

St. Albert Office 50 Corriveau Avenue, St. Albert, Alberta, T8N 3T5 Phone: 780-447-8600 Fax: 780-447-8989 Toll Free: 1-800-272-8876

March 17, 2022

Dear cannabis representatives and licensees:

RE: Important Legislation and Policy Reminder

This letter is to remind cannabis representatives and licensees that certain activities may result in disciplinary action.

The purchase of inventory, including slow selling, stale dated, or expired products by cannabis representatives from cannabis retailers, or the provision of funds/reimbursement to cover the cost of these products for cannabis retailers is not permitted, and would be deemed an inducement. Retail cannabis licensees are not permitted to demand or request this service from cannabis representatives.

As per Section 118 GLCR, "No cannabis supplier or officer, director or employee of a cannabis supplier and no cannabis representative may directly or indirectly make or offer to make a loan or advance or give or offer to give money, a rebate, a concession, or anything of value to a cannabis licensee, to an employee or agent of that licensee or to a cannabis representative."

As per Section 119(2) GLCR, "No cannabis licensee or employee or agent of a cannabis licensee and no cannabis representative may (a) directly or indirectly borrow or receive as a gift from any cannabis supplier or cannabis representative money, an advance of money or anything of value, or (b) request or accept a rebate or concession from a cannabis supplier or a cannabis representative."

Purchases of small quantities of "off the shelf" inventory by cannabis representatives for the purpose of research and quality control may be permitted in some circumstances; however, the cannabis representative must be prepared to provide the AGLC with full details and documentation of any research program or quality control processes upon request, as well as any other documents and evidence that support this claim.

Sincerely yours,

Rob Pape, Director Compliance