



AGENCY STORE AGREEMENT

BETWEEN

NOVA SCOTIA LIQUOR CORPORATION

AND

AGENCY BUSINESS NAME

DATE

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THIS AGENCY STORE AGREEMENT (this "**Agreement**") made in duplicate this 14th day of December 2020

BETWEEN:

NOVA SCOTIA LIQUOR CORPORATION, a body corporate established under the laws of the Province of Nova Scotia

(hereinafter the "**NSLC**");

OF THE FIRST PART

- and -

AGENCY NAME, a body corporate¹ formed under the laws of Queens County, having its place of business at Greenfield in the Province of Nova Scotia

(hereinafter the "**Agent**")

OF THE SECOND PART

RECITALS

WHEREAS the NSLC has been empowered under the Liquor Control Act (as defined herein) to permit the operation of agency stores throughout the Province of Nova Scotia;

AND WHEREAS pursuant to such authority, the NSLC from time-to-time appoints persons to act as its agents for the purpose of operating agency stores, and in connection therewith enters into agreements with said agents in order to provide for the terms and conditions of such appointment;

¹ The description of the Agent should be modified if the Agent is a partnership (including a limited partnership) or an individual.

AND WHEREAS the NSLC wishes to appoint the Agent to act as an agent of the NSLC in the community of **COMMUNITY** in the Province of Nova Scotia in order to sell Beverage Alcohol (as defined herein) on behalf of the NSLC, on the terms and subject to the conditions set out in this Agreement;

NOW THEREFORE, in consideration of the covenants and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the NSLC and the Agent hereby mutually agree as follows:

INTERPRETATION

1. For the purpose of this Agreement, the following definitions will apply:
 - a) "agency store" has the meaning given to such term in the Liquor Control Act;
 - b) "Agent's Application Form" means the Agent's completed Agency Store Application Form dated as of the 1st day of MONTH YEAR, which is attached to this Agreement as Schedule "A";
 - c) "Agent's Premises" has the meaning given to such term in Section 3 of this Agreement;
 - d) "Bottle Deposit" means the amount required to be collected upon the sale of Beverage Alcohol containers, in accordance with the Waste Management Regulations;
 - e) "Business Day" includes a full 7-day week, Monday through to Sunday.
 - f) "Discount" means the amount of the discount received by the Agent, in its capacity as agent for the NSLC, on the sale of each package or vessel of Beverage Alcohol at the Agent's Premises under and by virtue of the terms of this Agreement, which amount does not form part of the Discount Price paid by the Agent to the NSLC, and which amount, for the purposes of this Agreement, shall be equal to 8% of the Net Retail Price;
 - a: Discount may increase with the addition of the following items:
 - I. Pre-Authorized payment. An additional 1% will be added to the min 8% discount when an agent uses the pre-authorized payment plan.
 - II. Order Pick up. An additional 0.5% will be added when an agent organizes their own delivery of orders.
 - b: "Discount Price" means the amount to be paid by the Agent to the NSLC for each package or vessel of Beverage Alcohol supplied by the NSLC to the Agent, being the sum of the following: (i) the amount obtained by subtracting the

Discount from the Net Retail Price, (ii) the Discount Sales Tax, and (iii) the Bottle Deposit;

- c: "Discount Sales Tax" means the Sales Tax on the amount obtained by subtracting the Discount from the Net Retail Price.
- d: "Effective Date" means the XXth day of MONTH, YEAR;
- e: "Excise Tax Act" means the Excise Tax Act, R.S.C., 1985, c. E-15 and the regulations promulgated thereunder, as the same may be amended from time-to-time;
- f: "Licensee" means a party to whom a license has been granted in accordance with the Liquor Control Act;
- g: "Beverage Alcohol" shall be defined as any beverage of an alcoholic nature and composition which is available for purchase by the public at a NSLC Liquor store, and as is more particularly defined in the Liquor Control Act;
- h: "Liquor Control Act" means the Liquor Control Act, R.S.N.S. 1989, c. 260 and the regulations promulgated thereunder, as the same may be amended from time-to-time;
- i: "Net Retail Price" means, in relation to the sale of any package or vessel of Beverage Alcohol, the amount obtained by subtracting the Retail Sales Tax and the Bottle Deposit from the Retail Price;
- j: "Net Sales Tax" means the difference between the Retail Sales Tax and the Discount Sales Tax;
- k: "NSLC Distribution Centre" means the NSLC Distribution Centre located at 93 Chain Lake Drive in the Bayers Lake Business Park, Halifax, Nova Scotia;
- l: "Labatt warehouse" means the Labatt Distribution Centre located at 225 Horseshoe Dr in the Bayer's Lake Business Park, Halifax, Nova Scotia.
- m: "Retail Price" means the price charged to the public for a package or vessel of Beverage Alcohol in the NSLC's Liquor stores, as determined in the NSLC's sole and absolute discretion;
- n: "Retail Sales Tax" means the amount of the Sales Tax included in the Retail Price of a package or vessel of Beverage Alcohol;
- o: "Sales Tax" means, collectively, the tax required under the Excise Tax Act to be charged and remitted in respect of any amount upon the sale of Beverage Alcohol to a Licensee or to the public;
- p: "SKU" means a stock keeping unit, being a distinct product of Beverage Alcohol;
- q: "Stock out Count" is determined by an audited shelf count where there is no inventory on shelf or location. Stock outs should be matched to the previous

invoice to determine cause of issue so that controllable stock outs may be rectified by the agent. (Most recent warehouse invoice shortages excluded from stock out count).

r: "Term" has the meaning given to it in Section 4 hereof;

s: "Terminal Date" has the meaning given to it in Section 4 hereof; and

t: "Waste Management Regulations" means the Solid Waste-Resource Management Regulations made under the Environment Act, S.N.S. 1994-95, c. 1.

2. Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

- a) the terms "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- b) references to a "Section" or "Schedule" followed by a number or letter refer to the specified Section of or Schedule to this Agreement;
- c) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;
- e) the word "including" means "including without limitation";
- f) the terms "Party" and "the Parties" refer to a party or the parties to this Agreement;
- g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- h) all dollar amounts refer to Canadian dollars, except where otherwise specified;
- i) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- j) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.

k) "Sales Tax"

- The [Canada Revenue Agency \(CRA\)](http://www.cra.gc.ca) administers the harmonized sales tax on behalf of the Province. The CRA can answer your personal business income tax questions for both federal and provincial income tax systems.

Toll-Free: 1.800.959.5525

<http://www.novascotia.ca/finance/en/home/taxation/tax101/hst/hstforbusiness.aspx>

APPOINTMENT; TERM

3. The NSLC hereby appoints the Agent to act as the agent of the NSLC for purposes of operating an agency store from the Agent's premises located at **ADDRESS** in the Province of Nova Scotia, which premises are more particularly described in the Agent's Application Form **AGENCY STORE NAME**.
4. The term of the Agent's appointment as the agent of the NSLC hereunder **term of five (5) years, DATE to DATE** shall be the period of time that begins on the **Effective Date, January 1, 202X and ends on the date December 31, 202X** that is the earlier of: (i) the date that is five (5) years after the Effective Date, and (ii) the date on which this Agreement is earlier terminated by either the NSLC or the Agent in accordance with the provisions hereof.
5. For the removal of doubt, the Parties agree that this Agreement will not be subject to renewal upon completion of the Term. In the event that, following the completion of the Term, the NSLC in its sole and absolute discretion issues a Request for Proposals for an agency store in the geographical area in which the Agent's Premises are situated, the Agent will have the option, but not the obligation, to participate in such Request for Proposals.

PURCHASE OF BEVERAGE ALCOHOL

6. The Agent hereby covenants and agrees with the NSLC that it will, during the Term, and upon such terms and conditions, and in such quantities as the NSLC may from time to time specify and require, purchase, receive and maintain Beverage Alcohol upon the Agent's Premises for sale to persons authorized by law to purchase Beverage Alcohol. **All Beverage Alcohol offered for sale by the Agent must be purchased directly from the NSLC. All identified (core**

listing) beer, RTD and spirits and wines will only be permitted to be purchased by full case lot only. RTD and Wine case lot articles to be identified, updated and provided by the manager of the agency network.

7. The Agent shall purchase all Beverage Alcohol from the NSLC during the Term at the Discount Price. The Agent agrees that:
 - 1) all purchases by the Agent from the NSLC shall be payable with the order before accepting possession of the stock;
 - 2) payment for all purchases made by the Agent from the NSLC shall be in the form of pre-authorized payment (PAP), cash, debit card or any other negotiable instrument approved by the NSLC; and
 - 3) the NSLC reserves the right to sell only such quantities of Beverage Alcohol to the Agent as it may, in its sole and absolute discretion, decide.
8. Upon purchase of Beverage Alcohol by the Agent from the NSLC, the NSLC will be responsible to remit the Discount Sales Tax to the Government of Canada. The NSLC will also be responsible to remit the Bottle Deposit collected as part of the Discount Price to the Resource Recovery Fund Board in accordance with the requirements set out in the Waste Management Regulations.
9. The NSLC will, during the Term and at the expense of the NSLC, supply electronically to the Agent all forms, papers and documentation required by the NSLC for the processing of orders and the sale of Beverage Alcohol to the Agent. The NSLC will periodically supply the Agent with product price lists including circular letters respecting price changes and product additions or deletions. Reference material noted will be found on the agency store webpage; this material can be printed from this site.
10. The Agent will be assigned either an NSLC Store location or the NSLC Distribution Centre as the place where, with the exception of the circumstances provided for in Section 11 hereof, the Agent will make all of its purchases of Beverage Alcohol. If required and deemed appropriate in the discretion of the NSLC, a local cross dock location may be assigned to the Agent for this purpose. Any location so assigned is subject to change upon two (2) weeks' notice from the NSLC to the Agent.
11. All agents will be assigned a host/support NSLC retail store in case of an emergency, the Agent shall be entitled to request an order through the Manager - Agency Store network. Once approved, the purchase will be charged to the Agents account in order to receive the appropriate discount. If the Agent is assigned to the NSLC Distribution Centre for its Beverage Alcohol purchases, all emergency or off cycle orders by the Agent must be approved and will require

approval from the NSLC Retail Manager. Emergency orders will be documented and reviewed on an ongoing basis by the NSLC store Manager and Manager – Agency Store Network.

