



Security Plan

PharmaCann currently operates fourteen marijuana retail locations in the highly regulated medical and adult-use marijuana programs of New York, Illinois, Massachusetts, Ohio, Pennsylvania, and Maryland. Our facilities also include five operational manufacturing facilities (~300,000 sf total) for cultivation and processing of marijuana products serving thousands of registered patients and consumers. Our internal and third-party security personnel have served in prior law enforcement, military, and professional security capacities, and as such, collaborate closely with local and state law enforcement and regulatory authorities. PharmaCann has not had a single material security breach nor incident of diversion across its operational marijuana facilities.

Experience with Safely Securing and Dispensing Marijuana

PharmaCann's procedures for safely growing, transporting, and dispensing marijuana products are based on its operational experience in highly regulated medical and adult use marijuana programs. PharmaCann's detailed plans for the secure storage of the wide variety of finished products that will be present within the retail dispensary include systems and procedures that not only meet, but exceed standard security protocols. PharmaCann's plans for the secure storage of marijuana have been developed based on the extensive and highly transferable experience of its personnel from the pharmaceutical and agricultural manufacturing industries.

The excellence of the security plan is evidenced by our fourteen other facilities having produced, stored and dispensed over 4,200,000 individually packaged marijuana products with no material incidents of theft or diversion. Once permitted in Newton, we endeavor to continue this tradition of excellence.

Retail Restrictions

PharmaCann will work directly with local Newton authorities to prohibit and enforce against the following activities:

- Consumption of marijuana within, or public areas in the vicinity of, the premises of the facility;
- Consumption of food and/or beverages by qualifying patients and primary caregivers on the premises of the facility;
- Sale of food, beverages, or tobacco for onsite consumption on the premises of the facility;
- Sale and/or diversion of marijuana to unauthorized persons under the age of 21;



- Entry onto the premises of the facility by a person who is under the age of 18.

The dispensary will not be open or in operation, and no person shall be in the facility unless the Retail Manager or Assistant Retail Manager is on the premises with a second employee, and directly supervising the activity within the premises. At all other times, the dispensary will be closed and properly secured in accordance with state and local regulations.

PharmaCann has a firmwide 24/7 security system, including:

- Electronic Security System;
- Intrusion Detection System;
- Access Control System;
- Video Surveillance System; and
- Various other ancillary services, including designed perimeter defenses, physical and logical access control, and profile management of all employees.

Lighting

PharmaCann will keep the outside areas of the retail location's perimeters well-lit. The exterior lighting will be sufficient to deter nuisance and criminal activity and facilitate video surveillance, but will not disturb surrounding businesses or neighbors. Lighting for reducing crime and improving security is part of a crime-deterrent design strategy. Lighting can also enable and improve detection, identification, and capture of the potential intruders. PharmaCann will implement the following forms of lighting:

- Exterior surface lighting;
- Building entrance service areas;
- Exterior pedestrian and vehicular traffic;
- Perimeter area lighting; and
- Spotighting Parking.

PharmaCann will provide onsite parking. The parking area will be located convenient to the facility entrance and in manner to provide a direct path for individuals with clear sight lines in all directions. The parking area will be illuminated with sufficient lighting.

Safety and Security Alarm System

PharmaCann will install, maintain in good working order, and operate a safety and security alarm system at the retail location that will provide 24-hours a day, seven days a week deterrence against theft and diversion. The system will utilize commercial-grade equipment from Tyco (or an equivalent commercial provider), to prevent unauthorized entry and to prevent and detect diversion, theft, or loss of any marijuana and marijuana products. The safety and security alarm system will utilize commercial grade equipment with the following specifications:

