Execution Scoring Criteria

ONTARIO CANNABIS STORE

Criteria	Definition	Calculation	Benchmark	Measurement of SKUs (LP or sub-category level)	Reporting Period	Weighting
Perfect Order	Percentages of units ordered that are shipped in full and on time	Fill Rate (On-time ship rate)	OCS Target 98%	LP – Sub-category (All SKUs from an LP within a sub-category listed with OCS)	Rolling 12 Weeks	40%
Drop Rate	Count of SKUs withdrawn between NTP issuance and launch	Count of SKUs withdrawn	0 Withdrawals	LP – Aggregate (All SKUs from an LP listed with OCS)	Previous Two Product Calls	20%
Data Changes	Average number of changes on new items logged between NTP issuance and launch per accepted SKU	Number of changes/SKUs accepted	0 = No Changes	LP – Aggregate (All SKUs from an LP listed with OCS)	Previous Two Product Calls	10%
CPMUS (Complaints per million units sold)	Number of complaints per million units sold	Number of complaint cases/units sold (1,000,000)	Provided by OCS Quality Assurance Team: Vapes 2500 CPMU All others 100 CPMU	LP – Sub-category (All SKUs from an LP within a sub-category listed with OCS)	Previous Quarterly Reporting Period	10%
Supply Chain Incidents	Captures the occurrence of five most common delivery issues experienced by our distribution center. Incorrectly mixed POs on a pallet, GTIN error, unit of measure error, delivery no show and late delivery (>2 hours)	Number of incidents/POs	OCS Target 98%	LP – Aggregate (All SKUs from an LP listed with OCS)	Rolling 12 Weeks	20%

Calculation of Execution Scores

Perfect Order Scoring Range

0	0.5	1	1.5	2
70% or less perfect order rate	70%-80%	80%-90%	90%-98%	98%-100%

Withdrawals Scoring Range

0	1	2
More than 2 withdrawal(s)	1-2 withdrawal(s)	0 withdrawal(s)

Average Change Per Item Scoring Range

0	0.5	1	1.5	2
Over 1.00	0.75-1.00	0.50-0.75	0.25-0.50	0-0.25

CPMU Scoring Range

	Higher number of complaints	Lower number of complaints	Almost no complaints
Vapes	> 2000	Equals 2000	< 2000
All others	> 100	Equals 100	< 100

Average Supply Chain Incidents Per PO

2.0	1.5	1.0	0.5	0.0
0.00 - 0.02 (=>98% accurate)	0.02 - 0.05 (98% - 95% accurate)	0.05 - 0.10 (95% - 90% accurate)	0.10 - 0.20 (90% - 80% accurate)	> 0.20 (<80% accurate)

Note: OCS will neutralize the score to 1 for new Licensed Producers

Performance Scoring Criteria

Criteria	Definition	Calculation	Benchmark	Measurement of SKUs (LP or sub-category level)	Reporting Period	Weighting
Unit Volume In All Stores	Average number of units sold to any open Ontario store per week over the past 12 weeks	Number of units sold/stores per week (By sub-category)	Average units per store per week (UPSPW) for all SKUs within a Sub-Category Varies by sub-category (Currently 0.1 - 0.4 UPSPW)	LP – Sub-category (All SKUs from an LP within a sub-category listed with OCS)	Rolling 12 Weeks	50%
Unit Volume In Stores Where Sold	Proportion of SKUs selling at each UPSPW level per week over the past 12 weeks	Number of SKUs selling at a UPSPW level/total # SKUs sold	>1.5 UPSPW (Median UPSPW for all SKUs in stores stocking)	LP – Sub-category (All SKUs from an LP within a sub-category listed with OCS)	Rolling 12 Weeks	10%
Average Weekly Sales per SKU	Average revenue that each of an LP's SKUs generate for OCS per week over the past 12 weeks	Total Revenue/ # Distinct SKUs Sold	>$10,000 per week over prior 12 weeks	LP – Aggregate (All SKUs from an LP listed with OCS)	Rolling 12 Weeks	40%

Calculation of Performance Scores

Weekly units sold per SKU by sub-category

0-1	1	1-2
Below average LP performance at sub-category level	Meets average LP performance at sub-category level	Exceeds average LP performance at sub-category level

Proportion of SKUs by units per store per week (UPSPW)

0	0.5	1	1.5	2
No SKUs above 1.5 UPSPW, fewer than 50% above 0.3 UPSPW	No SKUs above 1.5 UPSPW, 50% or more above 0.3 UPSPW	1%-49% of SKUs above 1.5 UPSPW	50% or more SKUs above 1.5 UPSPW	All SKUs above 1.5 UPSPW

Average weekly sales per SKU

0	0.5	1	1.5	2
Weekly sales below $1K	Weekly sales between $1K and $2K	Weekly sales between $2K and $5K	Weekly sales between $5K and $10K	Weekly sales over $10K

Note: OCS will neutralize the score to 1 for new Licensed Producers

Execution and Performance Matrix

Submissions from Licensed Producers with execution and sale performance scores below 1.0 may be declined by the Category Managers. Licensed Producers are encouraged to develop a remediation plan to evaluate, identify and action areas of under-performance. We have provided an OCS Supplier Remediation Form for you to complete and share steps for improvement with Category Managers in advance of the next Product Call. Credible remediation plans may be provided listing opportunities in the following Product Call to re-establish improved performance, subject to Category Manager acceptance.

Performance >1
Execution <1
Impact: Average Access to Market

Performance >1
Execution >1
Impact: Prioritized Access to Market

Performance <1
Execution <1
Impact: Deprioritized Access to Market

Performance <1
Execution >1
Impact: Average Access to Market