12. The NSLC and the Agent hereby covenant and agree that any and all proprietary interest in the Beverage Alcohol purchased by the Agent from the NSLC under and by virtue of the provisions of this Agreement becomes vested in the Agent immediately upon purchase from the NSLC, and is and remains at the sole risk of the Agent, until such time as the aforesaid Beverage Alcohol is sold by the Agent, or its employees, to the public upon the Agent's Premises. For the removal of doubt, the NSLC shall not be required under any circumstances to repurchase from the Agent any unsold Beverage Alcohol products, nor will the NSLC be liable to pay or reimburse to the Agent all or any portion of the Retail Price of any Beverage Alcohol products that the Agent fails to sell.
13. The Agent and not the NSLC shall be solely responsible for the transportation of Beverage Alcohol purchased from the NSLC, under and by virtue of the terms of this Agreement, from the point of purchase to the Agent's Premises, and for all costs and expenses thereby incurred, and any such transportation must be effected in accordance with the provisions of the Liquor Control Act. This includes responsibility at the point of purchase along with any transportation organized by the Agent.
14. The NSLC will sell to the Operator only the brands of Beverage Alcohol which are approved by the NSLC. The NSLC reserves the right to limit the number and size of brands it will sell to the Operator to ensure that the Operator maintains a reasonable inventory of, and sells a representative selection of, Beverage Alcohol products furnished by various suppliers.
15. The NSLC will direct certain brands core list brands of Beverage Alcohol that must be kept for sale by the Operator and the Operator will have no authority or discretion to alter such brands without the prior approval of the NSLC.
16. The Operator will purchase Beverage Alcohol in case lots according to the ordering procedures established from time to time by the NSLC.
17. The NSLC will endeavour to fill the Operator's Beverage Alcohol orders as quickly as possible. If the NSLC cannot fill an order for any reason or if there will be a delay, the NSLC will notify the Operator promptly. The Operator will not be entitled to any claim, demand or legal remedy of any kind because of such delay or failure to supply.
18. Title to Beverage Alcohol purchased by the Operator from the NSLC will pass to the Operator at the time it is paid for by the Operator. Such

Beverage Alcohol will be at the risk of the Operator from the time that it is delivered to, or otherwise is in the possession of, the Operator.

SALE OF BEVERAGE ALCOHOL

19. The Agent covenants and agrees to sell Beverage Alcohol only at the times and in the manner authorized by the NSLC, the Liquor Control Act and the terms and conditions of this Agreement.
20. The Agent shall sell all Beverage Alcohol purchased from the NSLC in accordance with this Agreement at the Retail Price. The Agent shall take, receive or accept only cash, debit/credit cards, travelers' cheques, certified cheques, money orders or any other negotiable instrument approved by the NSLC in payment of the Retail Price of Beverage Alcohol. All uncollected and uncollectable debts resulting from a negotiable instrument not being accepted when presented for payment to a financial institution will be the responsibility of the Agent.
21. The Agent has approval to discount clearance articles from their store assortment up to 15% off the net retail price. The agent will be responsible for all costs incurred from this request. The agent will not be permitted to relist the product as part of their assortment for up to one year. Discounted clearance will be monitored and audited by the manager of the agency network and the NSLC Auditors for compliance.
22. **The Agent will be responsible to remit to the Government of Canada the Net Sales Tax collected as part of the Retail Price paid by a customer upon purchase of Beverage Alcohol from the Agent.**
23. The Agent's Premises shall be open for the sale of Beverage Alcohol for no less than eight (8) and no greater than seventeen (17) consecutive hours between the hours of 7:00 am and 12:00 midnight daily, except: (i) on those days when Beverage Alcohol cannot be lawfully sold, or (ii) on days stipulated in advance by the NSLC. The hours of sale may be changed at any time by the NSLC, which shall give notice of such changes to the Agent. At the time an Agent alters their hours of operations, sufficient notice of 30 days must be given to the Manager - Agency Store Network for approval.
24. Agents are permitted any sale of Beverage Alcohol to a Licensee and shall be made upon such terms and conditions, and in such quantities, and at such a price, whether or not the calculation of such price is consistent with the terms and conditions hereof, and whether or not the terms and conditions of such sale or sales allows the Agent to retain the Discount, as the NSLC may from time to time specify and require. The NSLC may, in its sole and absolute discretion, refuse

permission to the Agent to sell Beverage Alcohol to any Licensee at any time, and whether such sale or sales has or have been approved by the NSLC in the past. The Agent will document all sales to Licensees on a monthly basis, the NSLC Manager - Agency Store Network and Audit will monitor the sales to ensure processes are followed and documented.

AGENT'S PREMISES

25. The Agent covenants and agrees with the NSLC that:

- (a) All quantities of Beverage Alcohol stored upon the Agent's Premises shall be kept in retail and warehouse spaces approved by the NSLC, and that such storage areas must protect beverage alcohol products from environmental contaminants such as direct sunlight, strong odors and extreme variations in ambient temperature;
- (b) The Operator will ensure that the lay-out and setting of the Business Premises will enhance the sale of Beverage Alcohol, that it always maintains a reasonable inventory of non-Beverage Alcohol products at the Business Premises and that the decor of the Business Premises reflects a professional business atmosphere. The Agent must maintain a store that is clean, dust free and organized.
 - I. All product must be appropriately priced using bin tabs printed on cardstock paper for durability. Any missing bin tabs must be replaced to ensure that all product is appropriately priced.
 - II. Any damaged tags and/ or signage must be replaced or removed. All sale tags must be displayed in a manner that represents the items on sale.
 - III. All signage provided to the store must be displayed in the beverage alcohol section.
 - IV. Areas where there has been breakage or spillage should be thoroughly washed.
 - V. Any areas where product disposal occurs needs to be kept extremely clean, to eliminate bacterial growth and fruit flies.
 - VI. Interior lighting must be well maintained.
 - VII. All shelving and displays must be dust-free. All products on shelves must be dust-free. All products on shelves must be faced regularly, ensuring all labels are placed forward
 - VIII. Promotions should be properly executed and maintained
- (c) The Agent will always maintain at the Agent's Premises enough inventories of Beverage Alcohol to service the customer and avoid Stockouts

