

Purchase Order Terms and Conditions (as per Appendix A of Licensed Producer Supply Agreement for Non-Medical Cannabis)

Interpretation

1. In this purchase order, unless the context otherwise requires:

(a) "Cannabis DC" means the Province's distribution centre to which the Purchased Cannabis Product is to be delivered under the purchase order, which location may be changed by the Province from time to time in its sole discretion;

(b) "Licensed Producer" means the seller of the Purchased Cannabis Product, as identified on the face of this purchase order;

(c) "Licensed Producer Agreement" means the Licensed Producer Supply Agreement for Non-Medical Cannabis between the Province and the Licensed Producer, dated for reference as of the 31st day of July, 2018.

(d) "Province" means Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act, SBC 2018, c 28; and

(e) "Purchased Cannabis Product" means the goods which correspond exactly to the specifications on the face of this purchase order.

2. All capitalized terms not otherwise defined in these Purchaser Order Terms and Conditions, have the meanings given to them in the Licensed Producer Agreement.

Offer and Acceptance

3. This purchase order is an offer to purchase Purchased Cannabis Product (and not an acceptance of any offer to sell Purchased Cannabis Product) which may be accepted only in accordance with these terms and without modification, deletion, addition or alteration. This purchase order is issued by the Province under the Licensed Producer Agreement, the terms of which apply to this purchase order. If the Licensed Producer's acknowledgement, invoice or other form of acceptance of this purchase order states terms additional to or different from these terms, this is a notification of objection to such additional and/or different terms and a rejection of such terms.

4. By acceptance of this purchase order, the Licensed Producer is agreeing to the terms and conditions of the purchase order.

Purchase Order

5. This purchase order authorizes only the purchase of Purchased Cannabis Product and the Province is under no obligation to accept or allow the sale of any goods which do not correspond exactly to the specifications set out on the face of this purchase order unless the Province consents in writing to a modification or change.

6. The Licensed Producer may request that this purchase order be amended or cancelled by email notice to the Province's cannabis demand planning team, which email address will be provided to Licensed Producer by the Province and as the Province may update from time to time. The Province may amend or cancel the purchase order (or part of it) on its own initiative before acceptance of the purchase order by the Licensed Producer.

Packaging and Delivery

7. The Licensed Producer will properly package the Purchased Cannabis Product:

(a) in accordance with applicable federal and provincial laws;

(b) for safe shipment; and

(c) in accordance with the supply chain requirements for Purchased Cannabis Products posted on the Website.

8. The Licensed Producer will not charge the Province for boxing, packaging or crating unless such charge is specifically permitted on the face of this purchase order.

9. The Licensed Producer will arrange for shipment of the Purchased Cannabis Product in accordance with the terms of this purchase order.

Shipping

10. Delivery is FOB (Incoterms 2010) the Cannabis DC address noted on the face of this purchase order. Upon receipt of a purchase order from the Province, the Licensed Producer is responsible for making arrangements for delivery and for the cost of freight to the Cannabis DC. The Licensed Producer bears the risk of damage and/or loss of the Purchased Cannabis Product until Receipt.

11. All Purchased Cannabis Product require unique, scannable GS1 Canada bar codes, which incorporate: company prefix, Global Trade Item Number (GTIN), lot number, and expiry date (if applicable) into the scannable code for the case, master carton, and retail selling unit. All Purchased Cannabis Product must be registered and maintained in the GS1 Canada central product registry by the Licensed Producer.

12. The Licensed Producer must comply with case configurations set by the Province, as detailed on the Website.

13. The Licensed Producer must ship Purchased Cannabis Product in tamper evident cases.

Documents

14. At the time of delivery to the Cannabis DC, the Licensed Producer will provide the paperwork specified in the supply chain requirements for Purchased Cannabis Product posted by the Province at the Website.

Price and Payment

15. The Province will pay the Licensed Producer for Purchased Cannabis Product 60 days after Receipt of the Purchased Cannabis Product by the Province, provided the Licensed Producer has complied with the terms and conditions of this purchase order.

Force Majeure

16. If an event in the nature of force majeure or any other event reasonably beyond the control of either party (including strikes, lockouts and illegal work-stoppages) which the party primarily affected could not, by reasonable diligence, have avoided, delays or prevents the completion of the purchase order, then the date for completion will be extended or, if the parties cannot agree on an extension date, then the purchase order will be cancelled and neither party will be liable for such delay or failure to complete. Such party will not be relieved of liability, however, unless it has used reasonable diligence to remedy the case of such delay or failure, although neither party will be obliged to settle any labour dispute if, in its opinion, such settlement is not in its best interest.

Risk

17. Notwithstanding any shipping instructions or the FOB point herein, the Licensed Producer will assume all risk of damage to or destruction of Purchased Cannabis Product (or part thereof) from any cause whatever until Receipt of the Purchased Cannabis Product at the Cannabis DC specified on the face of this purchase order. Title to or property in the Purchased Cannabis Product (or part thereof) will pass from the Licensed Producer to the Province upon Receipt.

Warranties and Representations

18. In placing this purchase order, the Province is relying on the skill and judgment of the Licensed Producer in selecting and providing the proper goods for the particular use of the Province. The Licensed Producer warrants and represents to the Province (and it is a condition hereof) that the Purchased Cannabis Product and any services provided hereunder will correspond to and conform with the relevant specifications on the face of this purchase order, will conform to all samples, will be new and of the best quality unless otherwise specified on the face of this purchase order, will be fit for the purpose for which they are to be used and will conform in all respects with all applicable government requirements (including general requirements of the Province).

19. The Licensed Producer warrants and represents (and is a condition hereof) that the Purchased Cannabis Product is free and clear of all liens and encumbrances and the Licensed Producer has good and marketable title to the Purchased Cannabis Product upon shipment of the same hereunder.

Insurance

20. The Licensed Producer is responsible for purchasing, and maintaining Purchased Cannabis Product insurance during shipment.

Cancellation

21. In addition to other rights and remedies the Province may have, the Province may cancel this purchase order (or any part of it) at any time without prior notice upon breach by the Licensed Producer of any express or implied terms herein.

22. The Province will not be liable for any costs expenses or losses incurred by the Licensed Producer as a result of cancellation of the purchase order and the Licensed Producer will not impose a cancellation charge on the Province.

Statutory warranties or conditions

23. The purchase order does not exclude implied statutory warranties or conditions on behalf of the Licensed Producer.