final retail price is rounded up to the nearest five cents (\$0.05).

For accessories, the OCS applies a fixed 90% e-commerce markup above the Wholesale Price followed by the HST. The final retail price is rounded up to the nearest five cents (\$0.05).

SECTION B: PRODUCT SELECTION

Fixed Wholesale Markup Rates

In the following table, you will find our fixed wholesale markup rates by Product subcategory. Fixed markup rates are applied as a percentage (%) above Landed Cost to arrive at the Wholesale Price.

Product Subcategory	Markup Rate
Dried Flower	23.0%
Pre-rolls	29.0%
Oils	25.0%
Capsules	25.0%
Vapes	25.0%
Concentrates	25.0%
Infused Pre-rolls	29.0%
Edibles	25.0%
Beverages	25.0%
Topicals	25.0%
Seeds	25.0%
Accessories	20.0%



Submitting Price Changes to the OCS

The OCS accepts price changes on a weekly basis. To submit a change, the Supplier must complete and email the Weekly Price Change Submission Form to pricingsubmissions@ocs.ca by the end of business day (5 p.m. Eastern Time) on Wednesday in each given week. If approved, the Supplier will receive a Cost Change Form. This form must be signed and returned to the OCS by email by the end of business day (5 p.m. Eastern Time) on the following Tuesday in each given week. The Supplier is responsible for fully funding cost reductions for inventory that is in stock at the OCS DC and items on order. For more information, see [Doing Business with OCS](#).

EFFECTIVE DATE

The OCS issues a Price Change Bulletin to Authorized Retailers each week to provide notice of changes to Wholesale Prices for affected SKUs. These Bulletins are issued three to four weeks prior to the price change taking effect.

SECTION B: PRODUCT SELECTION

FREQUENCY

Following the initial listing with the OCS, price change requests from Suppliers will take effect 60 days after the Product is made available for sale. Subsequent price changes may be submitted every 90 days. This period is intended to provide Authorized Retailers with sufficient lead time to plan for any impact the changes might have on Wholesale Prices for Products that they have in their inventory.

Price changes are permanent. For clarity, the OCS will not accept time-limited price change requests. All price changes must follow the procedure outlined in this Manual.

MINIMUM WHOLESALE PRICE

The OCS has established a Minimum Wholesale Price (also referred to as a “**Price Floor**”) for Dried Flower, Pre-Rolls, Infused Pre-Rolls and Vapes. These subcategories each have a different Minimum Wholesale Price, as they all have different Fixed Wholesale Markup Rates. Minimum Wholesale Prices support the OCS’s social responsibility objectives while providing the industry with price assurance.

Because the OCS uses the Landed Cost as the base calculation of a Product’s Wholesale Price, the Minimum Wholesale Price results in a Minimum Landed Cost (or “**Cost Floor**”) in these categories. For clarity, this is the lowest Landed Cost that the OCS will accept from a Supplier for Products purchased in these categories.

Similarly, as the OCS uses the Wholesale Price as the base calculation of a Product’s retail price on OCS.ca, the Minimum Wholesale Price results in a minimum retail price (not including HST) on OCS.ca for Products sold in these categories.

The following chart outlines the Minimum Wholesale Price and corresponding Cost Floor (all values are based on the Minimum Wholesale Price per gram):

Category	Cost Floor (per gram - excl. HST)	Wholesale Markup	Minimum Wholesale Price (excl. HST)	OCS.ca Markup	OCS.ca Retail Price (excl. HST)	OCS.ca Retail Price (incl. HST)	OCS.ca Retail Price (incl. HST) ROUNDED
Dried Flower	\$1.85	23%	\$2.28	39%	\$3.16	\$3.57	NA
Pre-rolls	\$1.76	29%	\$2.27	39%	\$3.16	\$3.57	NA
Infused Pre-rolls	\$1.76	29%	\$2.27	39%	\$3.16	\$3.57	NA
Vapes (1g)	\$15.25	25%	\$19.06	39%	\$26.50	\$29.94	\$29.95

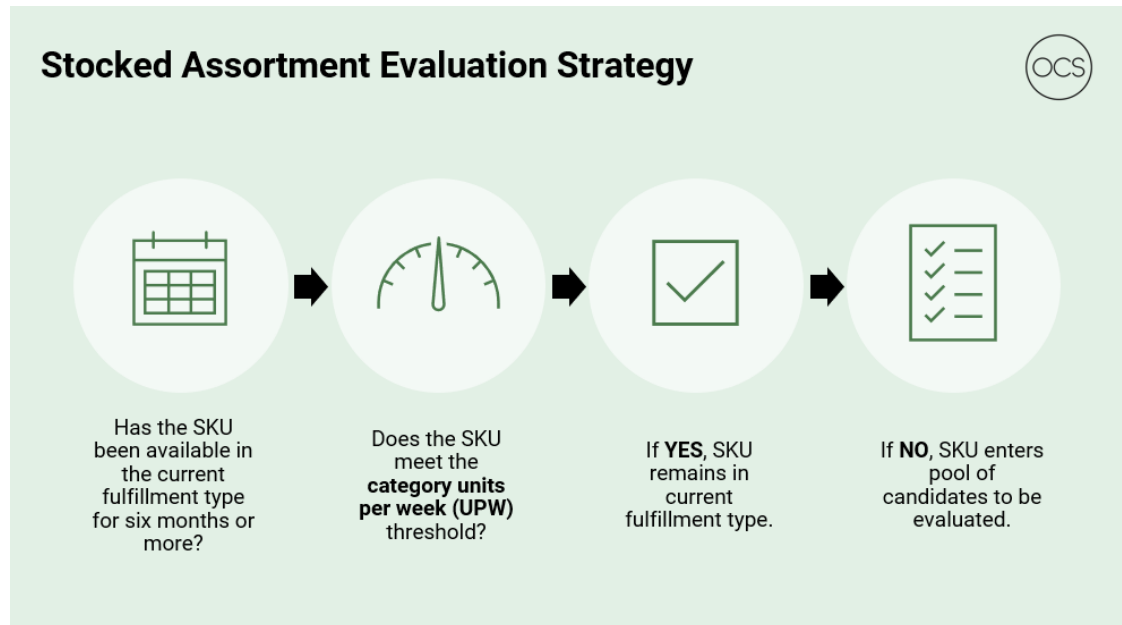
Product Lifecycle Management

The OCS periodically reviews the products it lists and distributes with a focus on Product Lifecycle Management. Products are evaluated based on their performance in their existing fulfillment types.

SECTION B: PRODUCT SELECTION

Stocked Assortment Evaluation Process:

We will evaluate the bottom 20% of each category to ensure we are maintaining a balanced, innovative and fast-moving Stocked assortment.



There are three possible outcomes of the evaluation:

1. Remain Stocked.
2. Move to Flow-Through (LPs can request this at any time).
3. Drop from assortment.

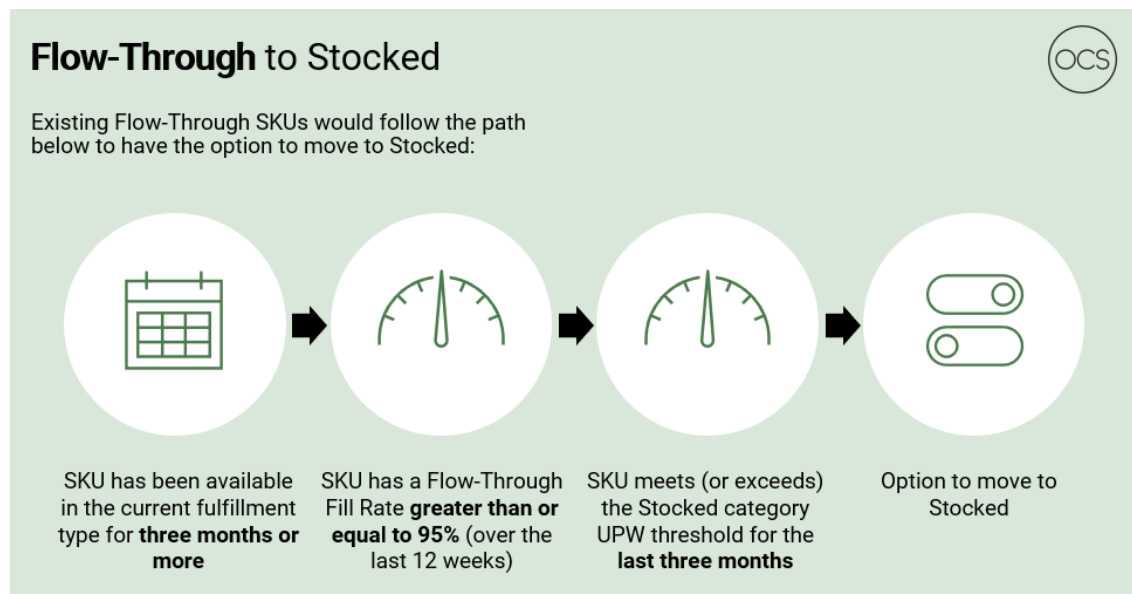
Factors for consideration:

- Is the product close to the minimum UPW threshold?
- Is the product's availability important to a specific niche or subcategory (like CBD-only Dried Flower)?
- Is the product high performing on OCS.ca?
- Licensed Producer input

SECTION B: PRODUCT SELECTION

Flow-Through to Stocked Evaluation Process:

Flow-Through to Stocked movement is only driven by the Product Lifecycle Management process outlined below.



Flow-Through Candidates to be Evaluated:

We will evaluate the SKUs with a Fill Rate less than 95% to ensure we are maintaining a balanced, innovative and fast-moving Flow-Through assortment.



There are two possible outcomes of the evaluation:

1. Remain in Flow-Through.

SECTION B: PRODUCT SELECTION

2. Drop from assortment.

Factors for consideration:

- Is the product close to the minimum Fill Rate threshold?
- Are there uncontrollable circumstances that lead to the miss in Fill Rate (weather, technology, etc.)?
 - We can waive these from your Fill Rate calculation, when identified, please reach out to your Supply Chain Specialist
- Licensed Producer input

The OCS encourages Licensed Producers to proactively self-assess their active SKU's and log tickets, via a Change Request Form, to drop a SKU or to request to move a SKU from Stocked to Flow-Through.