- and will, at minimum, maintain one hundred and twenty-five (125) SKUs of Beverage Alcohol. NSLC will provide a current Core List of products in which the agent must have in inventory within their current selection. For the removal of doubt, this Section 25(c) does not in any way serve to relieve the Agent from the requirement , as set out in Section 6 hereof, to purchase, receive and maintain Beverage Alcohol upon the Agent's Premises in such quantities as the NSLC may from time to time specify and require;
- (d) Inventory on hand subject to seasonality adjusted volume; a minimum of 9 days on hand will be required of any article in assortment. The manager of the agency network will conduct such reviews as part of normal site visits.
 - (e) All shelf tags present must contain a minimum of two bottles at any given time and/or allowing for a minimum of nine days inventory on hand.
 - (f) All quantities of Beverage Alcohol stored upon the Agent's Premises will be kept in a designated location. The Agent will always maintain inventories of complementary convenience and or grocery items upon the Agent's Premises;
 - (g) The portion of the Agent's Premises designated by the NSLC for the display and sale of Beverage Alcohol shall be always reserved and kept exclusively for the sale of beverage alcohol. The NSLC will permit beverage alcohol related items to be placed adjacent to the area specified for the sale of beverage alcohol. The NSLC may specify and require that any portion of the Agent's Premises designated by it for the storage, display or sale of Beverage Alcohol be rendered inaccessible to the public in a manner satisfactory to the NSLC, at all times when the Agent is not permitted to sell Beverage Alcohol; Christmas Day and up to 12 noon on Remembrance Day.
 - (h) Beverage Alcohol being displayed for sale within the Premises will at all times be displayed on durable, attractive, high quality display shelves which are can be maintained and cleaned. Shelving is to be constructed in accordance with any and all written or verbal instructions given to the Agent by an authorized representative of the NSLC, and which are otherwise in accordance with any requirements established by the NSLC for the minimum linear feet of shelving necessary at the Agent's Premises;
 - (i) The Agent will always during the Term keep and maintain the Agent's Premises in a clean, safe and sanitary condition and otherwise in such physical condition that the Agent's Premises shall not be an insurable risk;
 - (j) The Agent will maintain the Agent's Premises in conformity with all by-laws and regulations applicable thereto as are established by the relevant local government authority and are in force from time to time; including but not restricted to fire, access, and other code requirements as may be amended.
 - (k) The Agent will maintain such space for parking on the lands in which the Agent's Premises are situated as is necessary to accommodate the parking of

a minimum of eight (8) customers' vehicles, or such greater number as the NSLC shall from time-to-time require by notice to the Agent;

- (l) The Agent will supply and display signs advising of the location of the Agent in a conspicuous place in or about the Agent's Premises, or as directed by the NSLC, and will be solely responsible for the general maintenance, repair and upkeep of such signs, and the illumination of such signs, as directed by the NSLC from time to time in its sole and absolute discretion. If in an event that the sign begins to fade, the agent will replace the signage in advance of the contract renewal. The Agent will be responsible for normal operating and maintenance costs of the exterior signs and will ensure that the exterior signs are illuminated from dusk to the close of business in accordance with approved hours of operation of the Agent's Premises, and local government regulations as provided. Signage must be approved by the Manager – Agency Store Network prior to placement.
- (m) The Agent will utilize a cash register at the Premises capable of recording sales capable of cataloguing sales by Licensee/general and Beverage Alcohol/non-Beverage Alcohol. The Agent shall have the option to install a separate cash register in the Agent's Premises for this purpose, or to utilize the existing in-store register system if adjustments acceptable to NSLC can be made. The register must provide daily sales totals for spirits, wine, beer, and ready-to-drink products and in enough detail to provide information for audits or reviews that will be conducted by the NSLC from time to time. Customer receipts for the sale of Beverage Alcohol must be provided and must refer to the Agent's agency store or provide equivalent identification acceptable to NSLC;
- (n) The Agent's Premises will always be equipped with a thermostatically controlled heating system capable of regulating and assuring a year-round minimum room temperature of 20 degrees Celsius (68 degrees Fahrenheit);
- (o) The Agent will always display in a prominent location in the Agent's Premises the permit granted to the Agent by the NSLC; specifically, the permit will be displayed at the cash.
- (p) The Agent will make, at the Agent's own expense and risk, all renovations, alterations, and improvements to the Premises as the NSLC may deem necessary from time-to-time. A facility walkthrough will be conducted on a yearly basis with the Manager – Agency Store Network to identify any operational opportunities including necessary repairs, etc.
- (q) The Agent's Premises must meet all local fire regulations and allow inspections by the Fire Marshal or his delegate. Limits as to number of persons permitted at any one time are not to be exceeded and health standards are to be maintained;
- (r) The Agent shall at its own expense take all reasonable measures to ensure the security of all Beverage Alcohol products against burglary, sabotage, and theft incidents always;

- (s) The Agent shall not sell Beverage Alcohol products to any person who is either: (i) under the influence of alcohol, or (ii) under the legal drinking age as established in the Province of Nova Scotia. All CSR signage must be posted at the cash area along with being posted in the beverage alcohol area.
- (t) The Agent will always have access to internet and email and a printer capable of handling cardstock at the Agent's Premises; and

Email Correspondence. To have and maintain an active email account for the purpose of correspondence with NSLC. The Agent will be responsible for any associated expenses associated with this. The agent is responsible to read all communication sent by the NSLC which will assist in overall operational compliance. Any changes made to the Agent's email must be communicated to the Manager – Agency Store Network.

i. Standard software requirements include Microsoft Excel, Microsoft Word, and Adobe.

ii. If high speed network access is available in your area, **it is mandatory to use our On-Line Ordering system.**

- (u) The Agent's Premises will always have loading facilities and appropriate equipment that permit the safe off-loading of products. Loading docks offer the safest means of offloading and are encouraged. It is the Agents responsibility to have the trucks unloaded during delivery.

