

Cannabis Representative Handbook



aglc.ca

**CANNABIS REPRESENTATIVE
HANDBOOK**

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SUBJECT: INTRODUCTION

POLICIES

- 1.1.1 The Alberta Gaming, Liquor and Cannabis Commission (AGLC) is established under the *Gaming, Liquor and Cannabis Act* (GLCA) and is governed by the requirements of the *Criminal Code*, the GLCA and the Gaming, Liquor and Cannabis Regulation (GLCR).
- 1.1.2 AGLC is the province's gaming, liquor and cannabis authority, responsible for administering and regulating the gaming, liquor, and cannabis industries in Alberta.
- 1.1.3 Board policies are approved by the Board of AGLC and signed by the Chair, on behalf of the Board.
- 1.1.4 Board policies respecting the activities authorized by a registration, as detailed in this handbook, are conditions of the registration, pursuant to Section 17 of the GLCR.
- 1.1.5 The representative is responsible for becoming familiar with applicable legislation and the Cannabis Representative Handbook (CRH).
- 1.1.6 Guidelines are best business practices designed to help licensees meet operating requirements.
- 1.1.7 The primary purpose of the Board policies and guidelines in this handbook is to help cannabis representatives meet AGLC requirements.
- 1.1.8 The representative is responsible for ensuring the CRH, GLCA and GLCR are available to its staff. These documents are available on AGLC website at aglc.ca.
- 1.1.9 Only those businesses and/or persons who are registered as a cannabis supplier with AGLC pursuant to Section 90.13 of the GLCA, and Section 107 of the GLCR, may conduct marketing, merchandising and promotional activities of cannabis in Alberta.
- 1.1.10 An activity not specifically permitted under these policies and guidelines is prohibited unless otherwise approved by AGLC.
- 1.1.11 All cannabis representatives will be required to sign a "Cannabis Supplier – Acknowledgement and Undertaking" declaring full

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SUBJECT: INTRODUCTION

understanding of the legal requirements regarding cannabis purchases and sales.

1.1.12 If a cannabis representative involved in the daily operation does not have a working knowledge of the English language sufficient to understand the legislation and/or these policies, AGLC will ask that the licensee have an interpreter present whenever:

- a) discussing details of the licence application;
- b) an Inspector visits the registered cannabis representative to review their responsibilities;
- c) the licensee acknowledges its responsibilities by signing the Operating Procedures form; and
- d) the licensee attends a Board hearing.

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SUBJECT: DEFINITIONS

POLICIES

1.2.1 In this handbook,

- a) "AGLC" means Alberta Gaming, Liquor and Cannabis Commission.
- b) "Board" means the Board of AGLC.
- c) "Cannabis" means any part of a cannabis plant, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not.
- d) "Cannabis accessories" means accessories that promote the responsible and legal consumption and storage of cannabis.
- e) "Cannabis licence" means a licence under the *Gaming, Liquor and Cannabis Act* that authorizes the purchase, sale, transport, possession, storage of cannabis.
- f) "Cannabis product" means a product that contains cannabis.
- g) "Cannabis representative" means a corporation or individual registered with AGLC who is in the business of representing a cannabis supplier in the sale of the supplier's cannabis.
- h) "Cannabis supplier" means a person who holds a federal licence that authorizes the person to produce cannabis for commercial purposes or to sell cannabis to AGLC.
- i) "Connect Logistics Services Inc." (CLS) means the current authorized cannabis warehouse pursuant to Section 130 of the GLCR.
- j) "GLCA" means the *Gaming, Liquor and Cannabis Act*.
- k) "GLCR" means the *Gaming, Liquor and Cannabis Regulation*.
- l) "Handbook" means the Cannabis Representative Handbook.
- m) "Inspector" means an Inspector of AGLC, a police officer as defined in the *Police Act* or someone designated by AGLC as an Inspector under the GLCA.
- n) "Licensed premises" means all areas associated with the operations of the licensee, including, but not limited to:
 - i) areas cannabis may be sold; and



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SUBJECT: DEFINITIONS

- ii) any storage room, lobby, hallway or other service areas used by the licensee in support of the areas where cannabis may be sold .
- o) “Licensee” means the individual, partnership or corporation holding a retail cannabis store licence.
- p) “Minor” means a person under the age of 18 years.
- q) “Qualified Cannabis Worker” means any person who is over the age of 18 years, has successfully completed the SellSafe Cannabis Staff Training program, has passed a criminal records check and has been deemed qualified by AGLC.
- r) “Staff” means any person employed by the cannabis representative or contracted by the cannabis representative or a third party to perform assigned or delegated duties.

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SECTION: GENERAL INFORMATION

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SUBJECT: CONTACTING THE AGLC

GUIDELINES

1.3.1 Any inquiries regarding how to place a cannabis order, the status of an order, or any other purchase or return related questions may be directed to the Alberta Cannabis Call Centre:

Website: albertacannabis.org

Email: albertacannabis@aglc.ca

Telephone: 1-855-436-5677

1.3.2 There are five (5) AGLC offices in the province. Normal office hours are 8:15 a.m. to 4:00 p.m. Monday to Friday, excluding statutory holidays. Outside normal office hours and when staff is unavailable, messages may be left on voice mail.