Because there are significant differences between what consumers on OCS.ca prefer and what Authorized Retailers purchase for their Authorized Cannabis Stores, the OCS is taking steps to better tailor its Product offerings to these distinct groups as the catalogue continues to grow. As such, Products that have had low performing SKUs on OCS.ca over that 26-week period may be selected to continue to be sold through the Wholesale assortment only.



Change Request Submission Process

Please submit all requests to change Product attributes through the Change Request Form. To access the Change Request Form on the Vendor Portal, go to: Vendor Collaboration > Product Information > Product Information Forms.

NOTE: Each change must be submitted in a new form. Forms received with multiple SKUs or multiple changes will not be processed.

A variety of changes can be executed through the Change Request Form, and the estimated time required for each change will be listed. The Form will ask Suppliers for all relevant information needed in order for the OCS to execute the change.

For more information, please contact itemupdates@ocs.ca.

SECTION C: SUPPLY CHAIN

Information Prior to Purchase

In all cases, a Product purchase is subject to:

- the terms and conditions in the MSA
- the terms and conditions in the PO
- the terms and conditions in this Manual

the terms and conditions in the documents referenced herein, such as those related to sales targets, packaging standards and compositional standards. Any changes to the Order Desk (that is, the person(s) responsible for pulling the PO) or Account Manager (that is, the person(s) responsible for interacting with the OCS on a day-to-day basis) contact information must be given in writing immediately to the OCS. The Supplier is responsible for ensuring that communications by phone, Electronic Data Interchange ("EDI") system and email are current to ensure no disruption to the flow of goods.

The Supplier is solely responsible for ensuring that the OCS has the most up-to-date Product claims, certificates of analysis, ingredient information (if applicable) and chemical composition information. Any changes must be immediately communicated to the OCS and supported with appropriate documentation.



Forecasting

Each week the OCS generates a rolling eight-week Sales and Order Forecast, which is accessible to the Suppliers through the Data Portal. The Supplier should complete the following tasks each week:

- Review OCS Weekly Sales and Order Forecast and align with production planning
 - Sales and Order Forecasts are updated in the Data Portal every Thursday
 - Fill Rate and On-Time performance can influence forecast — please ensure you are monitoring your performance weekly
 - Future Order Forecasts assume open POs
 - Systematic recovery will take into account four-week PO lead time
- Identify gaps in Product availability versus OCS forecast
- Recommend action plans to address aged inventory opportunities (after 120 days)
- Identify and monitor Slow Moving items
 - Create action plans to manage for potentially aged Product before it reaches 120 days in the DC
 - Long-term out-of-stock items will be re-piped based on the latest sales trends
 - Re-pipe quantities will take into consideration new market introductions

The OCS will order inventory based on forecast and supply chain policies. Order frequency will be determined based on desired inventory levels, lead time and safety stock.

Weeks of supply held at the DC will vary by Product, category and seasonality. The Data Portal will show the most up-to-date safety stock parameters. The OCS will work with Suppliers to ensure sufficient inventory levels and turns. Any forecasts the OCS provides are not binding purchase commitments and may change at any time.

Purchase Order Parameters

Suppliers will receive POs weekly in alignment with safety stock requirements and Inventory Management policies. Please reference the chart below for further details.

SKU Selling Class	Description	Safety Stock (Weeks of Supply)	Forecast Horizon	Purchase Order Lead Time
A	Ultra Fast Seller	5.0	8 Weeks	4 Weeks
B	Fast Seller	4.0	8 Weeks	4 Weeks
C	Moderate Seller	3.5	8 Weeks	4 Weeks
D	Slow Seller	3.0	8 Weeks	4 Weeks
E	Ultra Slow Seller	1.5	8 Weeks	4 Weeks
Re-Launch	Product with High Sales Potential	3.5	8 Weeks	4 Weeks
Constrained	Product with High Sales Potential (Constrained Supply)	3.5	8 Weeks	4 Weeks
New Product	Less than 30 days sales history	1.0	Initial Pipe Fill	6–7 Weeks

Please note, the table below is subject to change at any time to reflect current market conditions.

Purchase Orders

When the OCS wants to purchase any Products from the Supplier, it will issue a PO to the Supplier.

The PO will include the following information:

- Supplier name, contact information, address
- Supplier HST number
- OCS name, contact information, address
- payment terms
- requested delivery date
- delivery location
- fulfillment type (General List or Flow-Through)
- PO number
- PO creation date
- OCS SKU number
- product description
- Global Trade Item Number ("GTIN")
- quantity ordered
- unit cost
- discounts
- sales tax
- net price

All Suppliers are responsible for ensuring they understand the terms and requirements of the PO. All Suppliers are also responsible for providing all necessary Shipping Documents that must accompany the order.

The OCS will send POs by email and make them available on the Vendor Portal. The Supplier must be able to log into the Vendor Portal and download their respective POs.

The Supplier must ensure all information transmitted on the PO is correct prior to shipping Product to the OCS.

Time is critical for the issuance and confirmation of POs. Accordingly, the Supplier must issue an Acknowledgement with respect to that PO (the "Acknowledgement Deadline") within one business day from the time of issuance.

The OCS will issue a Validation with respect to that PO (the "Validation Deadline") within one business day of the Supplier successfully meeting the Acknowledgement Deadline.

The OCS may, in consultation with the Supplier, require the Supplier to implement and operate an EDI system. Please refer to the provisions of the MSA relating to EDI systems.

In the event of a Vendor Portal or EDI system failure, the OCS may transmit POs and Validations by email to the contact information on record for the Supplier and the Supplier may transmit acknowledgements by email to the OCS with "Received" in the Subject line.

Recognizing that there are different lead times for each Product, the OCS will transmit POs to the Supplier based on agreed-upon lead times.

The Supplier must immediately notify the OCS upon becoming aware of any discrepancies in any PO. Examples of discrepancies include:

- Product shortages
- incorrect purchase price
- discontinued items
- unseasonal products
- incorrect expected delivery date
- errors in pack quantity

POs cannot span or be split over multiple deliveries (for example, in two trucks or shipments).

Please refer to the provisions of the MSA regarding the cancellation of POs.

The OCS does not accept back orders or Product substitutions.

The OCS does not accept more quantities of a Product than specified in the PO. The Supplier will be responsible for picking up additional quantities shipped against a PO.

The Supplier's shipment of a Product to the OCS constitutes the Supplier's acceptance of the costs and expected delivery dates shown on the PO.

The OCS will calculate the payment terms from the date the PO Receipt Confirmation is generated.



Movement of Goods

The Supplier's shipment of a Product to the OCS constitutes the Supplier's acceptance of the costs and expected delivery dates shown on the PO.

The OCS will provide the Supplier with a Receipt Confirmation that contains at least the following information:

- Supplier name, contact information and address
- Supplier HST number
- OCS name, contact information and address
- payment terms
- receipt date
- PO number
- PO comments
- OCS SKU number
- Product description
- Supplier SKU number
- quantity ordered
- GTIN
- quantity received
- unit cost
- discounts
- sales tax
- net price

The OCS will pay per quantity received against the PO.

Suppliers must send a valid HST and general sales tax (“GST”) number to the OCS.

The OCS does not require an invoice from Suppliers. POs will be paid based on what is received at the OCS DC and in accordance with the agreed-upon payment term.

Packaging Requirements

Each master case must have:

- a product description, including size
- the packaged-on date (packaged-on date must be the same for the retail unit and master case)
- a scannable and readable GS1-128 barcode (containing GTIN, packaged-on date or default, and lot)
- the quantity of inner packs per case and each quantity per inner pack per case
- two labels — one front-facing and one on the side

If the master case contains inner packs, the inner packs must have a label that follows GS1 standards and contains:

- a product description, including size
- a scannable and readable GS1-128 barcode (containing GTIN, packaged-on date or default, and lot)
- the quantity of inner packs per master case, and each quantity per inner pack

The master case must be fully enclosed. Master case packs must not contain packages with mixed lot numbers or mixed expiry dates.

Master case packs will be accepted only in full case quantities. For further clarity, partial case quantities will not be accepted under any circumstances.

Products transitioning to new packaging must be shipped on a separate PO and not be mixed with previous packaging of Products on a single PO.

If any changes are required to the case size, the Supplier must submit a change through the Vendor Portal using the Change Request Form. The OCS must review and approve this request prior to shipment. Any unapproved requests are subject to rejection at the DC.

All master cases and inner packs must be rectangular or square. Do not use round or irregularly shaped containers at these levels of packaging, as Products may be handled with the various material-handling equipment types listed below:

- automated conveyor systems
- manual push or gravity conveyor or racking systems
- forklift trucks
- stretch-wrapped pallets
- overpack totes or boxes
- manual handling
- floor-loaded in trailers

For cannabis Products, the master case and inner pack must not be damaged or in a condition that exposes the Product to open air or light.

Master cases must conform to the following dimensions. If packaging exceeds these dimensions, approval in writing must be granted by the OCS.

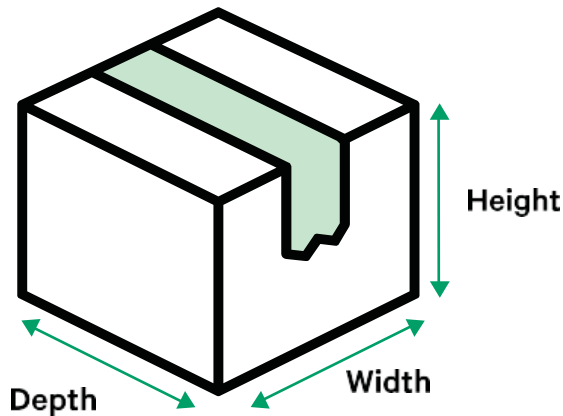


SECTION C: SUPPLY CHAIN

- To support Suppliers in transitioning to larger master cases that include inner packs, the OCS recommends that new Product SKUs be packaged in master cases that meet the following size requirements:
 - minimum Width: 20 cm or 7.87 in
 - minimum Depth: 20 cm or 7.87 in
 - minimum Height: 15 cm or 5.91 in
 - maximum Weight: 9.98 kg or 22 lbs
 - minimum Weight: 0.68 kg or 1.5 lbs
- All master cases must be the same size for the same item.

