

These Standard Terms and Conditions for supply of cannabis products (“Products”) by Supplier (“Tricanna Industries Inc.”) to the Retailer

PURCHASE ORDER: Subject to receipt and written acceptance of a Purchase Order by Supplier, Supplier will sell to Retailer and Retailer will purchase from Supplier, all of the right, title, benefit and interest of Supplier in and to the types and quantities of Products specified in each applicable Purchase Order. Supplier shall have no obligation to supply any minimum amount of Products, or any at all and Retailer shall have no obligation to purchase any minimum quantities of Products or any at all from Supplier under this Agreement.

PRICING: The Products shall be priced in accordance with the landed wholesale price agreed between the Supplier and the British Columbia Liquor Distribution Board (“LDB”) plus a 15% wholesale mark-up, as reflected on a Purchase Order. It is acknowledged by the Supplier and Retailer (collectively, the “Parties” or individually a “Party”) that the 15% wholesale mark-up shall be paid by the Supplier to the LDB.

Each case shipped by Supplier under the BC Direct Delivery program is subject to a \$2.50 administration fee.

DELIVERY AND RECEIPT: All Products will be suitably packed for shipment in Supplier’s standard containers ready for retail sale, marked for shipment to Retailer at the address specified in the applicable Purchase Order, and delivered to a carrier selected by Supplier. Ownership of shipment will remain with Supplier until the shipment is received by Retailer, at which time risk of loss shall pass to Retailer. Shipping costs shall be paid by Retailer unless another arrangement has been made in advance of the delivery.

Retailer shall inform Supplier within ten (10) business days of receiving a shipment of any shortages, damage, or deficiencies in the product delivered as against the applicable Purchase Order, and Supplier shall deduct the cost of such deficiencies from the amount payable by Retailer in respect of such Purchase Order or, in the event that Retailer has already paid the amount invoiced in respect of such Purchase Order, Supplier shall reimburse Retailer an amount equivalent to the cost for any such deficiencies within ten (10) days of Retailer informing Supplier of such deficiencies.

PAYMENT. Prior to shipment of the Product, Supplier shall issue an invoice to Retailer for the products to be shipped in relation to a Purchase Order, and Retailer shall pay to Supplier the invoiced amount. Invoices will include any applicable goods and services taxes, excise taxes, and all landed costs of freight, insurance, and any other shipping expenses to the delivery location.

Payment is due immediately upon shipping. Acceptable payment methods as defined by British Columbia Liquor Distribution Board (“LDB”) are PAD/cash or debit card only; credit card is not permitted.

Retailer shall not be required to pay for any taxes based on Supplier's net income, regulatory fees, customs, duties or other like charges attributable to the Products purchased hereunder.

APPLICABLE LAW. In relation to any purchase order, the Parties shall at all times comply with Applicable Law, defined as (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation or by-law; (b) any judgement, order, writ, injunction, decision, ruling, decree or award; and (c) any regulatory policy, practice, protocol, guideline or directive.

PRODUCT WARRANTY. Supplier shall ensure that the Products are cultivated, manufactured, labelled, and packaged in compliance with Applicable Law. Supplier warrants that at the time of transfer of title to the Products : (a) Supplier shall have good and marketable title to the Products; (b) the Products shall be delivered by Supplier free and clear of any claims or encumbrances; (c) the Products shall meet all requisite standards, formulations and specifications and requirements as stipulated by Applicable Law; (d) the Products shall be merchantable and fit for consumption on the date of receipt of the Products by the Retailer.

PRODUCT RETURNS. Products eligible for return include aged product, concealed defects, defective product or mis-shipped products. Eligible Products may be returned to Supplier only if they meet one of the following circumstances:

■ Aged Product

- A cannabis product or accessory which is shipped to a wholesale customer less than one (1) month before any "best before" or "expiry" date, or;
- A dried flower, pre-roll, edible, or beverage cannabis product delivered to a wholesale customer on a date that is at least 12 months after the packaging date specified on the label.

■ Concealed Defect

- A defect that cannot be discovered without opening the package of the retail selling unit.