St. Albert (Head Office)

50 Corriveau Avenue Phone: 780-447-8600
St. Albert, Alberta Fax: 780-447-8911
T8N 3T5 Fax: 780-447-8912

Calgary

110 Deerfoot Atrium
6715 - 8 Street NE
Calgary, Alberta Phone: 403-292-7300
T2E 7H7 Fax: 403-292-7302

Red Deer

#3, 7965 – 49 Avenue
Red Deer, Alberta Phone: 403-314-2656
T4P 2V5 Fax: 403-314-2660

Grande Prairie

100-11039 – 78 Avenue
Grande Prairie, Alberta Phone: 780-832-3000
T8W 2J7 Fax: 780-832-3006

Lethbridge

655 WT Hill Blvd South
Lethbridge, Alberta Phone: 403-331-6500
T1J 1Y6 Fax: 403-331-6506

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SUBJECT: CONTACTING THE AGLC

1.3.3 The AGLC web site address is: aglc.ca.

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SUBJECT: LEGISLATION AND BOARD POLICIES

POLICIES

- 1.4.1 Licensees and their staff must comply with:
- a) The *Gaming, Liquor and Cannabis Act (GLCA)*;
 - b) The *Gaming, Liquor and Cannabis Regulation (GLCR)*;
 - c) Board policies; and
 - d) all federal, provincial and municipal legislation.
- 1.4.2 Non-compliance with the legislation or Board policies may result in disciplinary action by the Board pursuant to Part 4 of the GLCA.
- 1.4.3 Licensees or managers approved by AGLC must notify AGLC immediately if any of their qualified cannabis workers, key employees and/or directors/shareholders are charged with or convicted of an offence under:
- a) the *Criminal Code (Canada)*;
 - b) the *Excise Act (Canada)*;
 - c) the *Food and Drugs Act (Canada)*;
 - d) the *Controlled Drugs and Substances Act (Canada)*;
 - e) *Cannabis Act (Canada)*
 - f) the *Income Tax Act (Canada)*;
 - g) a foreign Act or Regulation substantially similar to an offence under a), b), c), d) or e);
 - h) the GLCA; or
 - i) the GLCR.
- 1.4.4 If a licensee is at any time charged or convicted of an offence set out in any of the legislation listed in Subsection 1.4.3, the Board may take disciplinary action including, but not limited to, suspension or cancellation of the cannabis licence.
- 1.4.5 If a licensee misleads AGLC, fails to provide information or provides inaccurate information, the Board may take disciplinary action including, but not limited to, suspension or cancellation of the cannabis licence.



SECTION: APPLICATIONS

NUMBER: 2.1

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SUBJECT: GENERAL INFORMATION

POLICIES

- 2.1.1 Cannabis representatives must register with AGLC.
- 2.1.2 A cannabis supplier must either appoint a cannabis representative or register its own company as a cannabis representative to represent its products.
- 2.1.3 A cannabis representative may contract or employ the services of a different registered representative (sub-agent) to represent its products.
- 2.1.4 A cannabis representative registration has a two (2) year term.
- 2.1.5 If a cannabis representative's registration expires, the cannabis representative will be notified by letter requesting the submission of a signed application form and the \$200 registration fee.

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SUBJECT: APPLICATION FOR CANNABIS REPRESENTATIVE REGISTRATION

POLICIES

2.2.1 In order to consider an application for cannabis representative registration, the following documents must be completed and submitted to AGLC:

- a) "Application for Cannabis Representative Registration" form;
- b) Non-refundable registration fee of \$200.00;
- c) "Particulars of Incorporation of Company" form for the cannabis representative and for each shareholding company;
- d) "Particulars of Individual" form for all directors, shareholders, officers and any proposed manager(s);
- e) "Letter of Authorization" printed on cannabis supplier's letterhead, confirming appointment by the cannabis supplier;
- f) "Acknowledgement and Undertaking" form;
- g) Consent to records check form to be completed by:
 - i) directors and officers of the applicant;
 - ii) key employees that exercise influence or control over day to day operations or decision making; and
 - iii) shareholders controlling 10% or more.
- h) "Application for Qualified Cannabis Worker" form (for staff of the cannabis representative); and
- i) Copy of Certificate of Incorporation for the applicant company.

2.2.2 The Board may refuse to register an applicant if the applicant, any of the applicant's employees or any of the applicant's associates fail to pass a records check.

2.2.3 A person will fail to pass a records check if the person has:

- a) at any time been charged with or convicted of:
 - i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada) or the *Income Tax Act* (Canada), or
 - ii) an offence under the *Controlled Drugs and Substances Act* (Canada), other than under Section 4(1) of that Act for

SUBJECT: APPLICATION FOR CANNABIS REPRESENTATIVE REGISTRATION

possession of any substance included in Schedule II to that Act, or

iii) an offence under a foreign Act or regulation that, in the Board's opinion, is substantially similar to an offence described in Subsection 2.2.3a) i) or ii); and

iv) in the opinion of the Board, the offence is sufficiently serious that it may detract from the integrity of lawful cannabis, gaming, lottery and/or licensed liquor activities in Alberta, or a registration relating to cannabis or liquor.

b) within the five (5) years prior to the application date, been in prison serving a term of three (3) years or more.