If any changes are required to the case size, the Licensed Producer must obtain OCS approval to coordinate a transition plan.

Height, Width and Depth are shown as follows, where Depth is parallel to the flap openings:



Where possible, master case corrugated design should be used to limit the use of knives and prevent damage to the Retail Selling Unit by providing perforated tear-away strips or protective inserts under the flaps. Corrugated boxes should be sealed with tamper evident tape such that any “conceal shortages” (conceal shortages are retail units that are missing from the master case. For example, a master case is supposed to contain 24 retail units; however, only 23 retail units are physically contained within the master case) can be investigated by OCS Quality Assurance or Security upon arrival at our OCS DC for signs of tampering.

The master case or inner pack can be branded if the requirements are met fully. Please do not affix the DC address on the shipping case.

Damaged Product Packaging or Containers

Any packages received that have damaged Product packaging or containers (for example, loose or partially open lids, damaged outer packaging or damaged Product labels) will be immediately quarantined and may be shipped back to Suppliers at their cost or destroyed.

Case Labelling Requirements

Subcategory	Consumer Unit	Recommended Master Case Pack (Units)	Recommended Inner Pack (Units)																									
Dried Flower	1 g, 3.5 g	48	12																									
Dried Flower	5 g, 7 g, 10 g, 14 g, 15 g	24	6																									
Dried Flower	21 g, 28 g, 30 g	12	6																									
Oils	All	24	6																									
Capsules	All	24	6																									
Pre-Rolls	All	48	12																									
Seeds	All	24	6																									
Vapes	All	24	6																									
Concentrates	All	24	6																									
Edibles	All	48	12																									
Beverages	All	24	12																									
Topicals	All	24	6																									
Bongs & Pipes	<table><tr><th>Symbol</th><th>Description</th><th>Comments</th></tr><tr><td></td><td>This Way Up</td><td>When handling product, arrows must always point up.</td></tr><tr><td></td><td>Top Heavy. Do Not Tip</td><td>Product is heavier at top, as indicated by arrows.</td></tr><tr><td></td><td>Stacking Limitation</td><td>Shows maximum stacking load in master cases (in this example, 10).</td></tr><tr><td></td><td>Keep Dry</td><td>Protect from excessive humidity when handling and storing.</td></tr><tr><td></td><td>Fragile. Handle with Care</td><td>Product is easy to break, handle carefully.</td></tr><tr><td></td><td>Protect from Freezing</td><td>Product must not freeze, as freezing will cause damage.</td></tr><tr><td></td><td>Protect from Heat</td><td>Product must be protected from heat, as heat will cause damage.</td></tr><tr><td>All</td></tr></table>	Symbol	Description	Comments		This Way Up	When handling product, arrows must always point up.		Top Heavy. Do Not Tip	Product is heavier at top, as indicated by arrows.		Stacking Limitation	Shows maximum stacking load in master cases (in this example, 10).		Keep Dry	Protect from excessive humidity when handling and storing.		Fragile. Handle with Care	Product is easy to break, handle carefully.		Protect from Freezing	Product must not freeze, as freezing will cause damage.		Protect from Heat	Product must be protected from heat, as heat will cause damage.	All	4	4
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All																												

SECTION C: SUPPLY CHAIN

Cleaning Supplies	All	24	24
Infusers	All	1	1
Multi-Tools & Kits	All	4	4
Rolling Papers, Wraps, Cones & Filters	All	24	24
Grinders	All	24	24
Storage & Trays	All	4	4
Vaporizers	All	4	4

Retail Sellable Units

The OCS recommends the following retail sellable units per pack.

The guidelines outline a suggested change to larger master case packs with small inner packs. The inner pack is not required to be shippable as it will be over boxed with other Products delivered to retail stores.

Shipping and Receiving

The OCS expects Suppliers to take reasonable precautions during shipping to protect the integrity of all Products. For example, they should ensure that the temperature is controlled, their packaging is light resistant, and so on.

The following PO Delivery Requirements apply to deliveries received at the OCS DC:

- Upload each PO's bill of lading and packing slip to Data Docks before the shipment is delivered.
- Have a separate bill of lading or carrier pro bill for each shipment with the PO number referenced.
- Have a separate packing slip for each PO attached to the carrier's bill of lading (must be attached to the skid) and the number of pallets at the time of delivery.
- Upload the number of pallets, cases and units to Data Docks before shipment arrives at the OCS DC to support labour planning and dock space.
- Include the following on the packing slip:
 - PO number
 - delivery date
 - delivery address
 - OCS SKU number
 - OCS SKU description
 - LOT number
 - master case and retail unit count
 - case count per item and LOT number
 - total PO case count from the bill of lading (which must match those on the PO)
- POs must be contained to one truck and not spread across multiple trucks.

If fulfilling a PO requires the use of more than one physical truck, the Supplier must reach out immediately to the Domain booking team in advance of delivery to advise.

If PO requirements are not followed, the OCS retains the right to refuse the shipment.

PLACARD REQUIREMENTS

- Each pallet must be labelled with a placard. Placard standards are necessary to ensure that Product is received efficiently at the DC. The Supplier must apply the placard on the outside of the stretch wrap before loading commences.
- Placards must attach onto each pallet. It is highly recommended to attach on all four sides of the pallet, and the minimum requirement is the adjacent sides of the pallet.
- Placard colouring must be as follows:
 - white placard for Regular Replenishment and Product Call pallets
 - coloured placard for Flow-Through pallets
- Placards must include the following:
 - consignee: (Ontario Cannabis Store – OCS)
 - PO or event type: (example, Product Call, Replenishment or Flow-Through)
 - Supplier name
 - Supplier number: 100XXX
 - PO number: PO-001XXXX
 - OCS item number
 - number of shipped units
 - shipped cases
 - LOT number
 - package-on date
 - pallet count
- Here is an example of the placard:



Consignee:	Ontario Cannabis Store (OCS)			
Event:	Product Call			
Supplier Name:	Your Cannabis Company			
Supplier #:	100XXX			
PO #:	PO-001XXXX			
OCS Item #	Shipped Units	Shipped Cases	LOT #	Package On Date
10XXXX_12x0.5g__	780	65	ABCD-123-456	01-Feb-22
Total	780	65		
Pallet __1__ Out Of __1__				

If the placard requirements are not followed, the OCS retains the right to refuse the shipment.

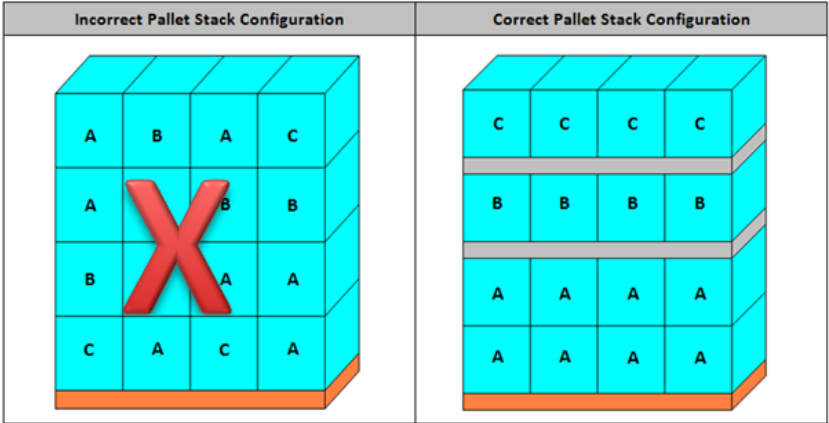
MIXED PALLET REQUIREMENTS

- Shipments with multiple POs with partial pallets should be consolidated on one pallet.
- Each PO must be separated with a pallet slip sheet.
- Each PO must have an individual placard to correctly identify the Products that belong to it.

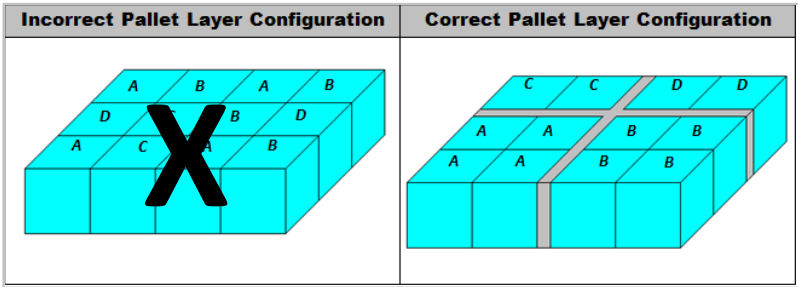
SECTION C: SUPPLY CHAIN

- Mixed pallets must have a label attached to indicate that it is a mixed pallet.

The examples below show the OCS’s mixed pallet expectations:



If there are not enough cases to fill a layer, POs, items and LOTs should be divided according to the below image, or the remaining cases should be put on top of the pallet.



If the mixed pallet requirements are not followed, the OCS retains the right to refuse the shipment.

