

PROVINCIAL EXCISE CONTRACT for Additional Duty Provinces

THIS PROVINCIAL EXCISE CONTRACT (the “Agreement”) is made by and between:

Legal Entity Name: *Jade Trading Inc.*

Doing business as (DBA): *Smoke Tokes*

Registered Address: *3961 52nd Avenue NE, Calgary AB, T3J0K7*

Legal Entity Name or [If Unincorporated] Full Legal Name of Sole Proprietor:

Doing business as (DBA): _____

(the “Retailer”)

Registered Address: _____

(collectively referred to as “Parties” and singularly as “Party”), effective upon the latest date of execution of the Agreement by the Parties hereto (the “Effective Date”).

WHEREAS the Retailer is in the business of operating brick-and-mortar retail stores, e-commerce websites, wholesale distribution channels, or any combination of these;

AND WHEREAS the Parties have a non-exclusive retailer-supplier relationship;

AND WHEREAS the Parties wish to confirm the indemnity provided to Jade Trading Inc./Smoke Tokes by the Retailer for Additional Duty Provinces (as defined below);

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

- 1. Acknowledgment re Additional Excise Duty:** The Retailer acknowledges that vaping products intended for consumption, use, or sale to consumers in Ontario, Quebec, Northwest Territories, Nunavut, Alberta, Manitoba, Yukon, Prince Edward Island, New Brunswick, and any other province prescribed in section 2 of the Excise Duties on Vaping Products Regulations (“Additional Duty Provinces”) are subject to an additional excise duty pursuant to section 158.58 of the Excise Act, 2001 and must be stamped as duty-paid for the applicable Additional Duty Province.
- 2. Representation and Warranty:** The Retailer hereby represents and declares to Jade Trading Inc./Smoke Tokes that it has not ordered, and throughout the supplier relationship with Jade Trading Inc./Smoke Tokes will not order vaping products from Jade Trading Inc./Smoke Tokes for consumption, use or sale to consumers in Additional Duty Provinces unless they are stamped as duty-paid for the particular Additional Duty Province where the vaping products are to be consumed, used or sold. The Retailer acknowledges that the Excise Duties on Vaping

Products Regulations has come into force as per section 10 on July 1, 2024, section 7 allows for a transition period between July 1, 2024 and September 30, 2024, and section 8 facilitates the joining of New Brunswick, Manitoba, Prince Edward Island, Alberta, and Yukon by deferring the application of 158.44(2), 158.46(d) until April 2025. The Retailer acknowledges that its entire inventory of vaping products intended for consumption, use, or sale in Ontario, Quebec, Northwest Territories, and Nunavut must be stamped as duty-paid for the applicable Additional Duty Province after September 30, 2024. The Retailer acknowledges that its entire inventory of vaping products intended for consumption, use, or sale in New Brunswick, Manitoba, Prince Edward Island, Alberta, and Yukon must be stamped as duty-paid for the applicable Additional Duty Province after March 31, 2025.

- 3. Indemnity:** The Retailer acknowledges that Jade Trading Inc./Smoke Tokes relies on the Retailer's representation and agrees to indemnify, release, defend, save and hold harmless Jade Trading Inc./Smoke Tokes for all claims, losses, liabilities, damages, fees, expenses or costs (including without limitation, reasonable legal costs) resulting from, or in connection with, the Retailer's sale or distribution of vaping products in Additional Duty Provinces that are not appropriately stamped for that province or territory. Jade Trading Inc./Smoke Tokes reserves the right to void or terminate sales to the Retailer where warranted, as determined in Jade Trading Inc./Smoke Tokes sole discretion.
- 4. Binding Nature and Severability:** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, assigns, affiliates, related entities and legal representatives, together with their respective officers, directors, employees, partners, representatives, shareholders and owners, as applicable. Should any term or provision hereof be deemed invalid, void or of no effect by a court or forum of competent jurisdiction, such term or provision shall be deemed severable without prejudice to the remaining terms and provisions of this Agreement, all of which shall continue in full force and effect. This Agreement shall remain in full force and effect for so long as the parties are engaged in a supplier-retailer relationship, provided that the indemnity shall survive the termination of the supplier-retailer relationship.
- 5. Independent Legal Advice:** Each of the Parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.
- 6. Governing Law:** This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada.
- 7. Counterparts:** This Agreement may be executed in multiple counterparts, including those in electronic or digital form, each of which shall be deemed an original and all of which shall constitute the same document.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed on the date set forth under their names, effective as of the Effective Date described above:

Legal Entity Name: *Jade Trading Inc.* Legal Entity Name or [If Unincorporated]

Full Legal Name of Sole Proprietor:

DBA: *Smoke Tokes*

DBA: _____

Signed By: *NJ*

Name: NJ

Name: _____

Title: *Director*

IP ADDRESS: _____

Date: *2025/02/15*

Date: _____