2.2.4 AGLC may refuse to register an applicant if satisfied that the applicant, any of the applicant's employees or associates, or any person or entity connected to or associated with the applicant:

a) has not acted, or may not act, in accordance with the law, with honesty and integrity or in the public interest, based on their past conduct;

b) would be a detriment to the integrity or lawful conduct of cannabis, gaming, liquor activities or provincial lotteries; or

c) has a background, reputation and/or associations that may cause adverse publicity for the cannabis, gaming or liquor industry in Alberta.

2.2.5 AGLC may refuse to register an applicant if the applicant, any of the applicant's employees or associates or any other person with connections to the applicant has contravened:

a) *the Gaming, Liquor and Cannabis Act (GLCA)* or the Gaming, Liquor and Cannabis Regulation (GLCR);

b) a predecessor of the GLCA or the GLCR; or

c) A condition imposed on a licence registration issued or made under the GLCA.

GUIDELINES

2.2.6 On receipt of the required documents the application will be reviewed and the applicant will be notified in writing as to whether its



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SUBJECT: APPLICATION FOR CANNABIS REPRESENTATIVE REGISTRATION

application to become registered as a cannabis representative is approved.

2.2.7 Managers, supervisors and all employees of a cannabis representative that represent a cannabis product to licensees must be Qualified Cannabis Workers (see section 2.4).

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SUBJECT: BACKGROUND CHECKS

POLICIES

- 2.3.1 A thorough background check is conducted on an applicant, the applicant's associates and any key employees of the applicant as defined by AGLC pursuant to Section 9 and 9.1 of the Gaming, Liquor and Cannabis Regulation (GLCR).
- 2.3.2 The background check is to ensure criminal interests, or those who otherwise would be a detriment to the lawful conduct of cannabis in the province, are prevented from operating, having a financial interest in or having an association with a cannabis representative.
- 2.3.3 The applicant may be responsible to pay for the actual cost of the background checks pursuant to Section 127 of the GLCR.
- 2.3.4 The cannabis representative applicant and its key persons are required to complete a consent to records check form (#8009) for AGLC to conduct all requisite criminal and financial background checks. Associates of the cannabis representative applicant may be required to complete a consent to records check form (#8009).
- 2.3.5 An applicant's key employees include individual(s) that exercise influence or control over day to day operations or decision-making and individuals who have the authority to hire or terminate the employment of qualified cannabis workers, and include but are not limited to:
- a) individuals employed in senior management positions such as CEO, CFO, controller and senior compliance officers;
 - b) the manager;
 - c) a person holding a position specified by AGLC as related to the business; and
 - d) any other person holding a key position as determined by AGLC.
- 2.3.6 An applicant's associates include:
- a) any person that has a financial interest in the applicant, in the applicant's business,
 - b) if the applicant is an individual or partnership in which one (1) or more of the partners is an individual, this also includes:
 - i) any corporation controlled by the individual;

SUBJECT: BACKGROUND CHECKS

- ii) an officer or director of, and any person with a financial interest in, a corporation controlled by the individual,
- iii) any corporation that is affiliated with the corporation referred to in Subclause ii), the affiliated corporation's officers and directors, and any person having a financial interest in the affiliated corporation, and
- c) if the applicant is a corporation or a partnership in which one (1) or more of the partners is a corporation,
 - i) an officer or director of the corporation;
 - ii) any corporation affiliated with the applicant;
 - iii) an officer or director of an affiliated corporation; and
 - iv) any person who has a financial interest in the affiliated corporation.

2.3.7 A corporation is controlled by a person, if he or she has indirect influence over the corporation or if:

- a) securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are controlled, other than by way of security only, directly or indirectly by the person or entity; and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation; or
- b) the person has in relation to the corporation any direct or indirect influence which, if exercised, would result in control in fact of the corporation.

2.3.8 A corporation is affiliated with another corporation if:

- a) one (1) of the corporations controls the other; or
- b) both of the corporations are controlled by the same person or group of persons.

SUBJECT: QUALIFIED CANNABIS WORKER

POLICIES

- 2.4.1 Managers, supervisors and all employees of a cannabis representative that are involved in the marketing, promotion and sales of cannabis products must be Qualified Cannabis Workers.
- 2.4.2 To become a Qualified Cannabis Worker, applicants must:
- a) complete and submit the Application for Qualified Cannabis Worker form;
 - b) provide a criminal records check from their local police service, dated within three months of the submission of the Application for Qualified Cannabis Worker form; and
 - c) successfully complete the SellSafe Cannabis Staff Training program (see Section 2.5).
- 2.4.3 Cannabis representatives must ensure that all staff representing a cannabis product are Qualified Cannabis Workers prior to acting as a representative.
- 2.4.4 Qualification is valid for up to 5 years, at which time the worker must complete the procedures specified in 2.4.2 a) – c) above to requalify.
- 2.4.5 Being charged or convicted of a criminal offence may affect an individual's ability to qualify as a Qualified Cannabis Worker.
- 2.4.6 If at any time a Qualified Cannabis Worker is charged with a criminal offence they are required to report the details within 72 hours to AGLC.
- 2.4.7 The cannabis representative must supply Qualified Cannabis Workers with a laminated colour photo identification card as follows:
- a) company name or logo;
 - b) staff member's first name only - print size must be clearly visible with block style printing only;
 - c) position;
 - d) current colour photo of worker – similar in size to a driver's licence photo;
 - e) Qualified Cannabis Worker number – print size must be clearly visible with block style printing only; and



SECTION: AGENCY REGISTRATION

NUMBER: 2.4

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SUBJECT: QUALIFIED CANNABIS WORKER

f) Qualified Cannabis Worker expiry date.

