

# OCS Wholesale Licensed Cannabis Retailer's Handbook

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ONTARIO  
CANNABIS  
STORE / **WHOLESALE** /

# ONTARIO CANNABIS STORE / **WHOLESALE** /



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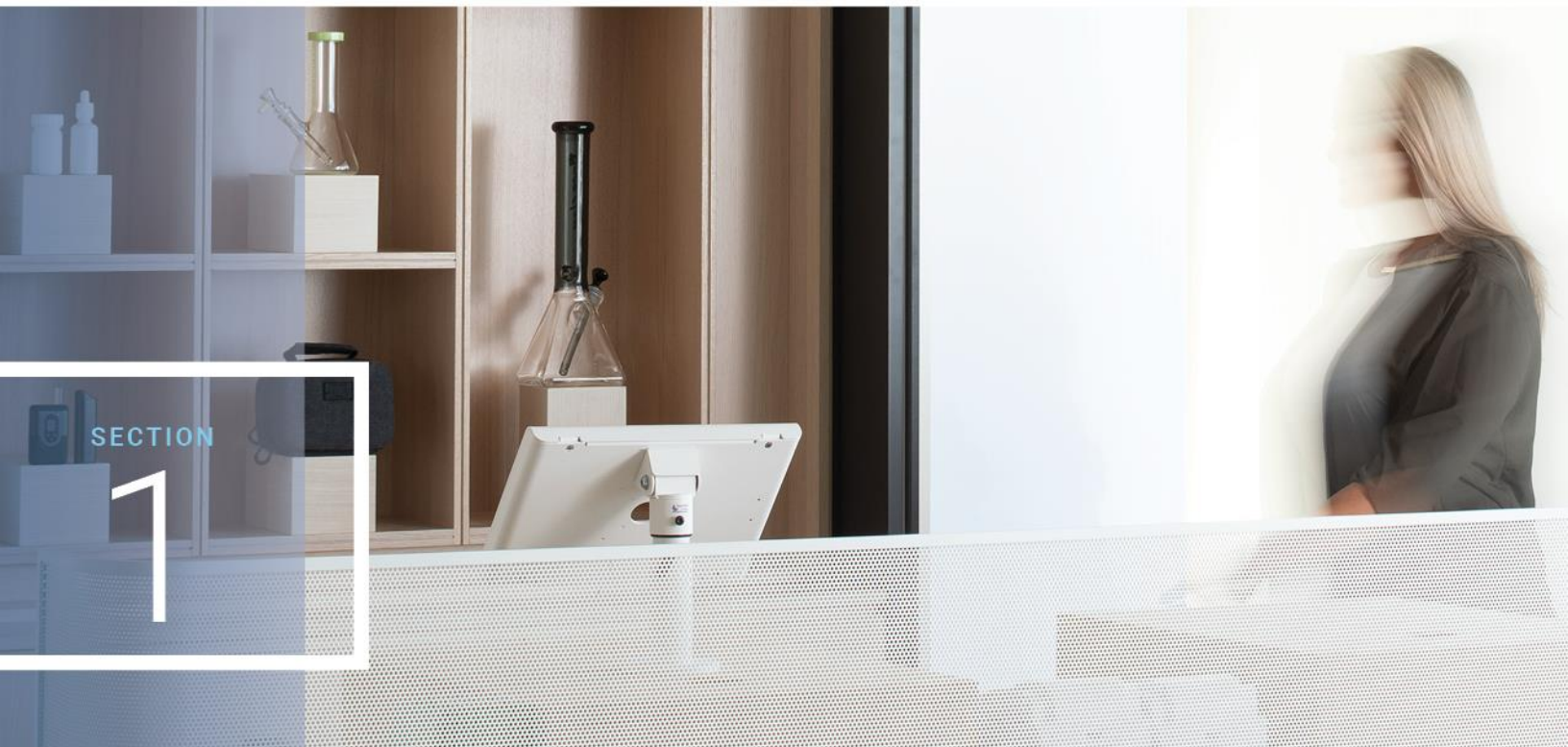
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# ONTARIO CANNABIS STORE /WHOLESALE/



## / INTRODUCTION /

Congratulations on receiving a Retail Licence to sell cannabis in Ontario. As your exclusive provider of cannabis products, our goal at Ontario Cannabis Store (OCS) is to provide you with a wide assortment of legal, tested cannabis products procured through federally Licensed Producers. To offer you the additional convenience of having only one wholesaler, we also carry a broad selection of cannabis-related accessories for your consideration.

As a Licensed Retailer you can expect to receive support from our dedicated OCS Sales and Service Centre team and your assigned District Sales Manager. Our experienced team is available to support you with your accounts, orders, payments, delivery, and product issues.

## ABOUT OCS

The Ontario Cannabis Retail Corporation (OCRC), doing business as Ontario Cannabis Store (OCS) and OCS Wholesale, serves as the exclusive distributor of cannabis products in Ontario. The cannabis products we carry are procured from federally Licensed Producers of cannabis and we strictly adhere to federal and provincial law that applies to the distribution of those products.

We sell directly to customers online in the province through OCS.ca. We also supply Retailers authorized to sell cannabis by the Alcohol and Gaming Commission of Ontario (AGCO) ("Authorized Retailers") with the products they need to sell cannabis through physical store locations.

As part of our mandate to distribute cannabis products in a socially responsible and fair way, we operate under the guiding principles of trust, education, safety and openness.

## INTERPRETATION

### Retailer Agreement

This Retailer's Handbook is intended to supplement the Retailer Agreement between the OCS and each Licensed Retailer and should be read together with the Retailer Agreement. Nothing in this Retailer's Handbook will limit the generality of any provisions of the Retailer Agreement.

### Definitions

Capitalized terms used, but not defined, in this Retailer's Handbook have the meanings ascribed to them in the Retailer Agreement. In this Handbook, the terms "we," "us" and "our" refer to the OCS, and the term "third party" means any person other than the OCS and the Licensed Retailer.

### Headings

The division of this Retailer's Handbook into sections and headings are for convenience of reference only and do not affect the construction or interpretation of this Retailer's Handbook.

### Extended Meanings

In this Retailer's Handbook: (1) words importing the singular number include the plural and vice versa; (2) words importing any gender include all genders; (3) 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 (4) words or abbreviations that have well known technical industry or trade meanings are used herein in accordance with their recognized meanings. In this Retailer's Handbook, the term "including" means "including without limiting the generality of the foregoing" (and the terms "include" and "includes" have similar meanings).

AS A LICENSED RETAILER DEALING DIRECTLY WITH CONSUMERS, IT IS YOUR RESPONSIBILITY TO COMPLY WITH THE LAWS THAT APPLY TO YOUR BUSINESS AND TO DO YOUR PART IN SUPPORTING THE SAFETY OF THE PUBLIC.

## CURRENCY

All references to currency and monetary amounts in this Retailer's Handbook refer to Canadian dollars.

