



ECTA Distributor Membership Agreement

What is ECTA?

ECTA of Canada was formed specifically to research and apply relevant and appropriate regulations, as codified in Canadian law, which govern the sale of electronic cigarettes. Electronic cigarettes are neither legally-definable as medicinal products, nor as tobacco products. ECTA is and will continue researching and compiling all the relevant regulatory law for general consumer products. These have been brought together into the Industry Standard of Excellence (ISE) guidebook, which will be supplied to our members as well as to government enforcement agents. We audit our members bi-annually using the ISE guidebook as the compliancy standard. The guidebook presents the legal and regulatory standards that are relevant to electronic cigarettes into one simplified book, clearly defining e-cigs as consumer products.

ECTA is supported and works alongside the UK/EU based ECITA – Electronic Cigarette International Trade Association. ECTA currently employs Paul L. Bergen (MSc., M.L.I.S.) who is continuing our research into the policies and regulations set forth by the existing laws in Canada. (Paul has been active in tobacco harm reduction since 2005).

ECTA's membership is made up of Canadian electronic cigarette vendors and manufacturers who are committed to full legal compliance and the highest possible standards of product quality, safety, customer service, and excellent business practices in all areas.



The Industry Standard of Excellence

Why was ECTA Formed?

ECTA was created with the intent to help bring about a standard of excellence and facilitate delivery of clearly defined and existing regulations to the electronic cigarette industry. The idea was to gather information and research Canadian laws to allow Canadian Electronic Cigarette businesses to bring their products to the Canadian market as a legitimate and recognized industry. ECTA officially came into existence in November of 2011.

What are ECTA's goals for the future?

We would like to see strong leadership from policy makers, recognizing that e-cigs should be classified as general consumer products, subject to enforcement of the appropriate Canadian consumer protection legislation. We believe that ECTA will continue to have a role in providing self-regulation from within the industry to support government regulators by ensuring that the high standards set by ECTA's members are replicated across the Canadian industry. ECTA is dedicated to bringing the sale of e-cigarettes and e-liquid as a mainstream product, available to all Canadians, while protecting Canadian vendors from unwarranted persecution. By taking the first step to establish an industry compliance standard, ECTA will achieve freedom of choice for vendors and consumers alike.

Key Benefits for Distributor Members

- ✓ Complete set of compliance documentation from your ECTA member supplier
- ✓ Regular liquid testing reports
- ✓ Stream-lined legally compliant batch system available for member use
- ✓ Support the growth and legitimacy of the Electronic Cigarette Industry in Canada for the benefit of vendors and consumers
- ✓ ECTA Public Awareness Package, to help you spread the word to non-affiliated organizations and individuals. Nonsmoking & vaping

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permitted stickers are available.

- ✓ Support and assistance from ECTA with Customs, Health Canada and other regulatory enforcement agents
- ✓ Access to political campaigning resources to ensure that your business can flourish
- ✓ Reduced fees, since your supplier handles the compliance documentation for you
- ✓ You will be listed on www.ecatofcanada.com as a compliant distributor member
- ✓ Access to the ECTA Members website for additional resources and member information

Requirements to become an ECTA Distributor Member

We are required to make sure that all ECTA members – whether Founding Members, Distributor Members or General Members – are committed to maintaining the highest possible standards in their business affairs. This is why Distributor Membership can only be offered to distributors working with existing ECTA Members. In order to maintain ECTA's standard for excellence, we need to insist on the following rules to govern distributor members:

1. Participation in ECTA of Canada will be available to all vendors of Electronic Cigarettes, eliquid and/or accessories, subject to our Code of Conduct and payment of the fees. All ECTA approved businesses are required to pay fees (including the founding members) - which are used to cover operating expenses incurred on behalf of each business.
2. To qualify as a distributor member you may only resell electronic cigarettes, e-liquid and other related products supplied by your compliant ECTA member supplier. Products outside of this range cannot be sold as they would not be included in company specific audits. All required documentation will be provided directly to you by your supplier.
3. You are required to maintain your compliance file as directed by your

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- supplier, including maintaining the batch system provided, and make it available to regulatory enforcement agents on request.
4. Your distributor membership is only valid while you are with your current ECTA supplier. If the distributor relationship is severed you will be required to re-apply under the general ECTA membership plan.
 5. A monthly membership payment of \$50CAD per month must be paid in full and on time. Several payment options are available, Payment instructions can be found on the ECTA Members website (<http://member.ectaofcanada.com>). Membership fees are subject to change (with 30 day advanced notice) based on a majority vote by the founding board of directors.
 6. You are required to have a product certification book or file (provided by your supplier) on hand at any and all locations where applicable products are sold (including: Home, Retail locations, and trade shows).
 7. Failure to comply with ECTA compliance standards may result in your dismissal as a distributor member.
 8. An ECTA member logo should be displayed where clients can see it, when possible.
 9. If your supplier is no longer an ECTA member you will be given a choice to become a general member. However, you will need to submit to general membership requirements, including an increased member fee and compliance audits.
 10. **ALL** Members must adhere to and abide by the code of conduct as seen on the ECTA website: <http://ectaofcanada.com/Code%20of%20Conduct.pdf>
 11. Ensure you notify your supplier of any potential challenges or problems as soon as they arise, so that the ECTA team can assist you in a timely manner.

ECTA Committee

Occasionally, ECTA may call for volunteers from the Client and Distributor Members to serve on a committee to perform specific collaborative efforts or tasks. Participation as a Committee member is strictly voluntary but once a member agrees to participate they are expected to work towards completion of the committee task. A committee would be expected to act without supervision or direction from ECTA and results to be presented to

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the Board. A committee member volunteer is expected to:

1. Be an active member of ECTA
2. Commit to the assigned tasks of the committee.
3. Report to the Board member in charge of the specific committee.
4. Relay any unresolvable discrepancies or concerns to the Board Chair.

Changes and amendments to this membership agreement are expected and may be required at any time. In the event that a change is required, Members will be notified by means provided on the membership application, ECTA website and/or other mechanism 30 days prior to the implementation of that change.

I _____, representing _____
Printed Name Business Name

hereby understand and accept the terms and conditions of this agreement.

Signature

Date

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