2.4.8 The Qualified Cannabis Worker identification card must be worn and visible at all times when the worker is in a retail cannabis store.

2.4.9 Cannabis Representatives must keep a log of all Qualified Cannabis Worker staff, including the following information:

- a) AGLC confirmation that the worker is qualified;
- b) photograph of the worker; and
- c) qualification number and expiry date.

Note: The information listed above may be kept in the same log as the SellSafe log noted in Section 2.5.10. This log is subject to review by AGLC.

GUIDELINES

2.4.10 AGLC will issue a letter to all successful Qualified Cannabis Worker applicants confirming they are qualified to work as a cannabis representative.

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SUBJECT: SELLSAFE CANNABIS STAFF TRAINING PROGRAM (SELLSAFE)

POLICIES

- 2.5.1 Managers, supervisors and all employees of a cannabis representative involved in the marketing, promotion and sales of a cannabis supplier's products must meet SellSafe Cannabis Staff Training certification requirements.
- 2.5.2 Persons must be SellSafe certified prior to applying for Qualified Cannabis Worker approval (see Section 2.4).
- 2.5.3 A minimum score of 80% on an AGLC administered examination is required for SellSafe certification.
- 2.5.4 SellSafe certification is valid for a period of five (5) years from the date of successfully completing the program.
- 2.5.5 Valid SellSafe certification must be maintained by successfully repeating the SellSafe program (including passing the exam) before the certification expiration date.
- 2.5.6 Cannabis representatives must provide proof of SellSafe certification at the request of an AGLC Inspector. Failure to present proof of SellSafe certification may result in disciplinary action. Proof of SellSafe certification includes:
- a) paper printed versions that have a QR code;
 - b) the personal information page printed from the staff member's SMART account; or
 - c) clear images of any of the above (i.e. image, photograph or screen shot) saved on the staff member's mobile device/phone.
- 2.5.7 It is the responsibility of the cannabis representative to ensure that all staff who are required to have SellSafe certification (as per Section 2.5.1) are certified in accordance with the requirements identified in Section 2.5.
- 2.5.8 Cannabis representatives must keep a log of employees that are SellSafe certified, including the following information:
- a) employee name as it appears on the certification card;
 - b) SMART Programs registration number; and
 - c) expiry date.

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SUBJECT: SELLSAFE CANNABIS STAFF TRAINING PROGRAM (SELLSAFE)

- 2.5.9 A cannabis representative's SellSafe certification will be immediately suspended if charged federally or provincially with the offence of giving, selling, or supplying cannabis to a minor.
- 2.5.10 Cannabis representatives whose SellSafe certification is suspended are not permitted to continue working as cannabis representatives.
- a) If found not guilty of the charges, the representative may reapply to AGLC for reinstatement of their SellSafe certification; or
 - b) If found guilty of the charges, the representative's SellSafe certification will be cancelled and they will not be permitted to recertify for a minimum of 5 years.

GUIDELINES

- 2.5.11 SellSafe is a social responsibility training program designed to help industry staff understand:
- a) the social responsibility policies that are important for their jobs;
 - b) how to prevent minors from purchasing cannabis; and
 - c) risks for cannabis related harms.
- 2.5.12 SellSafe certification options are found on the SMART Training website. For more information on SellSafe certification contact:
- SMART Programs
Alberta Gaming and Liquor Commission
50 Corriveau Avenue
St, Albert, Alberta
T8N 3T5
- Toll Free: 1-877-436-6336
Fax: 780-651-7626
Website: smartprograms.aglc.ca



SECTION: APPLICATIONS

NUMBER: 2.6

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SUBJECT: COMPETITIVE AND PROHIBITIVE RELATIONSHIPS

POLICIES

- 2.6.1 The relationship between a cannabis supplier or cannabis representative and a cannabis licensee must be competitive in nature. This does not apply where the cannabis licensee is a subsidiary of the cannabis supplier under a separate company. Each company must be operated as a separate business in accordance with Schedule 2, Part 2 of the GLCR.
- 2.6.2 A cannabis licensee or employee or agent of the licensee is not permitted to own, operate, or manage a cannabis supplier or representative. Where the cannabis licensee is a subsidiary of a cannabis supplier, the cannabis supplier may be a cannabis representative.
- 2.6.3 An employee of a cannabis licensee is not permitted to be employed by a cannabis supplier or representative unless prior approval is obtained from AGLC. The employee cannot be an owner, supervisor or manager of the cannabis licensee.
- 2.6.4 A cannabis licensee or employee of the licensee is not permitted to act as an advisor or provide financial support to a cannabis supplier or representative.
- 2.6.5 A cannabis supplier or its representative cannot exclusively supply a cannabis licensee or group of cannabis licensees.
- 2.6.6 AGLC may audit the business records of cannabis suppliers, cannabis representatives and cannabis licensees.