MANAGEMENT AND STAFFING

26. The Agent hereby covenants and agrees with the NSLC that:

- (a) The Agent will appoint a manager who will be responsible for day-to-day operation of the Agent's Premises, and will notify the NSLC of the identity of the individual, along with contact information, selected to be the manager promptly after his/her appointment, and such appointment shall be subject to the approval of the NSLC; and²
- (b) The Agent will notify the NSLC in writing in the event that the manager intends or needs to be absent from the Agent's business for a period in excess of one (1) month at any time and the Agent will obtain the approval of the NSLC for such an absence and for the nomination of another individual to carry out the management duties under this Agreement during such approved absence;

² Where the Agent is an individual, replace this provision with the following: "The Agent will be the manager of the Agent's Premises and shall be responsible for the day-to-day operations of such premises."

- (c) The Agent will hire and provide at the Agent's own expense and risk an enough employee for the operation of the Agent's Premises to ensure that:
 - (i) the customer desiring to purchase Beverage Alcohol receives prompt, courteous and alert service; and
 - (ii) there is no delay whatsoever in the keeping of all records and the making of all payments and returns required by this Agreement;
- (d) The NSLC will have the right, in its sole and absolute discretion and at any time, and without the necessity of giving notice, to forbid any one or more of the Agent's employees from handling or selling Beverage Alcohol upon the Agent's Premises;
- (e) The Agent will employ, at the Agent's own expense and risk, only employees of an age acceptable under the provisions of the Liquor Control Act and in accordance with the NSLC's own policies as are in force from time-to-time, for the purposes of handling Beverage Alcohol in any manner required under the terms of this Agreement;
- (f) The Agent will always comply with all applicable laws respecting employment, health and safety of the Agent's employees;
- (g) The Agent will notify the NSLC in writing of the names of all employees of the Agent promptly upon their being appointed by the Agent to act on its behalf at its place of business; at the time of a new employee is hired, they must complete the Responsible retailing course within their first 30 days of employment. Their name and completion date must be sent to the Manager – Agency Store Network.
 - a. New locations must have all employees who will handle beverage alcohol complete the Responsible Retailing course prior to Grand opening.
- (h) The Agent must disclose to the manager of the agency network in writing; any relationship of the Agent or their employees in effect with the NSLC, suppliers, or licensees. It is the responsibility of the agent to disclose any change in relationship as it occurs.
- (i) The Agent, the manager³ and the employees of the Agent's Store will participate as required by the NSLC in training courses provided or recommended by the NSLC. All mandatory training must be completed within the timeframe set by the Manager – Agency Store Network.

PROMOTIONS

27. The Agent agrees that it will be permitted to participate only in such authorized promotions as the NSLC, in its sole and absolute discretion, decides.
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28. The Agent covenants and agrees to keep posted on the Agent's Premises only such signs, price lists, or other promotional material concerning Liquor as is supplied or approved by the NSLC in accordance with the provisions of the Liquor Control Act. NSLC does not permit any handwritten signs within the beverage alcohol section. All additional signage must be approved by the Manager – Agency Store Network.
29. The Agent acknowledges and agrees that it may be requested to participate in various product promotions as directed by the NSLC from time-to-time, and the Agent agrees to participate in such promotions.
30. All public announcements relating to the Agent and/or the Agent's Premises must be submitted to the NSLC in advance of publication for authorization.
31. The NSLC agrees to supply electronically promotional sales tags, promotions lists, bin tags and price lists as it deems in its sole discretion to be reasonable, together with a copy of the Liquor Control Act and any other documentation it deems, in its sole discretion, to be necessary to assist the Agent in the operation of the Agent's Premises. Agent is responsible to print any signage and price tags to ensure all signage is within good condition.

REPRESENTATIONS AND WARRANTIES

32. The Agent hereby makes the following representations and warranties, and acknowledges and understands that the NSLC has relied upon such representations and warranties in entering into this Agreement:
 - (a) The Agent is duly incorporated and organized and validly subsisting under its jurisdiction of incorporation. The Agent has all requisite power and authority, and is duly qualified, to carry on its business and to own, lease and operate the properties and assets now owned, leased and operated by it;
 - (b) The Agent is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada), nor has it committed an act of bankruptcy, proposed a compromise or arrangement or made a proposal or filed a notice to make a proposal to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, or taken any proceeding to have a receiver appointed of any part of its assets;
 - (c) This Agreement, including all Schedules attached hereto, has been duly authorized by all necessary corporate action on the part of the Agent and has been duly executed and delivered by the Agent, and constitutes a legal, valid

and binding obligation of the Agent, enforceable against the Agent by the NSLC in accordance with its terms; and

- (d) All information provided by the Agent to the NSLC in connection with this Agreement, including the Agent's Application Form, is complete, true and accurate in all respects.