### 1.1. What Authorized Retailers Need to Know

As a Licensed Retailer of cannabis in Canada, you have joined a highly regulated industry with several bodies and stakeholders that govern the safe distribution and sale of cannabis in Canada and Ontario. Together, we are all ultimately responsible for public safety and we all play a role in upholding the original mandate of cannabis legalization to:

1. Keep cannabis out of the hands of youth; and
2. Eliminate the illegal market.

You are responsible for operating your business according to all levels of legislation. It is important to be familiar with the roles and responsibilities of each governing body and its regulations to help ensure public safety. The government organizations and their roles are:



#### RESPONSIBILITIES OF GOVERNMENT AGENCIES

##### HEALTH CANADA

Regulates the production of cannabis.  
Authorized Retailers should be familiar with the federal Cannabis Act (Canada) and the applicable  
[Canada.ca/cannabis](https://Canada.ca/cannabis)

##### OCS

Responsible for the wholesale distribution of cannabis products.  
We are your exclusive source for cannabis products and offer retail support to all Authorized Retailers.  
[ocswholesale.ca](https://ocswholesale.ca)

##### GOVERNMENT OF ONTARIO

Establishes the provincial rules for possession, consumption and sale of cannabis.  
[ontario.ca/cannabis](https://ontario.ca/cannabis)

##### AGCO

Establishes the rules for licensing, regulating and governing the sale of cannabis through Authorized Retailers in Ontario.  
Sets operational standards for Authorized Stores to adhere to regulations.  
[www.agco.ca/cannabis/guides/cannabis-retail-regulation-guide](https://www.agco.ca/cannabis/guides/cannabis-retail-regulation-guide)

### 1.2. Understanding Cannabis Law

As noted above, both the federal and provincial governments have a role in determining how cannabis is produced, distributed, sold and possessed. You should familiarize yourself with federal and provincial laws that are pertinent to you as a Licensed Retailer and your operation of an Authorized Store.

**PLEASE NOTE:** The information about cannabis laws below is non-exhaustive and is included for your information only. It does not constitute legal advice and you are encouraged to seek

independent legal advice to understand your legal obligations and ensure your business is compliant with all Applicable Laws.

#### FEDERAL CANNABIS LAW

The *Cannabis Act* (Canada) and the regulations made under it establish the legal and regulatory framework that controls the production, distribution, sale and possession of cannabis in Canada. There are many legal prohibitions to understand here, including limits on the amount of cannabis that an individual can possess in public, restrictions on the types of cannabis products that can be sold, and prohibitions on the sale or promotion of products that could appeal to youth. For a Licensed Retailer, it is important to understand how federal cannabis law impacts your business model, such as designing your store, producing signage, communicating with customers, pricing products, and reporting on sales and advertising.

To learn more, visit:

<https://laws-lois.justice.gc.ca/eng/acts/C-24.5/FullText.html>  
[canada.ca/cannabis](https://canada.ca/cannabis)

#### PROVINCIAL CANNABIS LAW

Each province and territory were given the authority to establish certain rules and controls that relate to cannabis products, including how they can be distributed and sold. Ontario's legislative cannabis framework established the OCS as the exclusive cannabis wholesaler to Authorized Retailers authorized and regulated by the AGCO to sell cannabis in Ontario. For Authorized Retailers, it is important to understand two pieces of legislation that particularly impact how you operate your business: the *Cannabis License Act, 2018*, and the *Cannabis Control Act, 2017*.

To learn more, visit:

<https://www.ontario.ca/laws/statute/18c12>  
<https://www.ontario.ca/laws/statute/17c26>  
[ontario.ca/cannabis](https://ontario.ca/cannabis)

For the AGCO Registrar's Standards on operating a legal authorized cannabis store, go to:

<https://www.agco.ca/content/registrars-standards-cannabis-retail-stores>

For information about working with OCS Wholesale, go to:

<https://www.ocswholesale.ca> or <https://www.learn.ocswholesale.ca>





SECTION

2



## / PRODUCTS & PURCHASING /

Authorized Retailers of cannabis in Ontario may only purchase legal cannabis products through OCS Wholesale. To be able to order from the OCS Wholesale Catalogue, you will need to set up an online account on the OCS' Business-to-Business (B2B) Portal. In this section you can learn more about purchasing products and how we can assist you with this process.

## 2.1. General Information

Authorized Retailers in Ontario are obligated to purchase all cannabis products exclusively through OCS Wholesale. OCS only purchases cannabis from federally Licensed Producers, who have been authorized by Health Canada to sell quality-controlled cannabis for the legal recreational market. Authorized Retailers may also purchase accessories through OCS Wholesale; however, these products may also be purchased directly from third party distributors and manufacturers.

OCS IS THE  
EXCLUSIVE  
DISTRIBUTOR FOR  
LEGAL CANNABIS  
PRODUCTS IN  
ONTARIO.

Authorized Retailers will make wholesale product purchases through the secure OCS B2B Portal where they can browse the OCS Wholesale Catalogue and place orders for their Authorized Store. The OCS Sales and Service Centre team members and District Sales Managers will work with all Authorized Retailers to assist with the ordering process as required.

## 2.2. Insurance Requirements

Authorized Cannabis Retailers in Ontario are required to have the appropriate insurance documents in place prior to placing orders with the OCS. Your insurance policy must be held in the name of the Retail Operator Licence holder, and the certificate evidencing your insurance coverage must state the value of Commercial General Liability Insurance in the amount of not less than five million dollars (\$5,000,000) per occurrence, including non-owned automobile, as per section 16.1 of the Retailer Agreement. In addition, the insurance policy must be endorsed to add the Ontario Cannabis Retail Corporation, doing business as Ontario Cannabis Store, as an additional insured and certificate holder with respect to liability arising from the operation of your business; this must also be reflected on your certificate of insurance.

**PLEASE NOTE:** Retailers must maintain their insurance coverage, as per section 16.1 of the Retailer Agreement, and will be required to show proof of their insurance renewals to the OCS. Failure to comply with this requirement or provide proof of a valid insurance policy could result in Retailer accounts and orders being placed on hold.

To ensure that your account is not placed on hold and to maintain product shipments, we recommend that you provide proof of insurance renewal 30 days in advance of the current policy expiry.

We will begin to accept insurance coverage of \$5 million per occurrence effective immediately for new Retailers. Existing Retailers may apply this change to one of the following:

- The date you can amend your existing insurance policy with your insurance provider; or
- The date of your next insurance policy renewal.

Insurance Requirements:

- CROL name must be listed as the insured  
The OCS should be added as an additional insured beneficiary and should be the named certificate holder. The OCS should be referred to as "Ontario Cannabis Retail Corporation, doing business as Ontario Cannabis Store"



- OCS should be the only named additional insured beneficiary. The OCS address is not mandatory but if included it must be the correct address "200-4100 Yonge Street, Toronto, Ontario M2P 2B5"
- The Certificate of Insurance must have the Cannabis Retail Store Authorization's ("CRSA") complete address (the store address) as an insured location.
- The Certificate of Insurance should include the effective insurance date, which is on or before the day of the store's first order.
- The certificate should include "Commercial General Liability" insurance of a minimum of 5 million dollars, per occurrence and include non-owned automobile coverage.
- The Certificate of Insurance must include the following wording pertaining to the cancellation/change or non-renewal of the insurance policy:

"If the Commercial General Liability Policy(ies) identified above are cancelled or changed to reduce the coverage outlined on this Certificate during the period of coverage as stated herein, or if the policy(ies) will not be renewed, thirty (30) days prior written notice by registered mail will be given by the Insurer(s) to the Ontario Cannabis Retail Corporation operating as the Ontario Cannabis Store at the address provided for notice and communication in the Contract between the Insured and the Ontario Cannabis Store".