GUIDELINES

- 2.6.7 Where the shareholders, directors, and staff of a cannabis supplier or their representative are related by blood or marriage to a cannabis licensee, AGLC will ensure that the nature of the relationship between them is competitive.
- 2.6.8 If AGLC believes the relationship between a cannabis supplier or its representative and a cannabis licensee who are related by blood or marriage is not competitive, AGLC may request that the cannabis supplier, representative or cannabis licensee demonstrate that the relationship is competitive (for example, such belief may arise that if a cannabis supplier or representatives dealings with a cannabis licensee in question is notably greater than with other cannabis licensees).

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SUBJECT: SALE OR CHANGE OF STATUS OF CANNABIS REPRESENTATIVE

POLICIES

2.7.1 A cannabis representative registration is not transferable.

2.7.2 A proposed sale, assignment or transfer of a portion of a cannabis representative:

- a) that is a sole proprietorship, a partnership or a corporation, that is not a distributing corporation, as defined in the *Business Corporations Act*, and
- b) under which the activities authorized by a registration are carried out;

must be reported to AGLC and approved by AGLC prior to the effective date of the sale, assignment or transfer. AGLC may approve the sale, assignment or transfer of a portion of the business and may impose conditions on the registration.

2.7.3 A sale, assignment or transfer of 5% or more of a business:

- a) that is a distributing corporation as defined in the *Business Corporations Act*; and
- b) under which the activities authorized by a registration are carried out,

must be reported to AGLC by the licensee within 10 business days after the effective date of the sale, assignment or transfer and must be approved by AGLC.

2.7.4 AGLC may, in respect of a sale, assignment or transfer requiring its approval,

- a) approve it without conditions;
- b) approve it subject to conditions;
- c) approve it subject to the variation or rescission of existing conditions; or
- d) refuse to approve it.

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SECTION: CANNABIS PRODUCTS

NUMBER: 3.1

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SUBJECT: PRODUCT REGISTRATION

POLICIES

- 3.1.1 Retail cannabis licensees must purchase all cannabis products from AGLC.
- 3.1.2 All cannabis products must be registered with AGLC before they are offered for sale by AGLC to licensees.
- 3.1.3 If a cannabis supplier uses a third party as its registered representative, the supplier will be required to submit a letter of authorization designating the appointed third party as the representative of the supplier's products (Form RS/CAN 8007).
- 3.1.4 Each cannabis supplier must not be represented by more than one (1) cannabis representative (entity).
- 3.1.5 If a supplier and the cannabis representative the supplier has designated to represent its products in Alberta become involved in a dispute regarding representation of cannabis products AGLC will not become involved in resolving the dispute. AGLC will rely upon direction agreed to by the parties involved or by court order.
- 3.1.6 As per the *Cannabis Act* (Canada), the Cannabis Regulations (Canada), the purchasing contract between AGLC and the cannabis supplier and Section 4 of the Cannabis Licensed Producer Operational Manual, all product labelling and packaging requirements must be met.

GUIDELINES

- 3.1.7 For additional information on product registration and labelling, please refer to Sections 3 (Product Registration) and 4 (Packing, Labelling and Shipping) of the Cannabis Licensed Producer Operational Manual (link to be provided upon availability).

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SUBJECT: PRODUCT SALES AND PRICING

POLICIES

- 3.2.1 The cannabis supplier warrants that all goods supplied to AGLC:
- a) are of merchantable quality, fit and intended for human consumption and free from defects or corruption of any kind; and
 - b) are manufactured, packaged and labelled in safe containers and packages and in compliance with the *Cannabis Act* (Canada), the Cannabis Regulations (Canada) and any regulations passed under this legislation as may be amended from time to time;
- 3.2.2 The cannabis supplier must indemnify and hold harmless AGLC, its employees and agents from any claims, demands, actions, liability, loss, expense or damage that may arise directly or indirectly out of the production, sale or consumption of goods produced by the cannabis supplier or out of any act or omission of the cannabis supplier, its employees or agents, including without limiting the generality of the foregoing:
- a) infringement of copyrights, patents or trademark rights arising out of the sale by AGLC of goods supplied by the cannabis supplier;
 - b) any defect, flaw, fault or corruption alleged or proven in any goods supplied by the cannabis supplier;
 - c) any failure by the cannabis supplier to manufacture, package or label goods supplied by the cannabis supplier as warranted above;
 - d) non-compliance with the *Controlled Drugs and Substances Act* (Canada) and Regulations; and
 - e) non-compliance with the *Food and Drugs Act* (Canada) and Regulations;
- 3.2.3 AGLC retains the right to request cannabis product samples for analysis, if required.
- 3.2.4 All warranties and indemnifications shall survive this agreement and any purchase made by AGLC pursuant to this agreement.



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NUMBER: 3.2

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SUBJECT: PRODUCT SALES AND PRICING

GUIDELINES

3.2.5 For additional information on product sales and pricing, please refer to Section 2 (Selling to AGLC) of the Cannabis Licensed Producer Operational Manual (link to be provided upon availability).

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SECTION: CANNABIS PRODUCTS

NUMBER: 3.3

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SUBJECT: REFUNDS FOR DAMAGED/DEFECTIVE PRODUCTS

POLICIES

- 3.3.1 AGLC will return to the cannabis supplier any product that:
 - a) arrives rotten, stale, or otherwise spoiled;
 - b) is improperly labelled or packaged; and
 - c) is not as described in the sales contract.
- 3.3.2 The cannabis supplier will be responsible for paying for return shipping as well as any additional cost incurred inspecting, unpacking, or repacking the product.
- 3.3.3 AGLC will receive a full refund for all returned cannabis products.
- 3.3.4 Returned cannabis products must be handled by the cannabis supplier in accordance with federal and provincial legislation.

