

## TERMS AND CONDITIONS

### Cannabis Distributor

# Cannabis Distributor Licence

Licensees must comply with all terms and conditions.

## 1.0 Definitions

“**Act**” means The Liquor, Gaming and Cannabis Control Act and includes regulations made under the Act.

“**cannabis**” means cannabis as defined in the Cannabis Act (Canada).

“**cannabis producer**” means a person who is authorized to produce cannabis for commercial purposes under the Cannabis Act (Canada).

“**cannabis storage facility**” means the premises specified in a cannabis distributor licence where authorized cannabis activities may occur, including but not limited to: receiving, storing, handling, sorting and preparing for distribution and/or transportation.

“**cannabis store**” means the premises specified in a retail cannabis licence where the retail sale of cannabis is authorized.

“**executive director**” means the executive director of the LGCA.

“**LGCA**” means the Liquor, Gaming and Cannabis Authority of Manitoba.

“**licensee**” means a person, business entity or association of persons holding a licence issued by the LGCA. In these terms and conditions, it means the holder of a cannabis distributor licence.

“**MLLC**” means the Manitoba Liquor and Lotteries Corporation.

“**person**” includes an organization, association, group or partnership, corporation or any other business model.

## 2.0 General

### 2.1

A cannabis distributor licence may be issued only to a person who has entered into a distributor agreement with MLLC.

### 2.2

A cannabis distributor licence authorizes the licensee, when directed by MLLC, to:

- a) acquire cannabis;
- b) store cannabis in Manitoba; and
- c) deliver cannabis to cannabis stores.

### 2.3

The licensee must inform the LGCA of any changes to their agreement with MLLC that would alter the licensee’s authorized activities under 2.2.

### 2.4

When directed by MLLC to acquire cannabis, the licensee can only acquire cannabis that has been produced by a cannabis producer.

### 2.5

Unless otherwise authorized by the executive director, a licence ceases to be valid if there is a change in control of the licensee, as prescribed in the regulations.

### 2.6

To seek the executive director’s approval of a change in control, the licensee must, at least 10 days before the proposed change is to occur:

- a) apply to the executive director in writing; and
- b) provide any information requested by the executive director.



## 2.7

The LGCA may audit or inspect anything related to the cannabis distributor licence, and must be given access at all times and be allowed to remove anything considered relevant. This includes, but is not limited to, facilities, buildings, product, equipment, video recordings, documents and records.

## 2.8

The licensee must notify the LGCA of any matter which the licensee can reasonably assume to be of consequence to the LGCA.

## 3.0 Operations

### 3.1

The licensee is responsible for the conduct of all of the licensee's employees while the employees are acting in the course of their duties.

### 3.2

The licensee must establish and maintain an employee security screening policy that sets out conduct that would prevent a person from being employed by the licensee or that requires the termination of a person's employment with the licensee.

### 3.3

The licensee must provide:

- a) a copy of the licensee's employee security screening policy; and
- b) all amendments to the employee security screening policy as soon as practicable after the amendments are made.

### 3.4

The licensee must not employ any person under 19 years of age.

### 3.5

The licensee may store cannabis only at a cannabis storage facility that has been approved by the executive director.

### 3.6

The cannabis storage facility must be located in Manitoba.

## Security

### 3.7

The licensee must install and maintain a video surveillance system at the cannabis storage facility that:

- a) is in continuous operation;
- b) detects power outages;
- c) records all interior areas of the cannabis storage facility, including the storage area;
- d) records all exterior entrances to the cannabis storage facility;
- e) records the area of the cannabis storage facility where cannabis is handled;
- f) produces a clear colour image of all areas under surveillance and is capable of reproducing clear colour images from surveillance recordings; and
- g) provides a date and time stamp on each recorded frame.

### 3.8

The licensee must retain all video surveillance records for a period of 120 days.

### 3.9

The licensee must post a sign in a prominent location within the cannabis storage facility that advises that a video surveillance system is in operation at the cannabis storage facility.

### 3.10

The licensee must ensure that the surveillance system and all storage devices:

- a) are securely stored; and
- b) are only accessible to authorized persons.

### 3.11

The licensee must ensure that the cannabis storage facility is locked at all times.

### 3.12

The licensee must ensure that:

- a) commercial grade locks are installed on all exterior doors of the cannabis storage facility and the perimeter of the facility is secured in a manner that prevents unauthorized access; and
- b) a monitored security alarm system is in operation at all times that detects power outages, unauthorized entry to the cannabis storage facility, and any attempts to tamper with the alarm system.



### 3.13

The licensee must ensure only cannabis distributor employees enter or access the cannabis storage facility except as stated in 3.14.

### 3.14

The licensee may allow a person 19 years of age or older, who is not a cannabis distributor employee, to enter or access the cannabis storage facility if:

- a) prior to entering or accessing the cannabis storage facility, the person presents identification that confirms their name and age to a cannabis distributor employee; and
- b) the person is accompanied at all times by an employee of the cannabis distributor.

### 3.15

The licensee must keep a daily record of:

- a) the cannabis distributor employees who are on duty at the cannabis storage facility that day; and
- b) the name of any person who is not a cannabis distributor employee who enters the cannabis storage facility that day, and the time that person entered the cannabis storage facility; and retain these records for a period of three years.

## Delivery

### 3.16

The licensee must ensure all cannabis delivered by the licensee to cannabis stores is in the original packaging used by the cannabis producer.

### 3.17

Cannabis must only be delivered to addresses for which a retail cannabis licence has been issued.

### 3.18

The licensee must ensure tracking and safekeeping of cannabis during transportation.

## 4.0 Recordkeeping/Reporting

### 4.1

The licensee must maintain an inventory management system that:

- a) tracks cannabis inventory on an ongoing basis; and
- b) enables the tracking of cannabis inventory by digital inventory code.

### 4.2

The licensee must maintain records respecting the following:

- a) cannabis received;
- b) cannabis available for distribution;
- c) cannabis distributed;
- d) cannabis held for return to the supplier;
- e) cannabis lost in transit;
- f) inventory counts and distribution orders; and
- g) any additional matters specified by the executive director.

### 4.3

The licensee must retain the records set out in 4.2, and all supporting source documents, for a period of three years.

### 4.4

The licensee must provide the executive director with reports and records on the matters set out in 4.2, in the form and by the deadline specified by the executive director.

Available in alternate formats, upon request.