- The certificate should be signed by the insurance provider.

For more information on banking, insurance, and preauthorized debit requirements, visit the [Wholesale Learn](#) site.

### 2.3. Products from OCS

As the exclusive wholesaler for legal cannabis in Ontario, OCS Wholesale secures only legal cannabis products produced by federally Licensed Producers. We have built a robust assortment across all categories, working with large and small suppliers across the country. We work closely with all of them to ensure consistent supply.

We also have a Quality Assurance program to ensure each product adheres to the strict guidelines set by Health Canada.

#### CANNABIS PRODUCTS

We strive to provide a diverse range of quality-tested cannabis for wholesale purchase. Building on our market knowledge from serving consumers in Ontario, we aim to help meet their needs and expectations for a wide range of products. Based on consumer trends, we are continually expanding our Product Catalogue. The following cannabis product categories are available for purchase:



- Dried flower (bud)
- Milled flower (ground)
- Pre-rolls
- Oils
- Capsules
- Seeds
- Edibles
- Topicals
- Extracts

LICENSED RETAILERS **MAY NOT** BUY CANNABIS FROM ANY SOURCE OTHER THAN OCS

This product category list will be subject to change as we expand our range of cannabis products and as new cannabis products are approved for sale by Health Canada.

#### ACCESSORIES

We also offer accessories for wholesale purchase as a convenient way for you to access many types and brands of top-quality accessory products. Unlike with cannabis products, we are not the exclusive provider of accessories in Ontario. However, buying accessories from OCS Wholesale will allow you to easily order and receive accessory goods along with your wholesale cannabis order, which should result in efficiencies in delivery cost and time in the ordering and receiving process.

We carry the following categories of accessories:



- Grinders
- Bongs and water pipes
- Hand-held pipes and one-hitters
- Storage
- Papers and filters
- Vaporizers
- Cleaning supplies
- Multi-tools and kits
- Trays
- Infusers
- Dab rigs



#### 2.4. Wholesale Pricing at OCS

WHOLESALE PRICING INFORMATION WILL BE MADE AVAILABLE TO RETAILERS UPON SIGNING THE OCS RETAILER AGREEMENT AND THE CONFIDENTIALITY AGREEMENT (NDA).

#### 2.5. Account

To place an order, each Licensed Retailer and Authorized Store will be required to onboard to the OCS B2B Portal. An OCS Wholesale Onboarding Specialist will work with you to set up this account using key information about your business. See chart below. Once onboarded, you will be able to add multiple users to your account. Please refer to the **OCS B2B Portal Retailer Guide for more information**. For security purposes, we recommend that you limit access to account login information to only key staff members, such as your Licensed Retail Manager. All orders must be submitted by a holder of a Retail Operator Licence or a Retail Manager Licence.

WHOLESALE PURCHASES CAN ONLY BE MADE BY AUTHORIZED RETAILERS THROUGH THE OCS B2B PORTAL.

TO SET UP AN **OCS B2B PORTAL ACCOUNT**, THE AUTHORIZED RETAILER IS REQUIRED TO PROVIDE THE FOLLOWING INFORMATION:



#### General Information

- Legal business name
- Legal address
- Key contact person for finance
- Key contact person for orders
- Store address (for delivery)
- Store information
- Delivery contact information
- Store logo
- Billing address (if different from store address)
- Retail Operator Licence Number (per AGCO)
- Retail Store Authorization Number (per AGCO)
- Retail Manager Licence Number – if applicable (per AGCO)
- HST number

#### Banking Information

- Banking name, address and account info
- Signed PAD Agreement (per Schedule B in Retailer Agreement)
- General Liability Insurance Certificate (with OCS insured as a certificate holder)
- Void Cheque or Direct Deposit form from your financial institution, including the following requirements:
  - Must have CROL or CRSA or both names as an account title
  - The Financial institution name, account number, transit number, and institution number should match the PAD agreement.
  - The official financial institution document, other than a void cheque, should be signed and stamped by the bank and should be dated recently (within the last 6 months).
  - Void cheques must be pre-printed (not handwritten)

## 2.6. Making Purchases: Days and Frequency

OCS will assign an order and delivery schedule for each Authorized Store. You will be required to place your order on your assigned day of the week as designated by the OCS.

If you wish to place an order, your order must be submitted on your assigned order day by the deadline stated by OCS to receive your shipment that week. We cannot accept any order submissions beyond the deadline. Missing the deadline will result in forfeiting your opportunity to buy products for that week. If you have any questions about your product assortment or inventory, please contact your District Sales Manager or Key Account Manager.

Although there is no obligation to order every week, it is important to know that available inventory is likely to change each week, and we cannot guarantee that all products will be available from week to week. Consider your inventory levels and sales to determine your own cadence of ordering. If you do not wish to place an order, our schedule allows you the opportunity to do so the following order cycle.

**PLEASE NOTE:** We cannot hold specific inventory from week to week on your behalf.

The weekly product order schedule is as follows:





### OCS WHOLESALE WEEKLY PRODUCT ORDER SCHEDULE

Inventory is updated every day. Leading up to your assigned order day, you may browse our OCS Wholesale Catalogue on the OCS B2B Portal at any point during the week.

#### ASSIGNED ORDER DAY

1. On your assigned order date, you must submit your order via the OCS B2B Portal by the specified submission time.
2. Once your order has been processed, your Sales Order Confirmation and Delivery Window will be displayed on the OCS B2B Portal.
3. OCS will process a PAD payment on the day of your delivery.
4. OCS Wholesale will pick, pack and schedule orders for delivery.
5. The Retailer will receive the current week's order on the date and time displayed on the OCS B2B Portal.

**PUBLIC HOLIDAY:** If your order date falls on a holiday the revised order date will be displayed on the OCS B2B Portal. If your delivery occurs on a holiday or over the weekend, your payment will be processed the next business day.

#### IMPORTANT:

- Order schedules will be adjusted for those ordering on assigned dates affected by public holidays.
- Authorized Retailers are not obligated to place an order every week and order cadence can be determined based on delivery needs and location.
- Authorized Retailers cannot place a hold on product(s) for future orders.
- After the order submission deadline, once an order is placed, it cannot be altered or cancelled.
- You can only place orders through the OCS B2B Portal
- If a Licensed Retailer is on a pre-payment plan, OCS must confirm that they have received the funds needed to pay for this order before it can move from submitted to pick / pack.

#### 2.7. Making Purchases: How to Place an Order

Before placing your first order with the OCS, your assigned District Sales Manager or Key Account Manager will provide you with a step-by-step guide on how to place your first order on the OCS B2B Portal.