GUIDELINES

- 3.3.5 For additional information on refunds for damaged or defective cannabis product returns, please refer to Section 5.1 (Product Returns) of the Cannabis Licensed Producer Operations Manual (link to be provided upon availability).

DATE ISSUED: August 15, 2018

AUTHORITY: Original signed by
Gael MacLeod

SUBJECT: PRODUCT RECALLS

POLICIES

- 3.4.1 Cannabis product recalls may be initiated by:
- a) Health Canada;
 - b) Cannabis suppliers; and
 - c) AGLC.
- 3.4.2 For all recalls, cannabis suppliers must comply with federal cannabis recall guidelines, federal and provincial legislation and Board policy.
- 3.4.3 Cannabis suppliers will be responsible for all commercially reasonable costs associated with cannabis product recalls initiated by Health Canada or cannabis suppliers.
- 3.4.4 Cannabis suppliers must, as soon as practicable, notify AGLC of cannabis product recalls and provide the following information:
- a) the reason for the product recall;
 - b) product brand name;
 - c) product SKU number(s);
 - d) product lot numbers(s); and
 - e) volume of product sold to AGLC.
- 3.4.5 Cannabis suppliers are required to contact AGLC Cannabis Call Centre (see Section 1.3) to arrange for the product to be returned to AGLC warehouse.
- 3.4.6 AGLC will provide instructions to retailers on AGLC initiated recalls.

GUIDELINES

- 3.4.7 For additional information on product recalls, please refer to Section 5.2 (Product Recalls) of the Cannabis Licensed Producer Operational Manual (link to be provided upon availability).

SUBJECT: GENERAL INFORMATION - ADVERTISING

POLICIES

- 4.1.1 “Advertising” means the use of media to communicate a message to an off-premises audience through words and/or images and includes but is not limited to television, radio, internet, e-mail, signs, newspapers, magazines, flyers, billboards, transit shelters, inflatables, commercial vehicles and corporate vehicles.
- 4.1.2 Cannabis suppliers, cannabis representatives and retail cannabis store licensees are permitted to advertise cannabis and cannabis accessories to persons 18 years of age or older with the following conditions:
- a) advertisements are only permitted in places where persons under the age of 18 are prohibited from entering;
 - b) advertisements outside of places where persons under the age of 18 are prohibited from entering must:
 - i) be directly communicated (i.e. mail-outs, e-mail, etc.) to an individual, by name, who is 18 years of age or older; or
 - ii) include reasonable steps to ensure that persons under the age of 18 years cannot access the advertisement (i.e. age verification).
- 4.1.3 Advertising cannot:
- a) be false, misleading or deceptive; or
 - b) give an erroneous impression about the characteristics of cannabis products (i.e. strength, purity, safety, health effects).
- 4.1.4 The following is prohibited in the advertising of cannabis and cannabis accessories as per the *Cannabis Act* (Canada):
- a) prices;
 - b) advertising that may appeal to minors;
 - c) use of testimonials or endorsements;
 - d) depiction of a person, character or animal, whether real or fictional;
 - e) claims of positive or negative impact as a result of usage (i.e. glamorous, vitality, recreation, etc.);

SUBJECT: GENERAL INFORMATION - ADVERTISING

- f) showing the consumption of cannabis;
- g) encouraging non-cannabis users to consume cannabis; and
- h) promoting irresponsible cannabis consumption or service.

4.1.5 Subject to Subsection 4.1.4a) licensees are permitted to advertise the price of cannabis products accessories inside a licensed Retail Cannabis Store.

4.1.6 Co-operative advertising (advertising by licensees that includes the specific mention of cannabis supplier/representative), is permitted under the following conditions:

- a) The licensee must pay all costs pertaining to the advertising; and
- b) All records for advertising must be kept by the licensee for a period of 2 years and provided to AGLC upon request.

4.1.7 Cannabis suppliers and cannabis representatives are not allowed to pay any advertising costs for a retail cannabis licensee, either directly or indirectly.

4.1.8 Cannabis supplier and cannabis representative advertising must not be directed to a particular licensee/chain of licensees.

4.1.9 It is prohibited to use a brand of cannabis or cannabis accessories, or the name of an entity that is authorized to produce, sell or distribute cannabis in the sponsorship of a person, entity, event, activity or facility.

4.1.10 Advertising not specifically addressed in this section requires the prior approval of AGLC.

GUIDELINES

4.1.11 Advertising which promotes the responsible consumption of cannabis (i.e. legal, moderate and safe) is recommended and supported by AGLC.

4.1.12 Cannabis suppliers, cannabis representatives and licensees are responsible to ensure their advertising, including any advertising conducted by a third party, complies with these policies and all legislation.



SECTION: ADVERTISING AND PRODUCT PROMOTIONS

NUMBER: 4.1

SUBJECT: GENERAL INFORMATION - ADVERTISING

4.1.13 A licensee and a manufacturer of non-cannabis products and accessories may advertise jointly, as long as the advertising complies with these policies and all legislation.

