

CANNABIS RETAILER Bulletin

Important Policy and Legislation Reminder

This bulletin is to remind retail cannabis licensees that certain actions may result in an automatic cancellation of your licence.

Selling all or a portion of your business, incorporating or changing the licensed company, or adding new investors

A licence is automatically cancelled on the sale of a business that results in a change in control in the ownership structure (owner, financial interest or share structure). Any proposed change must have a due diligence investigation conducted, and the sale must be approved by AGLC *prior* to any sale taking place.¹

A sale of a portion of a business that does not result in a change in control must be reported to AGLC and must be approved *prior* to the effective date of the sale.²

Send an email to duediligence@aglc.ca *prior* to the sale being completed. AGLC's Due Diligence Unit will request *draft* purchase documents and advise how to proceed so that your licence is not in jeopardy.

Changing your company's shareholders, directors, officers, or key employees

Shareholders, directors, officers and key employees must undergo a thorough personal and financial background investigation, and should not assume their duties until the investigation has been completed. AGLC's Due Diligence Unit will ask the new shareholder, director, officer or key employee³ to complete a Personal Disclosure (form 8017), which is part of the Retail Cannabis Store Application Package found on AGLC's website at <https://aglc.ca/cannabis/retail-cannabis/apply-retail-cannabis-store-licence>.

Send an email to duediligence@aglc.ca advising of the change that you want to make.

Footnotes

¹ See Section 112 of the Gaming, Liquor and Cannabis Regulation (GLCR) for more details. The GLCR can be found at http://www.gp.alberta.ca/documents/Regs/1996_143.pdf.

² See Section 113 of the Gaming, Liquor and Cannabis Regulation (GLCR) for more details. The GLCR can be found at http://www.gp.alberta.ca/documents/Regs/1996_143.pdf.

³ A key employee is an individual who exercises influence, or control over the day-to-day operations, or decision making of a retail store. This includes, but is not limited to, a store manager, CEO, CFO, controller, senior compliance officer, or legal counsel.