## 2.8. Order Adjustment After Submission

We begin picking and packing once the prescribed submission window has closed. Retailers may edit and resubmit their order until the cut-off time is displayed on the OCS B2B Portal. Once the submission window has closed, an order cannot be changed.

If you are having issues submitting orders through the OCS B2B Portal on your assigned order date, please contact CSC prior to the cut-off time. To make the investigation more efficient, we ask that you take screenshots of the issue you are experiencing.

**PLEASE NOTE:** Contacts received after the cut-off time will be considered a late submission and will not be accepted.

## 2.9. Emergency Top Up Orders

Authorized Retailers must adhere to all ordering guidelines outlined in the Retailer Handbook. We understand that there may be exceptional circumstances where you might need additional products outside of your assigned order window. The OCS may, in its sole discretion, accept an order from a Licensed Retailer that was submitted outside of their assigned order window (an "Emergency Order") under the following limited circumstances:



- An increase in customer foot traffic and/or sales compared to the expected weekly or projected seasonal trend has resulted in your Retail store requiring more inventory to continue operating before your next order.
- Your first order did not meet the demands of your new store opening and you require additional products to continue operating.
- An emergency order cannot be placed if your regular order has yet to be delivered.

Emergency Orders will be assessed case-by-case based on the following criteria:

- When submitting the emergency order the bank account used must be in good standing (i.e. no missing payments or balance owing) for the order to be completed.
- Rationale for the store's Emergency Order request.
- The date that the store last received a wholesale shipment from the OCS.
- The average order value (\$) over the past 10 weeks compared to the Emergency Order value.
- A list of any previous Emergency Order request(s) submitted by the store.

Emergency Order requests must be made via the OCS Sales and Service Centre 24 hours in advance of the desired fulfilment date. Once an emergency order has been placed by the retail store, it cannot be cancelled.

### Additional Fees

- **Emergency Order Processing Fee** – A \$500 (plus HST) fee will be assigned to each Emergency Order that is fulfilled by OCS. OCS may waive this fee at its sole discretion.
- **Additional Transportation Fee** – the store will be required to absorb any additional transportation costs related to their request.

## 2.10. Flow-Through

The Flow-Through program offers an additional distribution channel, allowing for a broader assortment of cannabis products. Authorized Retailers can order from an expanded catalogue of

items that are not stored in the OCS Distribution Centre. These items will ship directly from the Licensed Producer and will “flow through” the OCS warehouse to the Retailer.

Flow-Through items will be tagged as such in the OCS B2B Portal and can be filtered when you are building your order.

Lead times between order placement and delivery may differ for Flow-Through items as item fulfilment is based on the Licensed Producer’s capacity to ship requested products to the OCS. Lead times are visible in the OCS B2B Portal.

With the Flow-Through program, Licensed Producers determine the total amount of products available for Retailers to order each week. If Retailer demand exceeds the maximum selling quantity for a given day, then product allocation would occur, as it does for select products stocked at the OCS Distribution Centre.

Separate invoices will be generated for Flow-Through orders and in-stock orders. If a Flow-Through order is shipped over multiple weeks, an invoice will be generated for each shipment. The format of the account statement will remain the same.

**PLEASE NOTE:** Authorized Licensed Retailers on prefund terms are required to prefund the value of their order via wire transfer or bank draft deposit prior to placing an order.



SECTION

3



## / QUALITY ASSURANCE /

We all play a role in delivering controlled legal cannabis to consumers to avoid undue risk to the public. The OCS oversees the safe distribution of legal cannabis for the province of Ontario. All cannabis sold by OCS is procured from federally licensed and regulated producers who follow strict guidelines. All cannabis products are tested in third-party laboratories to ensure they are free from pesticides, micro-organisms and other items that could be harmful to a person's health. OCS has established a robust quality assurance team that reviews all product documentation received from the laboratories for compliance with Health Canada regulations. This relieves the burden from Authorized Retailers and adds to consumer confidence that products are safe, reliable, and tested.

### 3.1. OCS Quality Assurance

In alignment with the *Ontario Cannabis Retail Corporation Act* and direction provided by Health Canada under the *Cannabis Act*, the OCS Client Services Team collects information regarding product quality and complaints. We use this information for quality assurance and customer care, to help with the investigation and resolution of complaints, and for fraud prevention purposes. Our suppliers are legally responsible for assuring the quality of their products and investigating all product complaints.

- All cannabis sold by OCS is procured from federally licensed and regulated producers who follow strict guidelines. All cannabis products are tested in third party laboratories to ensure they are free from pesticides, micro-organisms and other items that could be harmful to a person's health
- OCS reviews all product documentation from the laboratories for compliance with Health Canada regulations
- OCS has established a robust Quality Assurance team who provide an additional check on all cannabis products entering the Ontario market to ensure that it is compliant with all applicable regulations.

We all play a role in delivering controlled, legal cannabis to consumers to avoid undue risk to the public. The OCS oversees the safe distribution of legal cannabis for the province of Ontario by reviewing the following:

1. **Label & Package:** Visual examination to confirm format and placement of mandated elements and provide feedback on non-conformances identified and possible resolution
2. **Certificate of Analysis:** Verify product release test results for conformance to specifications and approve and facilitate product shipments/purchase orders

### 3.2. OCS Vape Vetting Process

The OCS has put in place a strict vetting process to ensure our vape products are held to extremely high standards for quality and safety. The OCS Merchandising and Quality Assurance teams have worked with all Licensed Producers to validate hardware, production, finished product and packaging of vapes and vaping products to ensure all standards are met and consistency is upheld. Products have been evaluated on source flower, distillation method, hardware, terpene source and complexity, as well as overall product potency.

#### HARDWARE CERTIFICATION

Ensures electrical/mechanical integrity of the device during usage and transportation. These include, but are not limited to: *UL8139, UL1642, CAN/CSA-E62133, UN/DOT38.3.*

#### HARDWARE COMPONENTS

Ensures screening of potential contaminants. These include, but are not limited to: *Microbials & Toxins, Heavy Metals & Plasticizers migration.*

#### VAPE FORMULATION

Ensures screening of potential known harmful compounds/by-products. These include, but are not limited to: Pesticides, Microbials, Heavy Metals, Residual Solvents, Diacetyl, Diacetyl Derivatives, Formaldehydes, Acetaldehydes, Acrolein.





### 3.3. Product Destruction Requirements

The *Cannabis Act* and its regulations are not prescriptive with respect to the methods to destroy cannabis and cannabis accessories. Federally Licensed Producers must destroy cannabis and cannabis accessories containing cannabis, in accordance with a method that complies with all federal, provincial and municipal environmental protection legislation applicable to the location where it is to be destroyed. Federally Licensed Producers must also ensure that the destruction of cannabis and cannabis accessories containing cannabis does not result in exposure to cannabis smoke or cannabis vapour.

With regards to cannabis products, the method of destruction must alter or denature the cannabis to such an extent that consumption has been rendered impossible or improbable.

Specific information must be recorded on the destruction of cannabis, including a description of the cannabis, or brand name; the date of destruction; pre-destruction net weight or volume of the product; the address of the location at which the cannabis is destroyed; a brief description of the method of destruction and names of witnesses who witnessed the destruction and a statement that the cannabis was destroyed. This record should be retained for at least two years after the date of destruction.