LOAD QUALITY

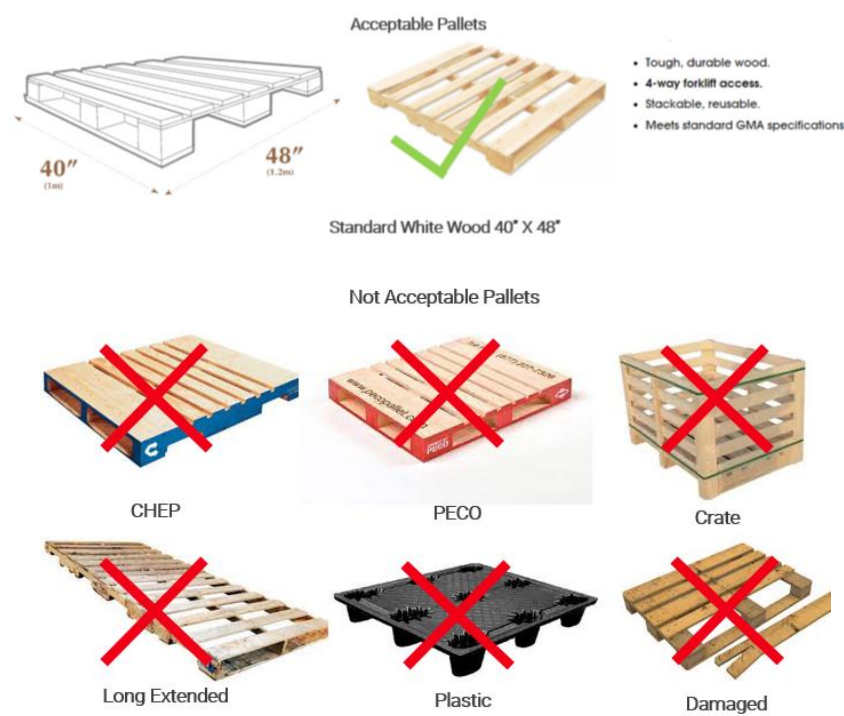
- To eliminate Product damage in transit, all loads must be secured and stabilized.
- Pallets must be shipped to the DC in full layers to promote load stability and inbound efficiencies during the validation count process. If your top layer does not have enough cases to complete a full layer, place the remaining cases on top of the pallet.
- Stretch wrap must cover the entire Product and extend at least halfway down the pallet, securing all cases to the pallet.
- The DC can accept only clear stretch wrap, due to health and safety and security. Due to carrier requirements (for example, air freight), please use black stretch wrap in a layer on top of the clear stretch wrap.
- Corner boards may be incorporated to eliminate damage of Product when stacking pallets.
- Multiple stacked pallets may be stretch wrapped together to reduce load shifting.
- Glue or tape cannot be used to stabilize cases.
- Lighter Products should be placed on top of heavier Products, if necessary.
- Cases (lids and flaps) must be clean and properly secured.
- Pallet height must not exceed 1.82 metres or 6 feet.

If the load quality standards are not followed, the OCS retains the right to refuse the shipment.

PALLET SPECIFICATIONS

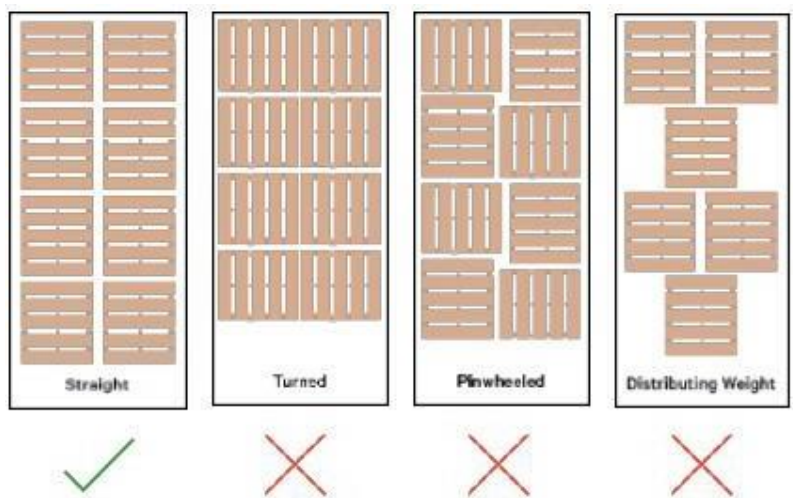
- The OCS only accepts standard four-way entry white wood pallet (Standard pallet with 48 in x 40 in).
 - Unauthorized pallets include any CHEP, PECO, crate and returnable, long extended, plastic, and damaged pallets.
- There should be no Product overhanging on the pallet.
- Case labels should face out to be clearly visible whenever possible.

If the pallet specifications are not followed, the OCS retains the right to refuse the shipment. The following images show examples of unauthorized pallets.



Pallets should not be "turned," "pinwheeled" or "distributing weight."

The following images show examples of acceptable and unacceptable pallet configurations.



SECTION C: SUPPLY CHAIN

The OCS will not pay any charges pertaining to pallets and will not return pallets directly to any Supplier.

BARCODES

- All barcodes must be both legible and scannable. If the barcode cannot be scanned, the OCS retains the right to refuse the shipment.
- Barcodes must be affixed properly to the box to avoid the labels peeling or falling off during the inbound process.

If the barcode cannot be scanned, the OCS retains the right to refuse the shipment.

The following images show examples of non-compliant barcodes.



TAPING REQUIREMENTS

- Tamper tape is required for all cannabis Products.
- Avoid using clear tape to seal master case labels or to secure a load or cases on a pallet.
- The tape must not obscure the logistics barcode (master case Universal Product Code ("UPC")) in any way. Taping that obscures the barcode may result in chargebacks for rework or the refusal of the shipment.

The following image shows an example of non-compliant taping.



SHIPMENT CONTAMINATION AND SAFETY STANDARDS

- The OCS will not accept Products from trucks or trailers that are dirty or show signs of contamination from non-food items, agricultural chemicals or live animals or insects of any kind, nor from trucks or trailers unable to maintain proper temperature standards.

The following images show examples of shipment contamination and damage.



Insects Contamination



Wet & Water Damaged

If there are any shipment concerns regarding the safety of the OCS DC, the OCS retains the right to refuse the shipment.

SHIPPING REQUIREMENTS

- Each PO must be delivered in a single shipment. No split shipments are permitted.
- Delivery agents must schedule an appointment with Domain using the Data Docks web-based application.
- Delivery agents must have the ability to take back non-compliant goods that are refused upon inspection.
- Delivery agents must use temperature control trucks and data loggers when shipping temperature-sensitive SKUs.
- Temperature-sensitive cannabis Products include the following non-exhaustive list:

Product Class	Product Type
Edible Cannabis	• Chocolates • Baked goods (e.g., cookies) • Soft Chews • Soft/Hard Candy • Beverages (i.e., liquid-based)**
Cannabis Extracts	• Resin/Rosin, Hash, Kief, Sief, Shatter, Crumble, Wax • Infused Pre-rolls • Liquid Distillate, Vapes • Oils and Capsules
Cannabis Topicals	• Lotions, Topicals and Creams

**NOTE: Beverages are exempt from this list between April and September as the risk of freezing is minimal.

SECTION C: SUPPLY CHAIN

If there are any concerns regarding Suppliers not following the shipping requirements, the OCS retains the right to refuse the shipment.

DELIVERY APPOINTMENTS

- Delivery appointments will be on a first-come, first-served basis through Data Docks.
- Suppliers must reschedule any missed delivery appointments. The OCS will not schedule or reschedule delivery appointments for them.
- Suppliers must be able to arrange delivery appointments with their carriers for delivery to the DC any day of the week.
- Any non-compliance with booking appointments or missed appointments will be incorporated into the Supplier performance metrics to be reviewed with applicable Category Managers.

FIRST IN, FIRST OUT REQUIREMENTS

The OCS adheres to First in, First Out ("FIFO") practices to the extent reasonably possible. FIFO supports distributing Products in the order the OCS receives them to help reduce instances of consumers receiving Products that do not meet their freshness standards. To ensure that this is also reflective of the packaged-on date for Products, all Suppliers must confirm that the Product follows the following FIFO requirements when shipping products to the OCS DC:

1. For all items or SKUs shipped to the OCS DC, the Product packaged-on date should be in a progressive order to facilitate FIFO.

For example:

- The OCS DC receives SKU/Item A with a packaged-on date of 21-10-22.
- All future shipments of SKU/Item A must have a packaged-on date that is later than 21-10-22.
- Products that do not meet these requirements will fall out of the sequence of the established FIFO processes and may be rejected.

2. Product LOTS should be shipped with one packaged-on date to meet FIFO allocation at the DC. For Products with multiple packaged-on dates in the same Product lot, the packaged-on date between the oldest and newest packaged Product should not exceed 30 days or this Product will be rejected on inbound.



Odour-Free Shipping Containers

The OCS expects that all shipping packages received from Suppliers at the DC arrive odour-free. Because cardboard shipping materials can absorb the odour of cannabis, the OCS encourages Suppliers to store their packing supplies and packaged shipments in areas of their facility that are away from open cannabis to reduce the risk of odour absorption. Shipments arriving at the DC with excessive odours may be refused and returned to the Supplier for corrective action.

Safety

Supplier Representatives and contracted carrier's personnel must follow the instructions of the shipper or receiver and wait in the designated area.

Any Supplier Representatives and contracted carrier's personnel exiting their vehicle while in the secured yard area must wear a high-visibility reflective vest with five-point tear-away features at all times.

The OCS reserves the right to refuse entry to any person who does not comply with these

requirements.

Carriers must be able to present the PO number and company they are representing when requesting to deliver Product into the DC.

Cell phone use while on OCS premises, or while on any premises operated for the OCS by a third party, including the DC, is strictly prohibited.

All deliveries and trailers must fill the entire dock door so that drivers and people outside cannot see into the DC.

At no point should there be any visibility into the DC once the trailer has backed into the required dock door to be offloaded.

No trailers or vans should ever be on ramps when in the dock door to reach required dock height for offload. This is not a safe practice and increases the risk of trailer slip in adverse weather and possible Product damage because the trailer and Product are open to the outside weather as the trailer is being offloaded.

All dock plates need to be engaged and flat on the bed or floor of all trailers by at least 2 inches. All drivers must ensure wheel chocks are always in place before offloading.

Any packages the OCS DC receives that have damaged Product packaging or containers (for example, loose or partially open lids, damaged outer packaging or damaged Product labels) will be immediately quarantined and may be shipped back to Suppliers at their cost or destroyed.



Service Level

For Products that will be out of stock, or if a Product is expected to be short-shipped on the PO, the Supplier must immediately notify the OCS of the reason and expected date of availability.

The Supplier must maintain minimum service levels of 98.5% Fill Rate (units received per units ordered) and 98.5% inbound On-Time (units received on time per units received). When Suppliers fail to maintain such minimum service levels, they must describe in reasonable detail the reasons the service level fell below target and what corrective measures are being taken to avoid any subsequent failure to maintain minimum service levels.