DATE ISSUED: May 25, 2018

AUTHORITY:

Original signed by
Gael MacLeod

SUBJECT: GENERAL INFORMATION – PRODUCT PROMOTIONS

POLICIES

- 4.2.1 “Product Promotion” means activities within a licensed premises designed to encourage the sale of specific brands of cannabis.
- 4.2.2 Cannabis representatives and retail cannabis store licensees are permitted to promote cannabis products and accessories in places where persons under the age of 18 are prohibited.
- 4.2.3 The following is prohibited in the product promotion of cannabis products and accessories:
- a) use of testimonials or endorsements;
 - b) depiction of a person, character or animal, whether real or fictional; or
 - c) claims of positive or negative impact as a result of usage (i.e. glamorous, vitality, recreation, etc.).
- 4.2.4 Product promotions cannot:
- a) be false, misleading or deceptive; or
 - b) give an erroneous impression about the characteristics of cannabis products (i.e. strength, purity, safety, health effects).
- 4.2.5 Product promotions must not encourage the irresponsible use, consumption or sale of cannabis.
- 4.2.6 It is prohibited to use a brand of cannabis or cannabis accessories, or the name of an entity that is authorized to produce, sell or distribute cannabis in the sponsorship of a person, entity, event, activity or facility.
- 4.2.7 Product promotions not specifically addressed in this section requires the prior approval of AGLC.

SUBJECT: PROHIBITED INDUCEMENTS AND BENEFITS

POLICY

- 4.3.1 A cannabis supplier or representative is prohibited from directing any services, items or activities to a licensee that could directly benefit the licensee or their staff, and a licensee may not request or accept any such inducements.
- 4.3.2 Licensees are prohibited from asking for or receiving items of value from a cannabis supplier or representative as an inducement to stock a product in return for improved display case positioning or for any other consideration.
- 4.3.3 A cannabis supplier or representative is prohibited from participating in any way in a licensee's customer loyalty program, and a licensee may not request that a cannabis supplier or representative participate in such a program.
- 4.3.4 A cannabis supplier or representative is prohibited from providing a licensee with travel costs and a reduced rate for accommodation at any place they own, represent or have an interest in.
- 4.3.5 A cannabis supplier or representative may not offer, provide or pay for the following on behalf of a licensee:
- a) cash, rebates, coupons or credits of any monetary value;
 - b) a deposit into any account held by the licensee, directly or indirectly;
 - c) free cannabis products or accessories; or
 - d) compensation for expenses related to but not limited to:
 - i) construction, interior decorating (e.g. painting, window coverings, flooring, décor etc.), renovations or maintenance to a licensed premises, or any other property owned, rented or leased by a licensee or anyone directly or indirectly involved with the licensee;
 - ii) furniture, equipment, display cases, sensory display containers or fixtures;
 - iii) physical security equipment, construction, installation or services.

SUBJECT: PROHIBITED INDUCEMENTS AND BENEFITS

- iv) product price displays, electronic devices (e.g. television screens, computer monitors, tablets, etc.);
- v) point of sale systems; or
- vi) other items considered essential to operating a licensed premises.

4.3.6 A cannabis supplier or representative may not offer, provide or pay for the following on behalf of the licensee:

- a) a licensee's registration fees, conference fees, tuition or similar costs, except for a seminar or training event which is:
 - i) organized by the cannabis supplier or representative, and;
 - ii) held within Alberta; and
 - iii) open to all licensees or specified class(es) of licensees.
- b) any portion of a licensee's travel expenses (costs associated with air or ground transportation and accommodations while away from home), either directly or indirectly, whether for business, vacation or a combination of both; except for local transportation costs (e.g. taxi) to and from a production facility.

4.3.7 A cannabis supplier or representative is not permitted to provide signs that display a licensee's business name or signs necessary for the operation of the business (e.g. entry/exit signs, bathroom signs etc.).

4.3.8 A licensee may not accept any offer from a cannabis supplier, representative or country's representative (political or non-political) to pay travel expenses specified in Subsection 5.2.4 or any other costs for the licensee or their staff to attend a seminar, convention, meeting or exhibition outside Alberta.

4.3.9 The above policies do not apply where the cannabis supplier has a financial interest in the cannabis licensee as its subsidiary and the loan of money or other things is given or offered in the normal course of financing the subsidiary. Each corporation must be operated as a separate business in accordance with Schedule 2, Part 2 of the GLCR.

4.3.10 Cannabis suppliers, representatives and licensees are required to comply with the requirements of Division 4 of the GLCR.



SECTION: ENFORCEMENT OF LEGISLATION
NUMBER: 5.1

CANNABIS REPRESENTATIVE HANDBOOK

PAGE 1 OF 1

SUBJECT: INCIDENT REPORTS

POLICIES

- 5.1.1 An AGLC Inspector who is aware of an alleged violation may prepare an Incident Report detailing the circumstances.
 - a) The Incident Report will be dated when all evidence has been obtained and the investigation is finalized.
 - b) A copy of the Incident Report will be hand-delivered or mailed to the registrant within 17 working days of the date it is finalized.
- 5.1.2 The President & Chief Executive Officer or delegate may propose an administrative sanction or refer the Incident Report to the Board for review and decision where circumstances warrant (see Subsection 5.2).
- 5.1.3 On reviewing an Incident Report, the Board may decide to impose an administrative sanction with or without a hearing (See Subsections 5.2 and 5.3).