### 3.4. Submitting Product Quality Complaints to OCS

The OCS works with Licensed Producers to investigate all product quality complaints submitted by Authorized Retailers. Product Quality Complaints may be eligible for credit pending Licensed Producer investigation and approval. Authorized Retailers can expect to be contacted with the final results once the process is complete.

For more information on how to correctly submit a product quality complaint, please refer to our [Submitting a Product Quality Assurance Claim](#) article on the [Wholesale Learn](#) site. All Product Quality Complaints must be submitted through the webform within 45 days of receiving the item(s) in question.

**PLEASE NOTE:** Not all investigations will result in credit approval.

#### WHAT IS A PRODUCT QUALITY COMPLAINT?

1. Any alleged deficiency related to the identity, quality, durability, reliability, safety, effectiveness, labelling, packaging or performance of a product after its release for distribution; or
2. Any product that does not meet the product specification or function in the manner intended.
3. Any product that contains any microbial or chemical contaminants, such as mould or fungus, beyond any limits provided for by law.
4. Any products that have missing or damaged excise stamps. **PLEASE NOTE:** Some cannabis products, such as those with less than 0.3% THC, do not require excise stamps.
5. Any products that are incorrectly labelled or packaged. Please use the table below as a reference. Please reference the "QA How-To Guide" for submission requirements.

For more information regarding how to submit a Product Quality Complaint to the OCS please visit the [Wholesale Learn](#) site to contact the OCS Sales and Service Centre Team: or by calling 1-877-627-1627.





SECTION

4

## / RETURNS /

Federal and provincial regulations around the sale of legal cannabis are designed to ensure the safety of the public and consumers. As such, the OCS Wholesale Return Policy is designed to ensure the minimal transfer of cannabis products and favours the safety of all. Read on to learn about our Return Policy and the procedures for making a return claim for cannabis products.

#### 4.1. Product Return Policy

All products purchased through OCS Wholesale are final sale. The OCS Wholesale Return Policy permits the return of product for a credit on your account if one of the three following instances occurs:

1. Products arrive damaged.
2. Products are shipped incorrectly, such as overages or delivery of items not ordered.
3. Products are recalled by Health Canada, the applicable Licensed Producer, an Accessory Supplier or OCS.

The return of products under any other circumstance is not permitted. Please be sure to submit your orders carefully and to check your confirmation upon receipt to avoid any shipping errors. Report any errors in your shipment to the OCS Sales and Service Centre within 48 hours of receipt to qualify for a return. Due to the urgency of these shipping errors, you must notify the OCS Sales and Service Centre via phone or chat. Webform submissions will not be accepted. You will be expected to send back any approved items to the OCS Wholesale Distribution Centre using the steps outlined in Section 3.3.

**IMPORTANT: OCS does not directly produce any cannabis products; all the cannabis products we carry are procured by Licensed Producers, each of which is licensed by Health Canada. As such, OCS cannot directly warrant any products.**



#### RETURNS FOR DAMAGED PRODUCTS OR SHIPPING ERRORS

It is the responsibility of the Licensed Retailer to carefully check all received goods. You are required to notify the OCS Sales and Service Centre within 48 hours of receipt if products arrive damaged or do not match your confirmed order.

"Damages" are defined as any cannabis product that is not fit for use, consumption or sale. This includes items that:

- have visible damage to either the interior or exterior packaging, such as broken or missing seals.

**PLEASE NOTE:** A cannabis accessory that is damaged or defective is not eligible for return but may qualify for a credit at the discretion of OCS Wholesale.

Shipping errors are considered in the circumstances of:

- Incorrect product: Licensed Retailer receives product(s) that do not match the order confirmation.
- Short shipment: Licensed Retailer receives less product than specified in the order confirmation.
- Overages: Licensed Retailer receives more product than specified in the order confirmation.

YOU ARE REQUIRED TO NOTIFY OCS SALES AND SERVICE CENTRE OF ANY DAMAGES OR SHIPPING ERRORS, INCLUDING OVERAGES, WITHIN 48 HOURS OF RECEIPT.

#### RETURNS FOR RECALLED CANNABIS PRODUCT

A product may be recalled by Health Canada, the applicable Licensed Producer, an Accessory Supplier or OCS. In the case of recalled product, please follow the procedures detailed in the Product Recalls section of this Retailer's Handbook.

NOT ALL CANNABIS PRODUCTS WILL HAVE EXCISE STAMPS, SUCH AS PRODUCTS WITH LESS THAN 0.3% THC.

#### RETURNS FOR RECALLED ACCESSORY PRODUCTS

There are many different types of cannabis accessories and, as a result, recall procedures may vary by product or circumstance.

Therefore, when an accessory you have purchased from us is recalled, OCS Wholesale will communicate the specific instructions directly to you.

#### RETURNS FOR A STOP SALE NOTIFICATION ISSUED BY A LICENSED PRODUCER.

The Licensed Producer may initiate a stop sale notification for products they deem necessary to remove from further distribution. In most cases this means that there are no health risks associated with the product(s) and that any defects identified may only affect a very small percentage of products. In the case of stop sale notice, OCS Wholesale will communicate the specific instructions directly to you for next steps for all unsold products and for any products that have already been sold to customers. Retailers can follow the Product Quality Complaint process for logging in these claims.



#### ACCEPTABLE PRODUCT PACKAGING DATES

We work with our Licensed Producers to ensure a consistent supply of fresh products for Ontario customers. As part of this effort, OCS continually receives shelf study data on products and information on packaging innovations undertaken to better address concerns around cannabis product freshness. Based on this information, we have refined our product acceptance guidelines regarding products with packaged-on dates received at our Distribution Centre. In addition, OCS will stop delivering products that are over the packaged-on requirement to our retail partners and OCS.ca.

In an effort to be transparent, we are providing Retailers with the OCS Acceptance Guidelines for packaged-on dates for all product subcategories.

PRODUCT CATEGORY	OCS DELIVERY GUIDELINES FOR PRODUCERS	
	Inbound to OCS Distribution Centre	Outbound to OCS.ca/Retail Stores
Dried Flower and Pre-rolls	4 months	9 months
Vapes	6 months	12 months
Concentrates & 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



#### 4.2. Return Credits

If a return request for damaged products or shipping errors is successfully approved and processed by OCS Wholesale, the refunded amount will appear as a credit on your account. Refunds will not be issued by cheque or any other means.

In the case of a product recall, a credit in the full amount of the affected lot you purchased will be applied to your account. The credit is calculated at the price per unit that you paid, including HST, for the product multiplied by the number of units returned or destroyed in accordance with Health Canada's requirements.

Credits will appear on your account after the returned inventory is received and reconciled at the OCS Wholesale Distribution Centre. Should there be a discrepancy between the number of received items and what was reported, the lesser of the two amounts will be credited.