Fill Rate is defined as the quantity received on a PO divided by the originally requested order quantity by the OCS.

On-Time is defined as quantity received within four days of the PO's originally requested delivery date divided by the received quantity. PO quantities and received quantities for the Supplier will be aggregated into the review for both measures, for Fill Rate and inbound On-Time, using due orders on a rolling four-week basis.

For seasonal Products, the OCS must be informed in writing of an "Order By" date with a minimum of 90 days' notice to ensure the OCS has the desired level of inventory required. The Supplier must notify the OCS of any schedule changes or closures (for example, holiday shipping schedules or order desk closures) a minimum of 90 days in advance, so that orders can be placed in advance to guarantee timely delivery.

Slow Moving Inventory

Slow Moving Inventory is defined as Product that has been in stock at the DC for 120 days or more. Pursuant to the MSA, the OCS reserves the right to return, destroy or dispose of all Slow Moving Inventory at the Supplier’s expense.

Inventory information is available through the OCS Data Portal. Each Supplier will have access to their inventory information, which is updated daily. The Supplier must initiate action plans for Slow Moving Inventory with the Merchandising and Supply Chain teams once Product reaches between 60 and 90 days in the OCS DC.

The Slow Moving Inventory process is separate from the Quarantine Upper Limit process described below.

Return to Vendor (“RTV”)

Product can be returned to the Supplier for the following reasons:

- Product is damaged.
- Excise seals are missing, damaged or incorrectly placed.
- Barcodes are non-compliant.
- Barcodes are unscannable.
- Product is Slow Moving.

Other circumstances may also cause an RTV. The OCS will provide the Supplier a written explanation when they occur.

The OCS will contact the Supplier to inform them of Product that needs to be returned. An RTV or destruction form with all associated labour and material charges will be sent to the Supplier. The Supplier will have seven days to choose a disposition (RTV or destroy) and coordinate logistics required to pick up the RTV.

All Product to be returned to the Supplier must be picked up by the Supplier at the Supplier’s expense within seven days of being notified by the OCS. Unless otherwise instructed by a Governmental Authority or prohibited under Applicable Law, Products not picked up by this deadline will be disposed of or destroyed (or returned to the Supplier for disposal or destruction) at the Supplier’s expense without any further notification.

The OCS will not pay any freight, handling or restocking charges related to returned Products. **Shelf Life** is defined as the amount of time remaining on the Product before its expiration date.

The OCS will determine, in its reasonable discretion, what shall be considered a Slow Moving Product, which, for the avoidance of doubt, will be based on unit movement of similar items within the specified category.

A chargeback based on disposition type and transportation method will be issued to the Supplier on the next payment.

All Products must adhere to all Applicable Law and must be shipped from facilities that have been inspected and approved, as applicable, by a Government Authority.

Quarantine Upper Limit

Cannabis Products with older packaged-on dates will be quarantined once the packaged-on date exceeds the corresponding Quarantine Limit as outlined in the table below. Products in quarantine can be returned or destroyed in collaboration with the Supplier.



SECTION C: SUPPLY CHAIN

Subcategory	Packaged Date Limits (Inbound to the OCS DC)	Quarantine Limits
Dried Flower and Pre-Rolls	4 months	9 months
Vapes	6 months	12 months
Concentrates and Extracts	6 months	12 months
Edibles	4 months	12 months
Beverages	6 months	12 months
Topicals	6 months	12 months
Seeds	6 months	12 months



Product Rework

The OCS can rework Product at the DC in order to make it sellable for the following reasons:

- barcode compliance (e.g., unscannable, damaged, incorrect GS1 format, hidden ASCII characters)
- damaged master case or inner packs

The OCS will notify the Supplier if rework is required to make the Product sellable. The Supplier will determine if they would like the OCS to rework the Product or if they would like the Product to be returned to them.

All rework comes with an associated labour and material fee. The OCS will provide the Supplier with a Rework Approval Form, and the Supplier must approve the rework and associated fees prior to the OCS starting the rework.

A chargeback for the rework (defined as a **“Service Fee”**) will be issued to the Supplier on the next payment. Below you can find summary of potential charges.

No.	Description	Fee	Applicable Per
1	Shipped new Product with different GTIN than submitted	\$250	Product
2	Changed GTIN of existing Product without prior notice	\$250	Product
3	Changed quote price of existing Product after PO issued	\$250	Product
4	Wrong Product shipped against PO	\$250	Product
5	Master case quantity different than submitted information	\$250	Product
6	Missed delivery appointment	\$500	Purchase Order
7	Load tipped in transit and requires palletization	\$150	Labour Hour

SECTION C: SUPPLY CHAIN

8	Products not on approved pallet and require transfer to approved pallet	\$150	Labour Hour
9	Product requires rework to become sellable (e.g., re-sticker UPC, replace master case packaging)	\$150 + materials	Labour Hour + Materials
10	Supplier requests to replace current inventory with new inventory that is perceived to be superior	\$500	Product

Flow-Through Overview and Requirements

The OCS may elect, at its sole discretion, to list cannabis Products that will be fulfilled as Flow-Through items. Flow-Through is a Supply Chain model where Products purchased from Suppliers are stored for a limited time at the DC, rather than being held in stock, prior to distribution to Authorized Retailers.

To participate in the Flow-Through program and distribute Flow-Through items to the OCS, the Supplier must meet the following criteria:

PURCHASE ORDER REQUIREMENTS

Suppliers must have a continued 98.5% minimum PO Fill Rate for Flow-Through Products. Suppliers must be able to deliver Flow-Through Products to the OCS within seven calendar days of a PO being issued. POs that are not able to meet the seven-day requirement will be cancelled at the sole and absolute discretion of the OCS.

INVENTORY AVAILABILITY REQUIREMENTS

Suppliers must manage and refresh Product availability using the OCS LP Portal. Suppliers participating in Flow-Through will be provided training and documentation to navigate the LP Portal and understand the process of maintaining Product availability.

QUALITY REQUIREMENTS

The Certificate of Analysis ("COA") and SOA process must be provided 72 hours before delivery to the DC. All Products, including those sold through Flow-Through, must follow quality and regulatory compliance controls. Flow-Through Products may be rejected and returned if they fail to meet OCS quality standards.

LOGISTICS REQUIREMENTS

Suppliers must use the existing Data Docks process to book inbound delivery appointments. Shipments of Flow-Through Products to the OCS must be placed on a pallet separate from any Stocked item or PO, and these pallets must be clearly identified with a unique placard.

Failure to meet and remain compliant with these requirements may result in the item being considered as a candidate for Rationalization, as outlined in Section B of this manual. Please refer to the Flow-Through Operations Manual for further details on Supplier eligibility requirements and process details.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Quality Assurance and Regulatory Compliance

The Quality Assurance and Regulatory Compliance Department ensures that the quality of Products and the quality of Suppliers meet OCS requirements throughout the Product lifecycle, from initial listing up to released for sale and beyond.

Initial Listing

As the OCS prepares Item Set-up for the approved items, the OCS Regulatory Compliance team must review Product packaging and labels for adherence to Applicable Law, which includes, but is not limited to, ensuring the use of child-resistant containers and confirming proper excise stamp application.

At this time, cannabinoid content (THC and CBD) for each Product must be provided by the Supplier as part of Item Set-up. The range of potency will be displayed for all Dried Flower Products at the point of sale ("**POS**") for transactions conducted through OCS.ca. These cannabinoid values will be used in the COA submission process, during which the OCS evaluates Product consistency.

LABEL AND PACKAGING REVIEW

The Supplier must ensure that every LOT or batch of cannabis Product it submits to the OCS is packaged and labelled in a manner that is compliant with the requirements set out under the Cannabis Regulations and all Applicable Law.

The OCS will review Product labels and packages during the following stages:

- Product Call or prior to PO issuance
- Receipt of the first shipment of any Product
- Ongoing reviews of inbound shipments
- At any other time as deemed necessary; for example, as part of a quality investigation.

The OCS's label and package review is intended to provide the Supplier with observed findings. At no time should the OCS review of a label or package replace the Supplier's obligation to produce and distribute a Product that is compliant with all Applicable Law.

If the OCS communicates its findings from the review to the Supplier as non-conformance, the Supplier must acknowledge receipt and/or resolve non-conformance within two business days by providing:

- amended labels or packages;
- a detailed description of how the labels or packages will be amended; or
- rationale for compliance to the Regulations.

Additionally, the packaging must meet child-resistance and tamper-proof requirements set out in the Applicable Law.

A sample of the forms used for label and package reviews can be obtained upon request and are provided for information only.

If the Supplier introduces a change at any time to a package or label previously reviewed by the OCS, the Supplier must notify the OCS of such change and submit a new package or label to the OCS for evaluation. Please refer to the section Change Notice: Products Transitioning to New Packaging below.

- Upon receipt of the first shipment of any Product, the shipment can be subject to a Quality Assurance inspection.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

- Inbound shipments will be reviewed on a continual basis, and Products may be selected at any time for Quality Assurance review purposes. At a minimum, Products will be reviewed annually.
- If Products are found not to comply with OCS requirements or Applicable Law, they will be treated by the OCS in a manner appropriate to the type of non-conformance.
- The Supplier must not attempt to ship or deliver any Product a second time that was previously refused by the OCS or that was previously subject to a recall.

Please refer to the provisions of the MSA with respect to Non-Conforming Products.

Without limiting the OCS's discretion as to whether a Product is a Non-Conforming Product, the OCS will only accept Products that have been protected from contamination during transit and are in sellable condition. It is the Supplier's responsibility under Applicable Law to ensure safekeeping during distribution.



FEDERAL EXCISE DUTY STAMPS

Products that arrive at the DC without the required federal excise stamps, or severely damaged excise stamps, or excise stamps that do not properly adhere to the Product package or that cover mandated elements, will be quarantined and shipped back to Suppliers at their expense, except for eligible low-THC cannabis Products as set out in Applicable Federal Law. Suppliers must ensure that federal excise stamps are accurately and securely fastened to cannabis packaging. Adhesive used to fasten excise stamps should not result in the sticking of excise stamps to other packages or displacement during transportation.