DATE ISSUED: May 25, 2018 **AUTHORITY:** Original signed by Gael MacLeod

SUBJECT: NOTICE OF ADMINISTRATIVE SANCTIONS

POLICIES

Board-Imposed Administrative Sanctions

5.2.1 The Board may discipline a registrant for alleged violation(s) by imposing administrative sanctions. Under Section 91(2) of the GLCA, the Board may do any of the following without a Board hearing:

- a) issue a warning;
- b) impose conditions;
- c) impose a fine and refuse to issue or reinstate a registration until the fine is paid; and/or
- d) suspend or cancel a registration.

5.2.2 Where the Board imposes administrative sanctions without a hearing, the registrant will receive written notice and related documentation including, but not limited to:

- a) copy of the Incident Report;
- b) Administrative Sanction Guidelines; and
- c) Waiver of Board Hearing Witnesses form.

5.2.3 Where the Board imposes administrative sanctions without a hearing and the registrant requests a hearing, the hearing will be scheduled within 120 days.

5.2.4 Where the Board determines a hearing is warranted, the registrant will receive written notice and related documentation including, but not limited to:

- a) Notice of Hearing letter;
- b) copy of the Incident Report;
- c) Administrative Sanction Guidelines; and
- d) Waiver of Board Hearing Witnesses form.

Administrative Sanctions Imposed by the President & Chief Executive Officer (CEO)

5.2.5 Under Section 17(1) of the GLCA, the Board may delegate the President & CEO to:

SUBJECT: NOTICE OF ADMINISTRATIVE SANCTIONS

- a) issue a warning;
- b) impose conditions; or
- c) impose administrative sanctions, including fines and suspensions.

5.2.6 The President & CEO may sub-delegate authority to:

- a) issue a warning;
- b) impose conditions; or
- c) impose administrative sanctions.

5.2.7 Where the President & CEO imposes an administrative sanction; the registrant will receive:

- a) Notice of Administrative Sanction including, as applicable, the amount of a fine and payment due date(s);
- b) Consent to Administrative Sanction form;
- c) Copy of the Incident Report;
- d) Administrative Sanction Guidelines; and
- e) Waiver of Board Hearing Witnesses form.

5.2.8 On receiving a Notice of Administrative Sanction and supporting materials, a registrant may respond in one of the following ways:

- a) Accept the Incident Report as written and the administrative sanction. The registrant must return the completed Consent form to AGLC within fourteen (14) calendar days of the date on the Notice (no Board hearing will be held).
- b) Accept the Incident Report, but proceed with a Board hearing to dispute the Administrative Sanction. The registrant must sign and return the Waiver of Board Hearing Witnesses form.
- c) Dispute the Incident Report and proceed with a Board hearing.

Seized Cannabis

5.2.9 A registrant who consents to an administrative sanction imposed by the Board or the President & CEO forfeits any seized cannabis to AGLC for destruction.

SUBJECT: BOARD HEARINGS

POLICIES

5.3.1 The Board will schedule a hearing when:

- a) the Board decides to convene a hearing rather than proceeding to consider the matter without a hearing;
- b) a registrant receives Notice of Administrative Sanction imposed by the Board or the President & Chief Executive Officer (CEO), and the registrant requests a hearing; or
- c) a registrant receives notice of a proposed administrative sanction from the President & CEO and the registrant does not return a completed Consent to Proposed Specified Administrative Sanction form within 14 calendar days.

5.3.2 A registrant may waive a requirement for AGLC witnesses by completing a Waiver of Hearing Witnesses form.

- a) By signing the Waiver form, the registrant accepts the Incident Report as written and waives the need to call AGLC witnesses. After a waiver is signed, the registrant may not call any witnesses with respect to facts in the Incident Report. The registrant may, however, call witnesses on the subject of the administrative sanction.
- b) A registrant who signs the Waiver form is not required to personally attend the Board hearing. They may submit a written presentation to the Board if they wish.
- c) Whether or not the registrant signs the Waiver form, witnesses may be called by the Hearing Panel, registrant and/or the Regulatory Division on matters not covered in the Incident Report.

5.3.3 As a result of a hearing, the Board may decide to:

- a) find the alleged infraction occurred and impose an administrative sanction;
- b) dismiss the allegation;
- c) confirm a previous imposed administrative sanction;
- d) amend or alter the original decision with a new decision; or
- e) cancel the original decision.

SUBJECT: BOARD HEARINGS

5.3.4 The Hearing Panel must provide the registrant with a written copy of the hearing results and its reasons for confirming, changing or cancelling the original decision.

Non-Disciplinary Matters

5.3.5 Under Section 94(1) of the GLCA, any registrant who disagrees with a Board Decision has the right to request a hearing before the Board. This includes a Board decision unrelated to a disciplinary matter, such as an application for a registration extension or conditions imposed on a licensee. The registrant must apply for the hearing in writing within 30 days of receiving notice of the Board's decision. The application must describe the issue and provide the registrants' reasons for requesting the hearing. A Board hearing will be scheduled within 120 days of receiving a registrants' application. The registrant may attend the hearing and make representations to the Hearing Panel.