INSURANCE AND INDEMNITY

33. The Agent covenants and agrees with the NSLC that:

- (a) In addition to any other obligations set out in this Agreement, the Agent will, always, carry a minimum of Two Million Dollars (\$2,000,000) in general liability insurance, and that the NSLC will be an additional named insured under the liability insurance so carried; and will be provided to the Manager - Agency Store Network on a yearly basis at the beginning of the fiscal year.
- (b) The Agent will provide to the NSLC upon request a certificate or other evidence satisfactory to the NSLC in respect of the insurance coverage required under Section 33(a).

34. The Agent hereby fully indemnifies the NSLC and its officers, directors, employees and lawful representatives (collectively, the "**Indemnified Parties**") from and against: (i) all actions, suits, claims and demands which may be brought against or made upon the Indemnified Parties, or any one of them, and (ii) all loss, costs, charges, damages and expenses which may be incurred, sustained or paid by the Indemnified Parties, or any one of them, in each case arising out of this Agreement and/or the appointment of the Agent hereunder. For the removal of doubt, the indemnity granted by the Agent pursuant to this Section 34 shall survive the termination of this Agreement and continue in full force and effect thereafter for the benefit of the NSLC.

COMPLIANCE; RECORDS

35. The Agent covenants and agrees to comply with all provisions of the Liquor Control Act, the terms of this Agreement and such other policies and procedures as may be established from time to time by the NSLC. The Agent will permit the NSLC, its servants or agents at any time to enter upon the Agent's Premises to verify, to the satisfaction of the NSLC, such compliance, and the Agent and its employees shall cooperate fully with the NSLC, its servants, and agents in this regard.

36. The Agent hereby covenants and agrees with the NSLC that the Agent will:

- (a) At such times as requested by the NSLC during the Term, make returns to the NSLC as long as the product is not overage or damaged , the inventory of Beverage Alcohol then held by the Agent and any other information which the NSLC may from time-to-time, and in its absolute discretion, deem necessary; and
- (b) Keep and maintain such books of account, inventory records, stock and sales reports and other records which the NSLC, in its sole and absolute discretion, shall direct, and to which the NSLC will have access upon request.
- (c) The agent will notify the NSLC of any criminal activity in their location involving Beverage Alcohol that results in charges being laid.
- (d) The Operator will furnish to the, upon written request, its financial statements for its previous fiscal year, which will be duly prepared in accordance with generally accepted accounting principles and certified by a chartered accountant,

LIMITATION

37. The Agent covenants and agrees with the NSLC that the Agent will not:
- (a) Enter into any agreement either oral or written with any distiller, brewer or producer of wine, their servants, agents, employees or anyone acting under their authority or direction, whereby the Agent agrees to sell Beverage Alcohol produced by any distiller, brewer or producer of wine; or
 - (b) Accept any gifts or money from any distiller, brewer or producer of wine for any reason. Refrigeration or any item provided by a supplier intended to facilitate the sale of Beverage Alcohol must be approved by the manager of agency network. Refrigeration placed in premises by a supplier shall always remain in ownership with the supplier. Any old equipment currently existing on the premises of an agent that does not meet this amended criterion will be identified and resolved by the manager of the agency network.

TERMINATION

38. The Agent may terminate this Agreement and its appointment hereunder by giving notice in writing to the NSLC at least ninety (90) days prior to the date of intended termination.
39. In the event that there is a change in the shareholders, officers or directors of the Agent at any time during the Term, the Agent will notify the NSLC within thirty (30) days of the occurrence of such change, following which the NSLC will have the option, exercisable in its sole and absolute discretion, to terminate the Agreement.

40. This NSLC may terminate this Agreement and the appointment of the Agent hereunder without notice in the event that: (i) the Agent commits a breach or violation of any term of condition of this Agreement or any provision of the Liquor Control Act, (ii) the Agent becomes bankrupt or otherwise enters voluntarily or is petitioned into a bankruptcy or insolvency proceeding, or (iii) the Agent relocates the Agent's Premises without the prior written consent of the NSLC.⁴ The NSLC may also terminate this Agreement and the appointment of the Agent hereunder for any reason whatsoever upon giving notice in writing to the Agent at least thirty (30) days prior to the date of intended termination.
41. In the event that this Agreement is terminated by the NSLC or the Agent at any time and for any reason, or on the expiry of this Agreement on the Terminal Date, the NSLC shall have the option, but not the obligation, to repurchase from the Agent any Beverage Alcohol remaining in the Premises that the NSLC deems, in its sole and absolute discretion, to be saleable. Upon the exercise of such option by the NSLC, the NSLC shall notify the Agent of the specific items of Beverage Alcohol that it is willing to repurchase, and following receipt of such notice the Agent will immediately return all Beverage Alcohol so identified to the NSLC in exchange for an amount equal to the original Discount Price less any applicable re-stocking charges calculated by the NSLC. Further, forms, display material and any other property supplied by the NSLC to the Agent at its own expense will be returned to the NSLC on or before the date of intended termination, or the Terminal Date, as the case may be.