- Capabilities that fully protects the entire retail facility, including a perimeter alarm on all entry and exit points and perimeter windows;
- A failure notification system that provides a notification of any failure in the security system that provides an electronic alert to the General Manager and his or her designee within five minutes after the failure;
- Include a sound, microwave, photoelectric, or ultrasonic device, or any other generally accepted and suitable device that provides an alert to the General Manager and his or her designee in the event of a security breach or system failure;
- Capabilities of sending an alarm signal to the monitoring entity when breached if the communication line is not operational;
- Capabilities of sending a duress alarm, panic alarm, or holdup alarm to local Newton Police Department authorities and Massachusetts State Police with automatic voice dialer;
- 24-hour video camera surveillance in all areas of the retail location, including but not limited to areas of the facility that contain marijuana and marijuana products, safes, vaults, cash, and all points of entry and exit into the facility premises and areas where marijuana, marijuana products, and cash are stored or handled;
- Placement of video camera surveillance that will capture the clear identification of any person exiting the retail facility or areas where marijuana, marijuana products, or cash are stored or handled;
- Retention of 24-7 video camera surveillance for at least 90 days, and capabilities that allow for viewing of clear, color still images whether live or recorded; any export file of still images or video recordings in an industry standard and proprietary format will be capable of being played on a standard computer operating system;
- Capabilities to produce an accurately synchronized date and time stamp of any video recording or still image;
- Auxiliary backup for a minimum of four hours in the event of a power outage, and a backup alarm system with alternate safeguards to ensure continuous operation of the security system;
- Capabilities of detecting breaking by any means when activated;



- Establish restricted access to camera systems only by essential employees and security personnel working at the facility, and authorized Newton Police Department, law enforcement agencies, and the Cannabis Control Commission;
- Activation alerts whenever the facility is closed for business;
- Maintained in a secure location so as to prevent theft, loss, destruction or alterations; and
- Maintained in good working order with testing at least every 30 days.

The safety and security alarm system manages all security subsystems, synchronizing the Access Control System, Intrusion Detection System, and Video Surveillance System, into one integrated platform. All actions taken in the system are fully tracked, auditable, and retained per PharmaCann's data retention schedule. This is the same system that PharmaCann has implemented at its other operational retail locations, rivalling those in the most sophisticated, secure buildings within the United States.

Notification from Law Enforcement and Neighbors

PharmaCann will provide Newton Police Department, Massachusetts State Police, and local residential and commercial neighbors within 100 feet of the Retail Site with the name and phone number of the Operations Manager and General Manager for notification during and after operating hours to whom they can report any issues or problems at the facility.

Theft and Diversion Notification Protocols

The Regional Manager will closely supervise and direct the reporting of theft from our retail facility.

- I. If any officer, General Manager, or employee determines that a loss, theft, or diversion of marijuana products has occurred from the retail location, that person will immediately report such loss, theft or diversion to the General Manager.
- II. The General Manager will immediately inform the Regional Manager, Director of Operations, and PharmaCann compliance attorneys.
- III. The Director of Operations or a designee will notify the Cannabis Control Commission and law enforcement promptly by phone and in writing, deposited in the U.S. mail, postage prepaid, within 24 hours, after having reasonable cause to believe that marijuana products have been lost or stolen from the dispensary or of the discovery of the loss or theft.
- IV. The report to the Cannabis Control Commission will include:



- A. Name and address of the dispensary;
 - B. Amount and type of marijuana products lost or stolen;
 - C. Circumstances surrounding the loss or theft;
 - D. Date and time of the loss or theft, as well as the date the loss or theft was discovered; e. Individual/employee who discovered the loss or theft; and
 - E. Individual(s) responsible for the loss or theft, if known, and any other information that the reporter believes might be helpful in establishing the cause of the loss or theft.
- V. In addition to the persons required to report loss or theft of marijuana products, any other person may make a report to the Cannabis Control Commission, or to any law enforcement officer, if the person has reasonable cause to suspect loss or theft of marijuana products.
- VI. The General Manager will ensure compliance with, and implement any additional, appropriate storage and security requirements for all marijuana products in the dispensary, as determined by the Department and law enforcement.
- VII. If a reduction in the amount of medical marijuana products in the dispensary's inventory is due to suspected criminal activity, the Director Of Dispensary, Director Of Operations, or designee will immediately report the reduction to the Cannabis Control Commission.