Outstanding concerns around procedures and requirements related to federal excise stamps should be directed to the Canada Revenue Agency prior to shipping Products to the OCS DC.

MASTER CASE LABEL AND RETAIL PACKAGING BARCODE SCANS

Master case labels and retail packaging containing barcode and shipment information must also be evaluated for compliance with Warehouse Quality Standards, including information on Product labels, shipment accuracy and barcode scans.

Suppliers must provide a sample of master case packaging and retail packaging labels to the OCS prior to the first shipment of any given Product to the DC.

BARCODE REQUIREMENTS

All cannabis Suppliers must coordinate with GS1 to secure their barcode symbology and use the following format for master cases, inner packs and the retail pack to provide each package level with a unique barcode. Each strain, quantity, format, or size variation will require its own unique GTIN. The chosen Cannabis GS1 barcode symbology and requirements for Master cases are as follows:

- GS1-128 DataBar expanded
- GS1-128 DataBar expanded stacked

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

GS1 DATABAR EXPANDED:

Up to 74 numeric or 41 alphabetic

✓ Linear symbol with OMNI-Directional Scanning



GS1 DATABAR EXPANDED STACKED

Up to 74 numeric or 41 alphabetic

✓ Stacked symbol with OMNI-Directional scanning



For cannabis Products, the following information and Application Identifiers (“AIs”) are required:

- (01) GTIN – 14 digits
- (13) packaged-on date – 6 digits YYMMDD
- (10) LOT or Batch – up to 20 alpha-numeric characters;

For example, (01)10612121003756(13)190420(10)ABC123

PROHIBITED SPECIAL CHARACTERS

The following special characters should not be included in the Supplier’s LOT Number because the Radio Frequency (“RF”) scanner software at the DC will not read them:

- \
- @
- #
- \$
- ^
- { }
- []
- ()
- /
- %
- “ ”

PRINT ACCURACY

Barcode dimensions must conform to the standards provided by GS1.

Suppliers should ensure that printed barcodes on cannabis packages are displayed accurately and allow for the electronic reading of all necessary information. In addition, barcodes on packages sent to the OSC DC must:

- be included on all shipped packages
- have readable text underneath DataBars
- be readable by electronic scanners and not be smeared, smudged, faint or incomplete
- align to its relevant Product (for example, barcode for Product A on package for Product A; barcode for Product B on package for Product B)
- align between master case and Product packages inside

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

GS1 BARCODE CHECKLIST

- Is your Barcode too glossy? Glossy paper causes the DataBars to be distorted because it reflects the light and will not scan.
- Is the barcode smudged, or does it have air bubbles or lines through it causing scan errors?
- Is the barcode showing correct GS1 format, (01)(13)(10)?
- Do the lot number displayed on the retail unit package and the human readable text on the GS1-128 barcode match perfectly to the lot number displayed on the master case label and barcode?
- Does the barcode show crisp, clear, well-defined bars to avoid readability issues when scanned?
- Is human readable numeric code located beneath or beside the barcode?
- Do the barcodes on all levels of packaging appear in full (i.e., no truncation)?
- Do barcodes appear on flat surfaces, ensuring they are scannable? Due to the curvature of bottles, matte finish labels with stacked barcode should be used.
- Is there sufficient quiet zone ("QZ") space around all sides of barcodes? The QZ should be 10 times the width of the narrowest bar or 0.3175 cm/0.125 in, whichever is greater. Barcodes should not have any border lines surrounding them.

NOTE: The OCS cannot accept mutually agreed between trading partners AIs (AI 90) as part of any GS1 packaging level barcode symbology.

For more information, please contact info@gs1.org or visit <https://www.gs1.org/standards/barcodes-epcrfid-id-keys/gs1-general-specifications>.



Delivery

The OCS inspects Product quality according to predefined evaluation parameters at the DC to ensure proper and timely receipt of the Product as it is brought onto the shipping docks. These parameters include having a compliant master case label, achieving proper barcode scans and having a complete COA.

If the master case contains a non-compliant barcode or a lot number mismatch, a rework may be required by the DC to resolve the problem and permit Product to be received. At this point, the OCS will contact the Supplier to approve any charges related to the rework.

The Supplier is also required to state any specific transportation requirements for all Products and provide this information on the COA tracker so that Products are received and handled accordingly.

TEMP-TALE REQUIREMENTS

The following requirements apply to how and where TempTales data logger should appear on different shipment types to the OCS DC:

- Full truck load: Three TempTales — one in the back, one in the middle and one in the front of the trailer
- Half truck load: 1 Two TempTales — one in the back and one in the front of the shipment
- Three or fewer pallets: One TempTale on a single pallet.

TEMPERATURE CONTROLLED TRUCK AND TRAILERS

- The recommended range when transporting cannabis Products that are considered temperature sensitive is between 5°C and 22°C.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

- Vehicles used to transport, store or handle temperature-sensitive Products should be suitable for their use to prevent exposure to conditions that could affect Product integrity and quality, as well as to prevent possible contamination.
The label on pallets and shipping documents should clearly state that these Products should be transferred without delay to the specified storage temperature upon receipt.
- Trucks and trailers must be preconditioned to storage conditions prior to loading temperature-sensitive Products.

TEMPLATE DATA LOGGERS

- Suppliers must acquire calibrated Sensitech TempTale units (single or multi-use) and place them within shipments.
- The TempTale data loggers must be labelled with or configured prior to shipment to include the Supplier's name and PO number that will be captured in the PDF printout for trip data.
- The TempTale data loggers should be preconditioned to shipping conditions for a minimum of two hours prior to placing them into temperature-controlled trucks or trailers.
- The temperature range on the TempTale data logger should be configured from 5°C to 22°C.
- TempTale units should be placed in a yellow labelled paper envelope on top of the pallet to ensure visibility during shipment receipt at the DC.



SHIPMENT ASSESSMENT ON ARRIVAL AT DISTRIBUTION CENTRE

- Prior to the shipment being accepted, accompanying TempTale units will be collected and forwarded to OCS Quality Assurance for data extraction and analysis (data will be extracted in PDF and Excel formats).
- In the event of a range breach (that is, a temperature variation beyond acceptable levels), the OCS will document the temperature of each case at the time of receipt for investigation purposes.
- Any range breach of the terms provided to the OCS will result in a halt of the shipment and receiving process. OCS Quality Assurance will investigate the breach and will communicate its findings to the Supplier. Suppliers should provide Product data to support temperature excursion above or below recommended storage conditions, if required.

The OCS will consider the absence of required TempTale units at the time of the shipment's arrival to be a range breach for that shipment.

- If the OCS directs Product or the shipment to be destroyed, the shipment will be handled in accordance with OCS quarantine and destruction processes.

NOTE: Range breaches are subject to refusal of the entire load and non-compliance fines.

CERTIFICATE OF ANALYSIS SUBMISSIONS

Suppliers must submit a COA to the OCS at least 72 hours before the OCS DC receives the Product shipment to ensure the shipment fulfills the requirements for OCS consistent Product quality and safety. This can help prevent any unexpected complaints and refunds caused by Product that does not fall within the advertised OCS cannabinoid potency ranges.

Quality trends will be monitored by the number of non-conformances and a Supplier Corrective Action Report ("**SCAR**") may be requested if needed.

The Supplier must provide the OCS with a copy of the COA, containing all required testing for every lot number of cannabis Products shipped to the OCS. A sample COA is available in the COA

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Requirements section below.

The Supplier must notify the OCS if a Product's cannabinoid potency falls outside the range initially specified as part of the Item Set-up. For reference, please see the OCS [Acceptable Cannabinoid Chart](#). The OCS may consider accepting the Product if it has been approved by the Merchandising team.

The Supplier must ensure that every LOT or batch of cannabis Product submitted to the OCS has been verified and approved by the Supplier's quality assurance team before it is made available for sale.

A COA substantiating the Product testing that was used by the Supplier to demonstrate that the Product is acceptable for sale will be required:

- prior to Product listing, during the evaluation stages of the Product Call
- for every Product batch or lot included in a PO
- at any other time as deemed necessary by the OCS; for example, as part of a quality investigation.

The OCS reserves the right to test or require that the Supplier test a Product using an independent third-party laboratory to validate Product quality, stability, chemical composition or any other analysis required by the OCS, according to the provisions of the MSA with respect to Purchaser Testing.

The OCS may require the Supplier to submit at any time a Product Technical Specification containing all relevant regulatory parameters. This will help the OCS interpret the results of the Product testing. If the Supplier introduces a change at any time in the Product technical specification, the Supplier must promptly notify the OCS of such change and submit a new Product technical specification to the OCS.

TESTING REQUIREMENTS

The Supplier must ensure that every LOT or batch of a cannabis Product submitted to the OCS has been competently tested in accordance with the requirements of the Cannabis Regulations and all Applicable Law. The following testing must be conducted on each LOT or batch of cannabis Products:

1. Quantity or percentage of THC, THCA, CBD and CBDA — The reporting of the THC, total THC, CBD, total CBD content must align with the Product labelling requirements in the Cannabis Regulations and be consistent with the Supplier's submission in the applicable Product Call.
2. Contaminants referred to in Section 91(1) of the Cannabis Regulations
3. Residual solvents used in the production of cannabis oil — Only solvents listed in the document entitled [Limits for Residual Solvents in Cannabis Products](#) published by the Government of Canada on its website must be used in the production of cannabis oil
4. Dissolution or disintegration referred to in Section 95 of the Cannabis Regulations

Please see the table below for the COA requirements as per Health Canada and OCS standards for various cannabis Product categories.



SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Test Requirements	Cannabis Category				
	Dried Cannabis	Edibles	Topicals	Extracts	Seeds
Health Canada Requirements					
Potency/Assay	Required	Required	Required	Required	N/A
Microbiology	Required	Required ⁽²⁾	Required	Required	N/A
Chemical Contaminants	Required	Required ⁽²⁾	Required	Required	N/A
Pesticides Tests	Required	Required	Required	Required	Required
Dissolution and Disintegration	N/A	N/A	Required ⁽¹⁾	Required ⁽¹⁾	N/A
Residual Solvents	N/A	Required ⁽²⁾	Required	Required	N/A
OCS Supplier Requirements					
Foreign Matter	Required	Required for all the input lots used			N/A
Date of Product Testing	Required for all cannabis Product categories				
Weight Accuracy and Seal Integrity	Required	Required	Required	Required	Required
Moisture Content	Required	N/A	N/A	N/A	N/A
Irradiation Results	If Applicable				N/A
Vitamins and Minerals, Nicotine and Caffeine, or Food Allergens					N/A
(1) As per subsection 95(1) of the Cannabis Regulations, dissolution and disintegration testing is required for discrete units of a cannabis Product that are intended for ingestion or nasal, rectal or vaginal use. Testing must be conducted on a representative sample of the discrete unit. (2) Input Cannabis testing permitted.					

Guidelines for Cannabis Product COA Submission

TIMELINE REQUIREMENTS

Suppliers must provide a complete COA for every batch and lot number of cannabis Product submitted to the OCS at least 72 hours before shipments arrive at the DC. Shipping Products without a COA or outside of agreed Product specifications or required timelines may result in shipments or products being placed on hold and/or refused. Any cost incurred as a result of such actions will be billed back to the Suppliers. We ask for a 72-hour submission to help prevent possible complaints and returns from Authorized Retailers and e-commerce customers, due to the Product being out of specification from the OCS website and B2B Portal.

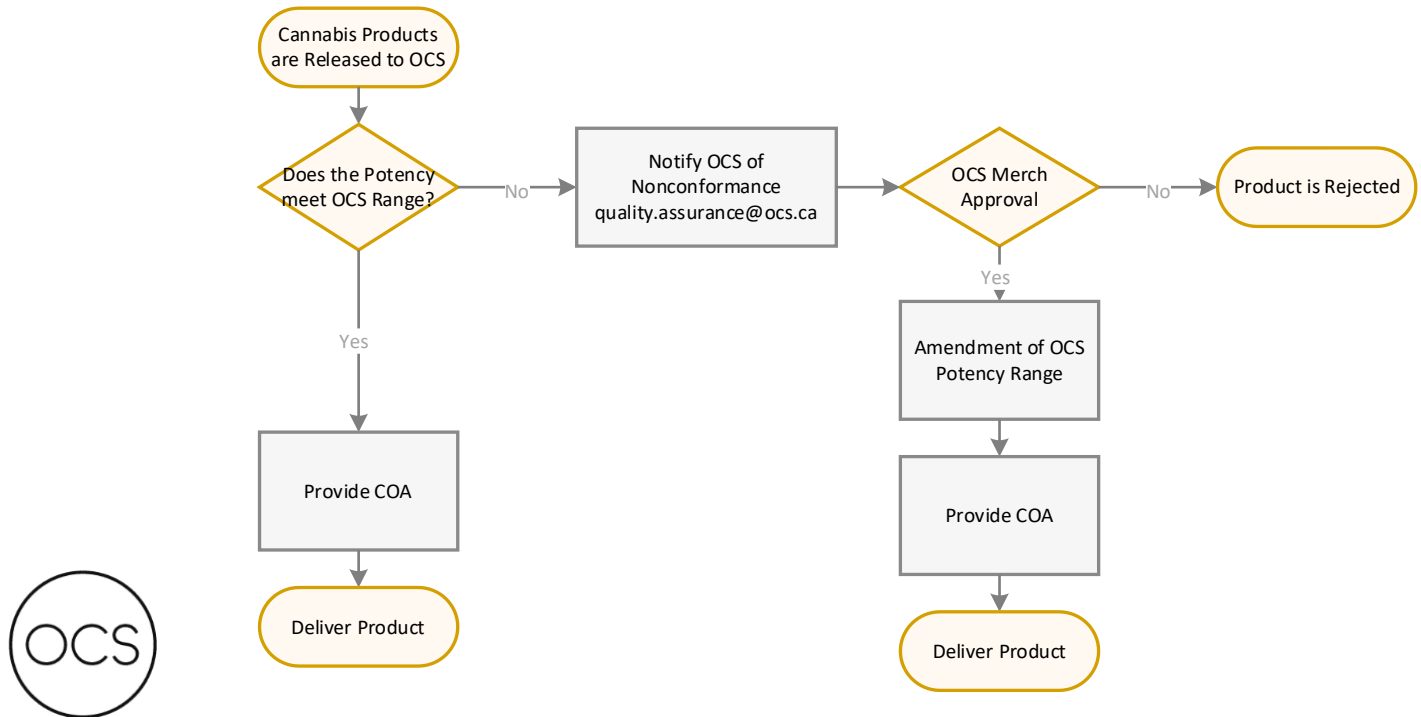
Additionally, the OCS requires the Supplier to complete the COA form, which is available on the OCS's SharePoint, to ensure our Quality Assurance team can validate and receive Product upon arrival at the DC. The OCS reserves the right to refuse or return any shipment or Product that has a packaged-on date that exceeds the limits specified for each subcategory mentioned in the Quarantine Upper Limit table above. The Supplier must ensure analysis was carried out by competent laboratories, using methods validated for application on all cannabis Products.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Wherever possible, the Supplier should pursue testing performed by ISO 17025 accredited laboratories that are certified for testing of cannabis Products.

PROCESS FLOW

The flow chart below explains the process of vendor COA submission.



COA REQUIREMENTS

Identification

The COA must identify the Supplier and the Product tested (lot number of finished Product or input material), date of Product testing and other Product details.

Analysis

The COA must detail the test methods used, specification, results and, where possible, an evaluation status of Pass/Fail or Conforms/Does not Conform.

Authorization

The COA must include the name and signature of the authorizer of the COA along with affiliation information and date of authorization and issuance of the COA.

Page Numbers

All pages of the COA must be numbered in the form "Page # of n" or "# / n", where # represents the number of a page and n represents the total number of pages. The PDF file name for the COA should include the PO, item number and lot or batch number (for example, PO-0001235-100231-ABC320).

Below you will find an example of a COA form, that must be completed by the Licensed Producer a minimum of 72 hours prior to delivery into the OCS DC.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE



Cannabis Certificate of Analysis

Company Name:			
Company Address:			
Product Category	Choose an item.		
Details of Third-Party Lab Used for Testing			
Date of Product Testing			
OCS Item Number:		Harvest Date:	
Item Description:		Packaging Date:	
Item Size/UOM:		Best Before Date:	
Lot Number:		Input Material/Finished Product:	

PHYSICAL TESTS	METHOD	SPECIFICATIONS	RESULTS	EVALUATION
Foreign Material				
Weight Accuracy				
Seal Integrity				

ASSAY TESTS	METHOD	SPECIFICATIONS	RESULTS	EVALUATION
Total THC:				
THC:				
THCA:				
Total CBD:				
CBD:				
CBDA:				
Other Phytocannabinoids				
Terpenes				

MICROBIOLOGY TESTS	METHOD	SPECIFICATIONS	RESULTS	EVALUATION
Bile Tolerant Gram-Negative Bacteria				
Total Aerobic Bacteria Count				
(Pathogens)				
(Spoilage Microorganisms)				
(Aflatoxins)				

LIMIT TESTS	METHOD	SPECIFICATIONS	RESULTS	EVALUATION
Chemical Contaminants (Heavy Metals)				
Pesticides (HC Mandatory Cannabis Testing for Pesticide Active Ingredients)				
(Residual Solvents)				
(Vaping Liquid Impurities)				
Dissolution and disintegration testing				

MISCELLANEOUS	METHOD	SPECIFICATIONS	RESULTS	EVALUATION
Moisture Content				
Water Activity				
Irradiation				
(Food Allergens)				
(Vitamins & Minerals)				
(Nicotine & Caffeine)				

I hereby attest that the above information is authentic and accurate. I further attest that the batch processing, packaging and analysis records were reviewed and found to be in compliance with all applicable regulations, including Part 5 (Good Production Practices) of the Cannabis Regulations, and we therefore deem this product acceptable for sale.

Signature	Title	Date
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Accessories

The Supplier must submit an SOA for each Product SKU to the OCS prior to initial Product shipment. A template of an OCS Supplier SOA for accessories is shown below. The OCS can provide you with a copy of this template upon request.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE



SUPPLIER STATEMENT OF ATTESTATION CANNABIS ACCESSORY PRODUCTS

Supplier/Product Manufacturer (Legal Company Name):	
Company Address:	
Distributor (Legal Company Name):	

Product Name:	
OCS SKU # (when known):	
Variant/unit	
Class of Accessory	Bowl

We have conducted a comprehensive review of the above accessory product, and attest that the following statements have been verified to be true:

- We have verified that the product components, materials and chemicals used in construction of such products as well as labelling and packaging are in compliance with all applicable regulations and OCS standards and therefore deem this product acceptable for sale.
- All test data, specifications and certificates of analysis (COAs) data provided are based on product tests that represent the supplied item.
- All analytical tests or usage history data evaluations have been performed by trained personnel using competent methodology or by qualified, independent laboratories.

Authorized Signature Representing (Insert Company Name):

Print
Name: _____

Signature: _____

Date: _____

ACCESSORIES SUPPLIERS

Accessories Suppliers have the option to either:

- coordinate with GS1 and use the format below; or
- keep their existing barcodes if they are legitimate, functional and non-conflicting with any other sellable item globally. If the barcode is conflicting or illegitimate, remedial action may be required.

The following GS1 barcodes are acceptable for cannabis accessories Products:

- consumer items: GS1-128 with only the 14-digit GTIN and no AI, ITF-14 barcode or UPC A
- cases or other logistics packaging: GS1-128 with only the 14-digit GTIN or ITF-14 barcode

If you're not with GS1 and you want to use your existing barcodes, the OCS accepts the following barcodes:

- consumer items: UPC A, UPC E, EAN 13, EAN 8
- cases or other logistics packaging: Interleaved two of five, UPC A, UPC E2, EAN 132 or EAN 82

ACCESSORIES DISTRIBUTORS

Distributors will require Prefix Authorization from GS1 Canada to allow Distributors to use the manufacturers barcode and avoid re-barcoding without their own company prefix. Once

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

authorized, Distributors can represent their Products.