PROTECTION OF PRIVACY / CONFIDENTIALITY

- **Privacy Legislation.** The Agent agrees that it will always remain in compliance with privacy legislation in place from time to time, including, but not limited to *Personal Information Protection and Electronic Documents Act*, SC 2000 c-5.
 - **Confidential Information** The Agent agrees that all information, knowledge and data of a confidential nature ("Confidential Information") which it shall acquire or which may come to its knowledge during the term this Agreement shall at all times (both during the term of this Agreement and subsequent to the termination thereof) and for all purposes be held by the Agent in confidence and the Agent agrees that it shall not (both during the term of this Agreement and subsequent to the termination thereof) disclose, divulge, communicate orally, in writing or otherwise to any person or persons any Confidential Information. For the purposes hereof, "Confidential Information" includes, but is not limited to, information emanating from the NLC, its associates, affiliates, agents or suppliers or conceived or developed by the NLC concerning research, development, patents, copyright, industrial property rights, marketing plans and
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strategies, profits, costs, pricing and systems of procedure. Immediately following the termination of this Agreement, the Agent agrees to transfer and deliver to the NLC all documents, notebooks, charts, files and records containing or referencing Confidential Information including copies, summaries, and notes in its possession or control. The confidentiality obligations of the Agent shall survive the termination of this Agreement.

ASSIGNMENT, SALE AND RELOCATION

42. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns. This Agreement may be freely assigned by the NSLC without requirement of notice to, consent or approval of the Agent. This Agreement may not be assigned by the Agent under any circumstances.
43. If the Agent wishes to relocate the Agent's Premises from the location described in the Agent's Application Form, the Agent must promptly notify the NSLC and obtain the consent of the NSLC.
44. The Agent covenants and agrees that it will not offer to sell or dispose of the land or building in which the Agent's Premises are situated unless the Agent has obtained the prior written permission from the NSLC to do so, which permission is not to be unreasonably withheld. Upon making an offer to sell or dispose of the land or building containing the Agent's Premises following receipt of permission from the NSLC, the Agent will promptly notify the NSLC of such offer, and the Agent will notify the NSLC of the name and address of the purchaser not less than sixty (60) days prior to the completion of the sale or other disposal. The agent must notify the Manager – Agency Store Network of potential sale along with sharing the name and contact information of the interested buyer.

CONSENT TO AMENDMENTS; WAIVERS

45. No Party shall be deemed to have waived any provision of the Agreement unless such waiver is in writing, and then such waiver shall be limited to the circumstances set forth in such written waiver. The Agreement shall not be amended, altered or qualified except by an instrument in writing signed by all the parties thereto at their sole discretion.

NOTICES

46. All demands, notices, communications and reports provided for in this Agreement shall be in writing and shall be sent by email , as applicable, specified

below or personally delivered or sent by reputable overnight courier service (delivery charges prepaid) to any Party at the address specified below, or at such address, to the attention of such other person, and with such other copy, as the recipient Party has specified by prior written notice to the sending Party pursuant to the provisions of this Section 46.

If to the NSLC, to:

Nova Scotia Liquor Corporation
93 Chain Lake Drive
Bayers Lake Industrial Park
Halifax, N.S.
B3S 1A3

Attention: President and CEO
Facsimile:
Email:

If to the Agent, to:

Agency Store Name

Attention:
Phone:
Email:

Any such demand, notice, communication or report shall be deemed to have been given pursuant to this Agreement when delivered personally, when confirmed if by email confirmation, or on the day after deposit with a reputable overnight courier service, as applicable.

CONDONING OF BREACH

47. Any condoning, excusing or overlooking by the NSLC of any default, breach or non-observance by the Agent at any time in respect of any covenant or condition herein contained shall not operate as a waiver of the NSLC's rights hereunder in respect of any subsequent default, breach or non-observance, and shall not defeat or affect in any way the rights of the NSLC herein in respect of any subsequent default or breach.

SEVERABILITY

48. If any provision, clause, or part of this Agreement, or the application thereof under certain circumstances, is held invalid, illegal or incapable of being enforced in any jurisdiction, (i) as to such jurisdiction, the remainder of this

Agreement or the application of such provision, clause or part under other circumstances, and (ii) as for any other jurisdiction, all provisions of this Agreement, shall not be affected and shall remain in full force and effect, unless, in each case, such invalidity, illegality or unenforceability in such jurisdiction materially impairs the ability of the Parties to consummate the transactions contemplated by this Agreement. Upon such determination that any clause or other provision is invalid, illegal or incapable of being enforced in such jurisdiction, the Parties hereto will use commercially reasonable efforts to negotiate to modify such terms or provisions so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

ENTIRE AGREEMENT

49. This Agreement, including all Schedules attached hereto, sets forth the entire agreement and understanding of the Parties relating to the subject matter hereof, and all prior or contemporaneous understandings and agreements, whether written or oral, are superseded by this Agreement, and all such prior or contemporaneous understandings and agreements are hereby terminated.

APPLICABLE LAWS

50. This Agreement and the rights, duties, and obligations of the Parties as set forth herein shall be settled and determined in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

COUNTERPARTS

51. This Agreement may be executed in counterparts, including counterparts sent by facsimile or in Portable Document Format (PDF) by email transmission, each of which when so executed and delivered shall be deemed to be an original, and which when taken together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed these presents on the day and year first above written.

Executed and delivered in the Presence of:

NOVA SCOTIA LIQUOR CORPORATION

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the company.

Agency Store Name ⁵

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the company.

⁵ To be modified if the Agent is not a body corporate.

SCHEDULE "A"

Agent's Application Form

THIS EXTENSION AND AMENDING AGREEMENT made this ____ day of _____, 20____,

BETWEEN:

NOVA SCOTIA LIQUOR CORPORATION, a body corporate established under the laws of the Province of Nova Scotia

(hereinafter "**NSLC**")

OF THE FIRST PART

AND

Agency Store Name

(hereinafter the "**Agent**")

OF THE SECOND PART

WHEREAS NSLC and the Agent have entered into an Agency Store Agreement dated the ____ day of _____, 20____;

AND WHEREAS NSLC and the Agent have agreed to extend and amend the Agency Store Agreement in accordance with the terms and conditions herein.

