



April 14, 2023

Dear Licensed Producer,

**Re: Notice of Amendment to the Licensed Producer Supply Agreement for
Non-Medical Cannabis - Effective May 15, 2023**

You have entered into a Licensed Producer Supply Agreement for Non-Medical Cannabis (“Supply Agreement”) with His Majesty the King in right of the Province of British Columbia, as represented by the Administrator of the *Cannabis Distribution Act* (the “Province” or the “LDB”). This is the agreement under which you agree to sell and the Province agrees to purchase non-medical cannabis products on certain terms and conditions. The current version of the Supply Agreement is dated for reference the 1st day of October, 2022.

This is your notice, pursuant to section 30 of the Supply Agreement, that as of May 15, 2023, the Supply Agreement will be amended. As with any amendment to an agreement, it is advisable that you review the new version of the Supply Agreement in detail. The new version of the Supply Agreement is dated for reference May 15, 2023.

Some of the more significant revisions are listed below for your convenience. However, this list is not exhaustive:

- The insurance clause (section 18 of the General Terms) has been modified to remove the requirement for recall and product contamination insurance. Please note, however, that in accordance with section 20 of the General Terms, you must obtain, maintain and pay for any additional insurance which you are required by law to carry, or which you consider necessary to cover risks not otherwise covered by Commercial General Liability insurance, in your sole discretion.
- Sections 12 and 13 of Annex A – Central Delivery have been modified to account for potential future changes to the process by which the return of cannabis products is managed.
- Section 12 of Annex B – Direct Delivery has been modified to include electronic funds transfers generally as permitted methods of payment by Applicable Retailers to Licensed Producers under the Direct Delivery program.

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- Annex B – Direct Delivery and Appendix B2 – Records and Reporting Schedule have been modified to provide for bi-weekly (i.e., once every 2 weeks), rather than weekly, reporting requirements for LPs participating in the Direct Delivery program.
- Section 19 of Appendix B2 – Records and Reporting Schedule has been modified to add the Licensed Producer's legal name and address and Vendor Site ID(s) on all invoices issued to Applicable Retailers and for reporting of DD CP sales.

Note that the foregoing is not an exhaustive list of all changes to the Supply Agreement. LPs should complete a comprehensive review of the revised Supply Agreement and seek independent legal advice if necessary. If you have any questions related to the changes to your Agreement, please contact: Jeff Ring, Director Supply Chain, Cannabis Operations at jeffrey.ring@bcldb.com or 604-420-8241.

Sincerely,



R. Blain Lawson
General Manager and Chief Executive Officer
Administrator of the *Cannabis Distribution Act*

cc: Gayle Corah
Executive Director, Cannabis Operations

Jeff Ring
Director, Supply Chain, Cannabis Operations