EAN VERSUS UPC

A 12- or 13-digit barcode is required for consumer items. EAN and UPC barcode symbols are the most widely deployed GS1 barcodes. EAN and UPC barcodes are suitable for the retail POS because they are designed for high-volume scanning environments.

Both EAN and UPC codes that are issued by GS1 are globally compliant. The manufacturer must pay attention to their prefix type to make sure they create the correct length of code.

EAN prefixes are issued in Europe, Asia and South America and are used to create 13-digit GTINs for POS items.

We have conducted a comprehensive review of the above accessory Product, and attest that the following statements have been verified to be true:

- We have verified that the Product components, materials and chemicals used in construction of such Products as well as labelling and packaging are in compliance with all Applicable Law and OCS standards and therefore deem this Product acceptable for sale.
- All test data, specifications and COAs data provided are based on Product tests that represent the supplied item.
- All analytical tests or usage history data evaluations have been performed by trained personnel using competent methodology or by qualified, independent laboratories.

Authorized Signature Representing (*Insert Company Name*):



Print Name: _____

Signature: _____

Date: _____

Released for Sale

CUSTOMER SERVICE CENTRE

The OCS Customer Service Centre is intended for customer-facing support and is dedicated to providing customers (online and wholesale) post-purchase support that includes order management, delivery and general inquiries as well as customer queries and complaint resolutions. If your Customer Care team needs to reach out to this group for inquiries or resolutions, please contact them through [Doing Business with OCS](#).

The OCS Customer Service Centre can guide customers to the OCS.ca website for any related support, including Product and general cannabis knowledge, pricing, Supplier information and FAQs.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE



COMPLAINTS

The OCS Quality Assurance team handles escalated quality activities with OCS e-commerce and Wholesale customers. Quality trends will be monitored by complaints per million units (“CPMU”) and a SCAR may be requested if a need is identified.

Suppliers will be provided access to the OCS SharePoint portal for accepting complaints, documenting investigations, and uploading supporting results. Suppliers are also required to trend and monitor consumer complaints.

The OCS requires complaints to be accepted and, where necessary, for investigations to begin within 10 business days of the complaint being posted. If a complaint is not reviewed within 10 business days, the Supplier will be charged back for the value of the Product, subject to the complaint on the next payment.

If the Supplier requires more than 10 business days to investigate a complaint, the Quality Assurance team requires written notice explaining why there is a delay and providing an expected resolution date.



PRODUCT QUALITY COMPLAINT PROCESSING PATH

For any Product quality complaints of alleged illness or adverse effects, injury or property damage, the Supplier must conduct an initial risk assessment as soon as reasonably practicable – but no later than 72 hours after receiving any customer complaint – to determine if the Product should continue to be available for sale until further investigation can be completed. If the initial risk assessment indicates there is a public health risk associated with the Product, OCS Quality Assurance must be notified immediately in writing so that a follow-up decision can be made. The OCS reserves the right to place the Product on hold if it believes there is a possible public health risk.

Note: The OCS can put any Product on hold in its sole discretion for any reason.

The OCS will, where possible, send to the Supplier any customer-returned Product that is subject to a complaint of an alleged illness or adverse effect, potency discrepancy, injury, property damage or other high-risk cases for the Supplier’s testing and quality investigation.

STABILITY STUDIES

See below for guidance on conducting stability studies on cannabis Products. The Supplier may also submit as per their protocol and procedures.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Product Information	Class of Cannabis, OCS Skus(item_size), Item Name, Production Date, Packaged Date(s), Lot(s)			
Objective	Establish shelf life of a product, assess container closure system suitability and to determine recommended storage conditions.			
Recognizable Shelf Life Studies Framework	International Conference on Harmonization(ICH) or Safe Food for Canadians Regulations (SFCR)			
Class of Cannabis	Dried Cannabis	Cannabis Extract	Edible Cannabis	Cannabis Topical
Real Time Testing & Duration (Recommended) <i>Temperature Range: 21-25 degrees Celsius</i> <i>Relative Humidity: 45-60%</i>	Duration should reflect suggested Shelf Life			
Stress/Accelerated Testing & Duration (Recommended) <i>Temperature Range: > 40 degrees Celsius</i> <i>Relative Humidity: > 70%</i>	Consideration should be given based on class of cannabis and/or formulation			
Sample Size & Number of Lots/Batches	Representative of Finished Product & Minimum of 2 Lots/Batches			
Number of Test Samples	At minimum 3 samples/sampling interval			
Frequency of Test	Data sets needs to capture the start, mid-way and end of shelf life			
Container Closure System	Representative of Finished Product Retail Packaging			
Parameters for Evaluation				
<i>Cannabinoid Content: Total THC, Total CBD, THC, THCA, CBD, CBDA</i>	Required as per Cultivar or Label Claim			
<i>Other Cannabinoid: CBN, CBG, etc.</i>				
<i>Terpenes: Myrcene, Caryophyllene, Limonene, etc.</i>				
<i>Sensory(texture, aroma, appearance)</i>				
<i>Microbial & Chemical Contaminants</i>				
<i>Others(aniside value, peroxide value)</i>	Required for products containing fats and/or oils to assess quality deterioration as a result of oxidation			
<i>Packaging</i>	Required to assess integrity of security seal and/or leakages			
Test Methodology	Validated Methods			
Test Results	Charts, Graphs and Statistical Analysis			
Durable Shelf Life Assessment/Conclusion	Evaluation based on testing & duration completed.			

To build customer confidence, durable shelf-life information should be on cannabis product labels.

RECALLS

The Supplier is required to notify the OCS in writing of any Product that is the subject of a recall within 24 hours of completing a risk assessment and/or notification to Health Canada to Recall@ocs.ca. The communication must include the following:

- recall type
- recall reason
- class of cannabis
- all pertinent information relating to the Product, including:
 - OCS item number
 - OCS item description
 - size(uom) or model
 - lot(s)
 - packaged-on date(s)
 - retail UPC
 - quantities shipped to the OCS
 - any open POs

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Upon receipt of the recall notification, the OCS Quality Assurance team will execute the recall in accordance with our guidelines and procedures to cease sale of the Product.

As per next steps, the Supplier is also required to provide disposition(s) on the Product, where inventory exists, including:

1. the OCS warehouse or Distribution Centre
2. Supply Chain customers
3. Authorized Retailers
4. e-comm customers

Inventory Location	Disposition Option
OCS Warehouse or Distribution Centre	Return to Supplier
	Destroy at OCS Warehouse
Authorized Retailers	Return to OCS Warehouse
	Destroy on site as per AGCO Standards
e-commerce customers	Return to OCS Warehouse

NOTE: Upon request, associated fees and costs will be provided.

Responses to the below FAQs will help us triage inquiries. Please include answers to these questions in the recall notification if possible.

Q1: What do I do if we come across impacted Product in our inventory at the store?

Q2: What do I tell the customer returning the Product back to the store?

Q3: What do I do with returned Product?

Q4: I have consumed this Product. What are the risks?

Q5: Are there other variants, or lots or packaged-on dates impacted by this recall and shipped to the OCS?

As per OCS protocol or procedures, the impacted SKU (item number and size or model) would be placed on hold pending recall closure.

To proceed with recall closure, you must submit an investigation report.

The report should include, but not be limited to, the following:

- the events that triggered the recall
- root causes
- corrective actions
- preventative actions

The OCS expects that recall closure occurs within 90 days of notification. If this is not possible, please let us know.

OCS Quality Assurance may request from the Supplier any other information deemed necessary.

SECTION D: QUALITY ASSURANCE AND REGULATORY COMPLIANCE

Quality Monitoring

CHANGE NOTICE: PRODUCTS TRANSITIONING TO NEW PACKAGING

The OCS requires a sixty-day (60-day) notice for any packaging that transitions from an old design to a new design. This includes any physical, text, barcode, or label/packaging changes. The Supplier must initiate change requests through the Vendor Portal, with all relevant documents sent to regulatory.review@ocs.ca. For more information on documentation requirements and the change notice process, please refer to the Label & Packaging Job Aid provided on the NTP.

Suppliers must submit change request documentation using the subject line "Ticket ID + Vendor ID + Product Name." Please use the below template to fill out the required information when sending the email and attach the required documentation. Please note if a Ticket ID is not included, the change will not be processed.

TICKET ID	OCS SKU#	GTIN	VENDOR NAME	BRAND	UOM	CLASS OF CANNABIS	CHANGE REQUESTED

Allow 10 business days after submitting the documents to Quality Assurance & Product Regulatory Compliance for the OCS to approve the request. Once approved, new packages cannot be mixed in with old packages on a single PO. A transition plan needs to be discussed with the Category Analyst.



Vendor Compliance

QUALITY ASSESSMENT

Suppliers must ensure that all Products meet the OCS quality standards for safety and consistency and that they comply with all Applicable Laws. An initial quality assessment will be conducted for new Suppliers to the OCS, which may include, but is not limited to:

- a documentation review
- remote teleconferencing assessments
- on-site facility assessments

The Supplier must ensure all operations maintain compliance with OCS requirements as set out below. Suppliers will be subject to periodic reassessments if necessary.

CONTINUOUS IMPROVEMENT: SCARS

Suppliers must investigate and address quality problems the OCS reports to them. Suppliers must adequately investigate the Product and quality problems and take appropriate and effective corrective or preventative actions.

The OCS will notify Suppliers of required SCARs. Suppliers must do the following:

- conduct investigation of issue(s)
- determine potential root cause(s)
- implement and document appropriate corrective actions
- determine an effectiveness check, including an appropriate timeline

CONTACT INFORMATION

CANNABIS PRODUCT CALL CONTACT

Cannabis.Submissions@ocs.ca

MERCHANDISING CONTACT

Merchandising@ocs.ca

PRICING CONTACT

pricingsubmissions@ocs.ca

QUALITY ASSURANCE CONTACT

Quality.Assurance@ocs.ca

REGULATORY REVIEW

Regulatory.Review@ocs.ca

RECALL CONTACT

Recall@ocs.ca

SUPPLY CHAIN CONTACT

OCS.SupplyChain@ocs.ca

WEBSITE

DoingbusinesswithOCS.ca