**IMPORTANT: Authorized Retailers are responsible for their own customer return policies. OCS Wholesale will not issue credits for customer returns, unless the product is subject to a recall.**

You must notify the OCS Wholesale Sales and Service Centre at 1-877-627-1627 within 48 hours of receipt if products arrive damaged or do not match your confirmed order. Due to the urgency of these shipping errors, you must notify the OCS Wholesale Sales and Service Centre via phone or chat, webform submissions will not be accepted.

#### 4.3. Returning Products: Damages or Shipping Errors

To initiate a damage or shipping errors claim please adhere to the following procedure:

1. Contact the OCS Sales and Service Centre by visiting [learn.ocswholesale.ca/contact](https://learn.ocswholesale.ca/contact).
2. Provide the necessary details to the Sales and Service Representative.
3. Await confirmation of approval on the return claim via e-mail and await next steps.
4. If approved for return, prepare the items for return-delivery on your next shipping day:
  - a. Pack the items in a sturdy, sealed container, fit for shipping. Preferably an OCS box from previous shipments.
  - b. Include one copy of the approved Return Authorization form inside the container.
  - c. Close and seal the containers to ensure the contents will not be displaced during travel.
  - d. Affix a copy of the approved Return Authorization form to the outside of the container.
  - e. If more than one container is required for the return, please label each accordingly (e.g., box 1 of 2 and box 2 of 2).
  - f. Affix the return-shipping label provided in your confirmation e-mail to the containers.
  - g. Ensure the returned items are picked up on your next shipping day by the crew delivering your order.





## / PRODUCT RECALLS /

A product recall is a serious event and must be responded to quickly and carefully. It may occur as a result of a Ministerial Order by Health Canada, the Licensed Producer or Accessory Supplier who produced the product, or OCS. Depending on the nature of the recall, procedures may vary, and it is important to understand your obligations. Read this section thoroughly to understand what is required in the circumstance of a product recall.



- 5.1. **General Information** Product recalls occur when products are required to be removed from public consumption for safety reasons. Health Canada may issue a recall for product, or sometimes a Licensed Producer or Accessory Supplier may opt to recall its own product. OCS Wholesale also reserves the right to recall product in select circumstances. In all cases, product recalls are a serious concern and must be dealt with immediately and very carefully.

Recalls may be issued for products that are faulty, dangerous, or non-compliant with federal or provincial laws, policies or standards; or for those that do not conform to all the legally allowable claims of effectiveness, performance characteristics or safety associated with that product.

In the event of a product recall, OCS will communicate directly with Authorized Retailers in a timely manner.

#### **IMMEDIATE RECALL PROCEDURE**

IN THE EVENT OF A PRODUCT RECALL, OCS WHOLESALE WILL ISSUE A PRODUCT RECALL NOTICE THROUGH EMAIL, [OCSWHOLESALE.CA](mailto:OCSWHOLESALE.CA) AND [OCS.CA](http://OCS.CA), PROVIDING SPECIFIC INFORMATION ON THE RECALLED PRODUCT.

#### 5.2. **Licensed Retailer Responsibilities**

A product recall is a serious situation. It is important for Authorized Retailers to take the necessary steps to become familiar with the applicable rules and to have systems in place to respond appropriately for the safety of the public. Failing to appropriately follow the procedures in a recall situation could result in regulatory action taken by the applicable regulators.

Your obligations as a Licensed Retailer include:

1. **Tracking Products:** Every Licensed Retailer requires the ability to track all products in its system by batch or lot. This same system should be able to report on the number of items on hand, sold and returned by customers.
2. **Store Procedures:** Ensure you have a recall procedure in place and that all staff are aware of the urgency of the situation and the steps to take during a product recall.

#### 5.3. **Procedure: Recalled Cannabis Products**

In the event of a recall, OCS Wholesale will issue a Product Recall Notice by email to each Licensed Retailer. We will also post the notice on [OCSwholesale.ca](http://OCSwholesale.ca) and [OCS.ca](http://OCS.ca). After receiving notice of a recall, as a Licensed Retailer, you must follow this procedure:

1. In accordance with the AGCO's Registrar Standards, segregate the recalled cannabis product in a secure storage container, in an area away from customers, with a clearly marked sign that indicates the product is not for sale.
2. Once the product has been removed, notify OCS Wholesale by webform to confirm the completion of this step.
3. Publicly post the Product Recall Notice (you received by e-mail) in clear view of customers in your store. Keep the Product Recall Notice posted for 30 days.



4. Submit a report via webform for the recalled SKU and lot, detailing: (a) the number of unsold, unopened recalled units on hand that you are returning; (b) the number of recalled units sold prior to the recall; and (c) any recalled units that have been returned to your store by customers prior to the recall. Submit your report via web-form within 24 hours. For more details on how to submit, please reference the "Submitting a Quality Assurance Claim How to Guide".

**IMPORTANT: If a customer returns a recalled item to your store at any time, the product must be destroyed according to the process outlined under the AGCO Registrar Standards.**

5. The OCS will provide guidance on a case-by-case basis for next steps for unsold products that are quarantined as a result of the recall, taking into consideration the scope and type of recall. The OCS may ask the Licensed Retailer to destroy unsold product in accordance with the AGCO Registrar's Standards or ask for unsold products to be shipped back.
6. If OCS requests unsold products to be returned to the OCS Wholesale Distribution Centre, please securely pack all products for return into sturdy cardboard boxes or similar containers no larger than 24 inches by 24 inches. Re-use OCS boxes from previous shipments if possible. Do not overpack boxes and please ensure that boxes are in good condition and fit for shipping. Securely seal all boxes and ensure to the best of your ability that no product will be damaged or displaced during shipping.
7. Call the OCS Wholesale Sales and Service Centre at 1-877-627-1627 or e-mail us to arrange a date for pickup of unsold recalled items and confirm the quantity of boxes requiring return labels.
8. The OCS will send you the appropriate number of return labels by e-mail. Once received, print and clearly affix product return labels to each box.
9. When pick-up is complete, your driver will fill out a three-part Bill of Lading with item details and quantities. You will be required to sign off on the Bill of Lading and retain a copy for your records.
10. OCS will issue a refund in the form of an account credit for recalled products once the returned quantities have been verified and reconciled by the OCS Wholesale Distribution Centre 14 business days after receipt of product.

**IMPORTANT: The entire product recall process may take up to 30 days to complete, from initial notice through to the issuance of credits. This will be evaluated on a case-by-case basis.**

**PLEASE NOTE:** Steps 5-9 are at the sole discretion of the OCS. You may be instructed to destroy the impacted product(s) in accordance with the AGCO Registrar's Standards.

## IMPORTANT TO KNOW

- OCS Wholesale will provide specific instructions for each recall, as situations may vary by product, supplier or circumstance.
- If required, we will arrange pickup of unsold products as quickly as possible or instruct the Retailer to destroy any unsold inventory according to the AGCO Registrar's Standards.
- Customer-returned products affected by the recalls must be destroyed by the Licensed Retailer according to the AGCO Registrar Standards.
- We will issue a refund in the form of an account credit for the recalled products once the returned quantities are reconciled by the OCS Wholesale Distribution Centre.