NOW THEREFORE this Agreement witnesseth in consideration of the mutual covenants herein and the sum of One Dollar (\$1.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each party from the other), each of the Parties agree as follows:

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revised 1/12/2022

1. The Agency Store Agreement shall be extended for a period of Five (5) years commencing on **DATE** and expiring on **DATE**. (the "Extended Term");
2. The Agency Store Agreement is hereby amended to add the following provision as Section 26(j):

“The Agent shall ensure that all employees of the Agent receive training on an annual basis with respect to Responsible Retailing as a part of the NSLC “We ID” (Age Verification Program). Further, the Agent agrees that all new hires shall receive said training within thirty (30) days of employment. The Agent shall confirm on an annual basis, in writing, to NSLC that it has provided such training and shall further submit the names of all people receiving such training. The Agent further covenants and agrees to provide written notice on an annual basis to NSLC that it is in full compliance with the “We ID” program and any related training obligations.”
3. The Agency Store Agreement is hereby amended to add the following language into Section 40:

“The NSLC may also terminate this Agreement and the appointment of the Agent hereunder for failure to maintain acceptable average scores and standards with respect to the “We ID” (Age Verification Program) and any training obligations related thereto.”
4. This Agreement shall be read together with the Agency Store Agreement and the parties confirm that, except as modified herein, all covenants and conditions in the Agency Store Agreement remain unchanged, unmodified and in full force and effect.
5. Any capitalized word or term not otherwise defined herein shall have the meaning given thereto in the Agency Store Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

NOVA SCOTIA LIQUOR CORPORATION

Per: _____
Name: _____
Title: _____

WITNESS

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation.

Agency Store Name

Per: _____
Name: _____
Title: _____

WITNESS

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation.

NSLC AGENCY STORE OPERATOR WAIVER

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revised

THIS AFFECTS YOUR LEGAL RIGHTS
READ THE FOLLOWING DOCUMENT CAREFULLY BEFORE SIGNING. SIGNING THIS DOCUMENT WILL PREVENT YOU FROM MAKING ANY CLAIM AGAINST THE NOVA SCOTIA LIQUOR CORPORATION IN THE EVENT OF ANY INJURY AND/OR PROPERTY DAMAGE ARISING WHILE PICKING UP NSLC PRODUCTS FROM AN NSLC RETAIL STORE OR THIRD PARTY WAREHOUSE PREMISES FOR SALE AT AN AGENCY

Name of Owner/Operator:

Business Name of Owner/Operator:

Name of Agency Store:

Name (person picking up product, if not Owner/Operator):

I, (*print name*) _____, as, or on behalf of, the owner/operator of the above-noted NSLC agency store (the "Store") pick up product from one or more NSLC retail stores or third party warehousing location(s) and transport it to the Store using a vehicle, owned, rented, leased or borrowed by me. Picking up product involves loading it from NSLC or third party warehouse premises into my vehicle, transporting it to the Store and unloading it for eventual sale at the Store (the "Activities").

I understand and acknowledge that there are risks associated with these Activities, including:

- Risk of potentially serious personal injury to me and/or any other person assisting me; and/or
- Risk of damage to my personal property or the personal property of any other person assisting me. Such personal property may include, but is not limited to, the vehicle I use in the course of the above Activities.

Therefore, as a condition of my continued ability to engage in the Activities, I confirm that:

1. I understand the risks outlined above and that other risks may also arise.
2. I assume these risks and all other risks arising from the Activities.
3. I agree to hold the Nova Scotia Liquor Corporation entirely free from any liability, including financial responsibility for any injuries incurred while engaging in the Activities.
4. I hereby also confirm that I do not have any conditions that will increase my likelihood of experiencing injuries while engaging in the Activities.

5. I agree to:
- a. Waive any and all claims or lawsuits that I have, or may have in the future, against Nova Scotia Liquor Corporation and its officers, directors, employees, sponsors, and volunteers (the "Releasees") arising out of the Activities;
 - b. Release the Releasees from any and all liability for any loss, damage, bodily injury or expense that I may suffer, to property or person, including death, arising out of my participation in the Activities due to any cause whatsoever including breach of contract, negligence, or gross negligence, or negligent rescue;
 - c. Indemnify the Nova Scotia Liquor Corporation in the event that any claim or lawsuit by a third party should be brought against it or any of the Releasees in respect of personal injury or property damage caused by or arising in the course of the Activities;
 - d. Not sue and to hold harmless and indemnify the Releasees from all actions, claims, expenses, fees, liability or damage award or costs of any type whatsoever arising from the Activities.

I HAVE READ AND UNDERSTOOD THIS WAIVER, RELEASE, AND INDEMNITY. I am aware that, by signing this document, I am waiving substantial legal rights (on my behalf and on behalf of my heirs, executors, administrators and next of kin), including the giving up of my right to sue. This waiver, release, and indemnity shall be interpreted, and the rights of the parties determined, under the laws of the Province of Nova Scotia. The Nova Scotia Courts shall have exclusive jurisdiction for any dispute arising under, or pertaining to, this assumption of risk, waiver, release, and indemnity.

READ BEFORE SIGNING

Signature _____ Date _____

Address _____