■ Defective Product

- A product having any of the following Visible or Concealed Defects:
 - ☞ Products that cannot be consumed due to a technical issue or packaging issue, or;
 - ☞ Products deemed not fit for use or consumption, for reasons including the presence of mould, fungus, or another foreign contaminant, or;
 - ☞ Products deemed not fit for sale, for reasons including labelling errors, missing labels & stamps, and product damages.

■ Mis-shipped Product

- Any Cannabis Product or Cannabis Accessory delivered in error to a wholesale customer.

Except in the case of a breach of warranty, Product Recall, or Eligible Product qualifying for a product return, Retailer shall have no right of return for Products purchased from Supplier.

PRODUCT RECALL. In the event that a government (or its regulatory agent) advises and/or orders a recall of any Product, or, where Retailer and Supplier agree that a recall of a Product is required, Supplier shall be the prime co-ordinator of such recall undertaking for all activities including public communications (that are mutually agreed by Retailer and, where applicable, governmental representatives). Supplier is solely responsible for the direct costs associated with such recall undertaking, including those reasonably incurred by Retailer as a result of such recall. Under such recall undertaking, Supplier agrees to take any and all quantities of the recalled Product in the possession of Retailer and reimburse Retailer for the direct costs of such Product related to such return and recall within thirty (30) days of receipt of Retailer's invoice in respect of same.

ADDITIONAL REPRESENTATIONS AND WARRANTIES. Each Party hereby represents and warrants to the other Party that at the date of signing this Agreement such Party is duly formed and organized and validly subsisting under the laws of its respective jurisdiction of incorporation and is qualified to do business in the Province of British Columbia and has all requisite corporate power, licensing and authority to execute, deliver and perform its obligations under this Agreement.

COVENANTS OF SUPPLIER. Tricanna hereby covenants to Retailer, that Tricanna shall remain a corporation validly licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the nature of Tricanna's business make such licensing, registration or qualification necessary; carry on its business, perform all operations and activities in connection with its business in a commercially reasonable manner and in compliance in all material respects with all Applicable Law, in accordance with all material terms of any permits, certificates, licenses, approvals, consents and other authorizations required to be obtained from governmental authorities and in a manner not materially inconsistent with accepted practice for comparable businesses in Canada; and will use commercially reasonable efforts to maintain all permits, certificates, licenses, approvals, consents and other authorizations required to be obtained from the appropriate governmental authorities necessary to conduct its business.

COVENANTS OF RETAILER. Retailer hereby covenants to Tricanna that Retailer shall remain a corporation validly licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the nature of Retailer's business make such licensing, registration or qualification necessary; carry on its business, perform all operations and activities in connection with its business in a commercially reasonable manner and in compliance in all material respects with all applicable law, in accordance with all material terms of any permits, certificates, licences, approvals, consents and other authorizations required to be obtained from governmental authorities and in a manner not materially inconsistent with accepted practice for comparable businesses in Canada; maintain all records required in connection with the Products; and use its reasonable best efforts to maintain all permits, certificates, licences, approvals, consents

and other authorizations required to be obtained from the appropriate governmental authorities necessary to conduct its business and sell and the Products.

CONFIDENTIALITY. Retailer and Supplier acknowledge that they each will have access to certain confidential and proprietary information of the other including, without limitation, information relating to the Products, pricing, business, and marketing information and product plans and/or ideas, formulations, strains, concepts, inventions or know-how generally, including trade secrets, and the terms of and pricing set out in this Purchase Order, (collectively “Confidential Information”) belonging to the other Party. Each Party agrees that it shall not disclose to any third party, other than its legal, financial or other advisors with a need to know and subject to corresponding confidentiality restrictions comparable to those set out herein, any Confidential Information of the other Party, unless required by law or governmental authority with applicable jurisdiction, provided that any Party that receives any request or demand for disclosure shall immediately notify the other Party and, prior to any disclosure, allows such other Party to take any and all action to protect its Confidential Information from disclosure. Each Party shall take every reasonable precaution to prevent the disclosure of the other Party’s Confidential Information. It is acknowledged by the recipient that disclosure of Confidential Information contrary to the terms of this Agreement would cause irreparable harm to the disclosing Party and that money damages may not be a sufficient remedy for any breach of this Agreement. Accordingly, the recipient Party agrees to the granting to the disclosing Party of equitable relief, including injunction and specific performance, as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available to the disclosing Party at law or in equity.