### 5.4. Procedure: Recalled Cannabis Accessories

In the case of a recall issued for accessory products, OCS Wholesale will not pick up the recalled items. Instead, follow steps 1 to 4 above and await detailed instructions from OCS Wholesale on how best to dispose of the affected products.

### 5.5. Recall Reporting: Recalled Cannabis Products

Cannabis product recalls are a serious matter and are required to be reported to Health Canada and the OCS. OCS will only report on unsold and returned inventory affected by recalls on behalf of all Authorized Retailers.

As a result, you must keep accurate records and physically count inventory and destruction records of any recalled products.

In the event of a recall, your report of affected product, as noted above, must be received by OCS Wholesale within 24 hours of a recall. For cannabis products, we will submit the required Health Canada report on behalf of all Authorized Retailers in Ontario affected by the recall.

### 5.6. Recall Credits

In the event of a product recall, your OCS Purchasing Account will be credited for the initial cost of the items you ordered. For example, if you ordered a total of 12 recalled units in the affected batch or lot, you will receive a credit for the initial purchase price of all 12 units. OCS Wholesale cannot reimburse shipping costs incurred for the initial order and cannot offer refund cheques.

Authorized Retailers will not incur any shipping charges for the return of the recalled items to the OCS Wholesale Distribution Centre.



SECTION

6

## / SHIPPING & RECEIVING /

The safe and efficient transfer of cannabis products is a top priority for OCS. We are committed to this safe transfer of goods and to ensuring that your Authorized Stores receive orders in an accurate and timely manner. Read on to understand our shipping and receiving policies and your responsibilities as a Licensed Retailer.





### 6.1. General Information

To ensure the safe, secure and appropriately tracked delivery of cannabis across Ontario, all shipping is provided by an OCS authorized carrier(s). Deliveries can only be made directly to the Authorized Store premises for which the order was placed.

Accessories are also available for purchase through OCS Wholesale and, if purchased, are delivered alongside cannabis products. All transport and delivery-related charges will be captured and managed through OCS Wholesale.

### 6.2. Conditions for Delivery

To receive shipments, Authorized Retailers must:

1. Advise OCS Wholesale of any timing or access restrictions for deliveries upon account set-up.
2. Ensure there is a clear path to the delivery area, taking into consideration the method of delivery.
3. Be sure to have an authorized staff member(s) present to receive and sign off on the delivery.
4. Advise the OCS Customer Care of any changes to your delivery requirements or store closures.

#### IMPORTANT TO KNOW

- OCS cannot accommodate special requests for changes to order and / or delivery days. This is in an effort to better serve the entire network of stores in Ontario to ensure efficient routing and mitigate increase to delivery costs for all Authorized Retailers.
- OCS will arrange all transportation activities for Authorized Retailers' purchases from the OCS, originating from the OCS Wholesale Distribution Centre.
- Orders made prior to the weekly submission deadlines will be delivered once a week in accordance with the delivery schedule communicated on the OCS B2B Portal.
- To mitigate delays and corresponding carrier fees, Authorized Retailers must accommodate OCS deliveries carried out by and OCS authorized carrier in a timely fashion.
- Authorized Retailers must be available to accept their delivery throughout the duration of the delivery window indicated on the B2B Portal. If a Licensed Retailer is unable to accept an order on the scheduled delivery day, they will be responsible for any additional delivery-related expenses.
- Any delivery-related questions can be answered by the OCS Sales and Service Centre by calling 1-877-627-1627 or by visiting [learn.ocswholesale.ca/contact](https://learn.ocswholesale.ca/contact).
- Retailers that have unsuccessful deliveries on their scheduled day (due to weather, driver hours or other circumstances) will be re-attempted the following day. It is expected that the retail store will accommodate the updated delivery window provided by a Sales and Service Centre representative. If the re-attempted delivery is not possible (deemed by the OCS) on the following day, a Sales and Service Centre representative will inform the retail store of the updated day and time.



### 6.3. Delivery Constraints, Special Requirements and Conditions

We will work closely with Authorized Retailers to capture special delivery requirements. Examples of these requirements could be:

- Dock door availability
- Municipal by-law constraints
- Holding-capacity limitations
- Key and emergency contacts

Please notify the OCS at least two weeks in advance of special delivery requirement changes, or if your key delivery contacts change by calling 1-877-627-1627. Any delivery constraints will require documents substantiating the request.

### 6.4. Cost of Delivery

OCS Wholesale will use a standard transportation rate for Authorized Retailers across the province. The rate will be reviewed regularly and may be adjusted at the discretion of OCS. We will provide notice in advance of changes to the transportation rate.

The transportation rate is inclusive of all surcharges, like fuel and material-handling equipment.

Special material-handling equipment, such as pallets and delivery bins may be used as part of the delivery to Authorized Retailers. To help mitigate increases in the transportation rate, you must send back empty pallets and return all delivery bins to the carrier at the conclusion of your delivery. Please see more information below on returning pallets and refer to the OCS B2B Portal for the fee total. [Timing of Deliveries](#)

Authorized Retailers can access their order and delivery schedule on the OCS B2B Portal. Orders that do not meet the order cut-off time will not be accepted.

TRANSPORTATION  
RATES WILL BE  
COMMUNICATED BY  
YOUR OCS WHOLESALE  
CLIENT SERVICE TEAM.

### 6.5. [Accepting Deliveries](#)

Authorized Retailers must ensure an authorized staff member is available to receive the shipment, and they must be prepared to:

- **Accept Delivery:** If you notice a discrepancy, accept the order and clearly mark the discrepancy on all copies of the Bill of Lading (BOL) (see Appendix F in the Retailer Agreement). If a shortage, or overage is discovered after accepting a delivery, you will have 48 hours after receiving your shipment to submit your claims to CSC via chat or by phone. If you notice product with visibly damaged outer packaging, do not accept the item, reject it, and the refunded amount will appear as a credit on your account.
- **Count Cases & Pallets:** The number of cases and pallets accepted must be clearly marked on the driver's copy of the BOL; if the total number of cases and pallets received does not match the total on the BOL, make a note of the difference on all copies of the BOL.
- **Sign the Bill of Lading:** Both the authorized staff member and the driver must sign all copies of the BOL. The BOL includes any proof of delivery (POD) document substituted by the carrier.

IF YOU MISS THE WEEKLY  
ORDER DEADLINE, YOU WILL  
BE UNABLE TO RECEIVE AN  
ORDER THAT WEEK.

- Avoid Delays: The authorized staff member may not delay the driver to conduct a product-by-product inventory check. The accuracy of the order is the responsibility of OCS Wholesale, not the carrier.

- 

#### IMPORTANT TO KNOW:

- Please notify the OCS Wholesale Client Service team if there is anything that may disrupt your ability to receive an order. An additional delivery charge may be charged to you if the delivery cannot be completed on the first attempt and a second delivery is required.
- Authorized Retailers may not offer incentives to the driver for additional delivery services. All incidents should be reported to an OCS Wholesale Client Service Representative immediately.

#### 6.6. Return Shipping Process

Return shipping can occur when you have received damaged products, additional products have been shipped in error or there has been a product recall.

In the instance of damaged or mis-shipped products, Authorized Retailers must notify the OCS Sales and Service Centre within 48 hours and file a Return Product Claim, using a Return Authorization form. Once we have reviewed and approved the claim, we will arrange for the product to be picked up during the next delivery cycle. Credits will not be issued until the product is received and verified at the OCS Wholesale Distribution Centre.

In the instance of a product recall, products may be destroyed on site according to the AGCO Registrar's Standards and unsold inventory may be returned to the OCS Wholesale Distribution Centre, if applicable. An OCS Wholesale Client Service Representative will be in contact with the Authorized Retailers for disposition instructions. Please see the Product Recalls section for more information.



AS A LICENSED RETAILER, YOU ARE OBLIGATED TO REPORT DAMAGES OR MIS-SHIPPED ITEMS TO THE OCS SALES AND SERVICE CENTRE WITHIN 48 HOURS.

#### 6.7. Returning Pallets

It is the Licensed Retailer's responsibility to retain all delivery pallets and return them to OCS Wholesale. They must be returned to the carrier at the next delivery in the same condition in which they were received. OCS Wholesale pallets must be separated from all other pallets, stacked and ready for pickup in the designated receiving area.



## / PAYMENTS & PROCESSING /

Please read this section carefully to understand the terms, policies and procedures for all financial transactions between Authorized Retailers and OCS Wholesale.



### 7.1. Pre-Authorized Debit Transactions

As part of your onboarding process, you are required to sign a Pre-Authorized Debit (PAD) agreement to pay for your orders. You will not be able to order until this, along with the rest of the agreement, has been validated. Once the PAD process is set up you will not be required to initiate any payments for your orders, as we will retrieve the necessary funds directly from your financial institution. To set up a PAD payment, please ensure you have uploaded the following information to the B2B Portal:

OCS' Pre-Authorized Debit Agreement Requirements:

- CROL name
- CROL number
- Current date (within the last 6 months)
- Address 1 must be the CROL or CRSA address and should match exactly or can be a personal home address or legal firm address, etc.
- Address 2 must be the address of the financial institution and must match the void cheque or other official banking document.
- The PAD agreement should include the financial institution name, account number, transit number, and institution number and this information should match with the void cheque/ official financial institution document.
- The PAD agreement must be signed by the authorized signatory. Typed signatures are accepted only if they are accompanied by a verified digital signature

For more information on banking, insurance and preauthorized debit requirements, visit the Wholesale Learn site.

### 7.2. Pay at Ship

Authorized Retailers are required to set up a pre-authorized debit (PAD) payment method to pay for their orders. Authorized Retailers will only be charged once the order has shipped from the DC to their retail store. Credits to a Retailer's account due to QA claims will be processed as credits on your OCS Account and can be used towards future orders.

If your delivery falls on a weekend or **public** holiday, the PAD payment will be processed on the next business day.

### 7.3. Payment Failures

If payment for an order fails or if a payment is clawed back, you will be required to fully pay for any outstanding order balance before you can place any future orders. Further, all store accounts associated with the ROL holder will be placed on hold. While an account is on hold no new orders will be accepted and any orders that have not shipped will be held or cancelled. The hold will be released upon receipt of the outstanding funds. A fee of \$250+HST will be charged per payment failure/clawback.

If the same store under a ROL or two (2) different stores under the same ROL experience two (2) payment failures, they will be placed on prefund terms. The initial prefund term is three (3) months and under this term, the Retailer will be required to prefund their OCS customer account with the estimated value of their next order at least one (1) business day before placing the order. Once the funds have been successfully received by the OCS, the Retailer may submit an order with a total value of up to the prefunded amount. If there is any payment failure after the initial three (3) month

prefund term, the OCS will evaluate the circumstances on a case-by-case basis to determine whether to require a second/extended prefund term or a non-interest-bearing security deposit, for a period determined by the OCS in its sole discretion.

In cases of extreme non-compliance, the OCS may escalate this issue to the Alcohol and Gaming Commission of Ontario (AGCO).

**IMPORTANT TO KNOW: The bank account used to transact with the OCS must be associated with the same name on your Retail License from AGCO and therefore your legal agreement with OCS.**

#### **7.4. Credits, Refunds and Claims**

As described above, you may wish to keep credit on account to pre-pay for your wholesale orders. In this instance, the funds will be kept on account and applied to your next order until depleted. No funds can be issued back to you via cheque or other methods.

In certain circumstances, such as for recalls, or returns for damages or incorrectly shipped items, you may have a refund claim. In any instance where OCS Wholesale owes monies to a Licensed Retailer, the owing funds will be credited to your OCS Purchasing Account and can be applied to your next purchase. Again, we are unable to issue refunds via cheque or other methods.



#### **PAYMENT INQUIRIES**

IF YOU HAVE ANY QUESTIONS ABOUT PAYMENTS, CREDITS, REFUNDS OR OTHER FINANCIAL INFORMATION, PLEASE CONTACT OUR **OCS SALES AND SERVICE CENTRE AT 1-877-627-1627.**





## / REPORTING /

As a Licensed Retailer, you are obligated to submit various reports on sales and inventory to meet the requirements of Health Canada, Statistics Canada and OCS Wholesale.

### 8.1. Federal Reporting Requirements

As part of its mandate to control and regulate the production, distribution and sale of cannabis, Health Canada requires careful and regular tracking of cannabis inventories and sales across the country. Each province is required to collect and submit monthly sales and inventory information to both Health Canada and Statistics Canada on behalf of its Retailers. Therefore, as specified in the AGCO Registrar's Standards, Authorized Retailers must maintain certain records to support this national cannabis tracking system.

As a Licensed Retailer, you will be required to submit monthly reports on your cannabis inventories and sales to the AGCO as specified by the Registrar.

### 8.2. Reporting Sales to OCS Wholesale

As specified in your Retailer Agreement, you will also be required to report daily sales and inventory information to OCS Wholesale. The data we collect is aggregated, anonymized and used for various purposes, such as identifying consumer needs in the market, determining the type of products and estimating the level of inventory required for the retail market in Ontario. To report this required information to OCS Wholesale, you may either:

- Provide the AGCO with consent to share your completed "Monthly Sales Reporting" template with OCS on your behalf each month; or

At its discretion, the OCS will share aggregated data with all Authorized Retailers to help identify regional trends, consumer trends and other information that may be useful for selecting product or for other operational business purposes.

Authorized Retailers are encouraged to consult their Retailer Agreement with the OCS to understand their obligations with respect to the data that must be collected and reported to the OCS, including the circumstances under which this data can be shared with third parties.

### 8.3. Incident Reporting

Notwithstanding section 12.4(a) of the Retailer Agreement, incident reporting to the OCS is not required.

### 8.4. Other Reporting

- **Recalls:** In the event of a product recall, inventory reports will be required for submission outside of the regular reporting process and will be required within 24 hours. Please see the Product Recalls section of this Handbook for the specific procedure you are required to follow.
- **Ad hoc Reporting:** If additional reporting is required for an immediate or separate purpose, you will be given reasonable notice and provided with specific instructions by your OCS Wholesale District Sales Manager.

