



## Massachusetts Cannabis Control Commission

### Independent Testing Laboratory

#### General Information:

License Number: IL281278  
Original Issued Date: 09/14/2018  
Issued Date: 09/10/2020  
Expiration Date: 09/14/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: MCR Labs, LLC

Phone Number: 508-872-6666  
Email Address: info@mcrlabs.com

Business Address 1: 85 Speen St  
Business City: Framingham  
Business State: MA  
Business Zip Code: 01701  
Business Address 2:  
Mailing Address 1: 85 Speen St  
Mailing City: Framingham  
Mailing State: MA  
Mailing Zip Code: 01701  
Mailing Address 2:

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no  
Priority Applicant Type: Not a Priority Applicant  
Economic Empowerment Applicant Certification Number:  
RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:  
Department of Public Health RMD Registration Number:  
Operational and Registration Status:  
To your knowledge, is the existing RMD certificate of registration in good standing?:  
If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100  
Percentage Of Control: 100  
Role: Owner / Partner  
Other Role:

First Name: Michael Last Name: Kahn Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

**ENTITIES WITH DIRECT OR INDIRECT AUTHORITY**

Entity with Direct or Indirect Authority 1

Percentage of Control: Percentage of Ownership:  
Entity Legal Name: Cardboard Box Holdings Entity DBA: DBA City:  
Entity Description: Holding Company  
Foreign Subsidiary Narrative:  
Entity Phone: Entity Email: Entity Website:  
Entity Address 1: Entity Address 2:  
Entity City: Entity State: Entity Zip Code:  
Entity Mailing Address 1: Entity Mailing Address 2:  
Entity Mailing City: Entity Mailing State: Entity Mailing Zip Code:  
Relationship Description: Holding company, wholly owned and controlled by Michael Kahn

**CLOSE ASSOCIATES AND MEMBERS**

Close Associates or Member 1

First Name: Rostislav Last Name: Gutman Suffix:  
Describe the nature of the relationship this person has with the Marijuana Establishment: Director of Finance and Business Operations

Close Associates or Member 2

First Name: Scott Last Name: Churchill Suffix:  
Describe the nature of the relationship this person has with the Marijuana Establishment: Director, Scientific Operations

Close Associates or Member 3

First Name: Michael Last Name: Kahn Suffix:  
Describe the nature of the relationship this person has with the Marijuana Establishment: President and Founder

**CAPITAL RESOURCES - INDIVIDUALS**

Individual Contributing Capital 1

First Name: Michael Last Name: Kahn Suffix:  
Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$100 Percentage of Initial Capital: 100  
Capital Attestation: Yes

**CAPITAL RESOURCES - ENTITIES**

No records found

**BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES**

Business Interest in Other State 1

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner  
Owner First Name: Michael Owner Last Name: Kahn Owner Suffix:  
Entity Legal Name: PCR Labs, LLC Entity DBA:  
Entity Description: Cannabis Testing Laboratory  
Entity Phone: 617-750-6666 Entity Email: Entity Website:

mikahn@mcrilabs.com

Entity Address 1: 2020 Downyflake Lane

Entity Address 2:

Entity City: Allentown Entity State: PA

Entity Zip Code: 18103

Entity Country: USA

Entity Mailing Address 1: 2020 Downyflake Lane

Entity Mailing Address 2:

Entity Mailing City: Allentown Entity Mailing State: PA

Entity Mailing Zip Code:  
18103

Entity Mailing Country:  
USA

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 85 Speen St

Establishment Address 2:

Establishment City: Framingham

Establishment Zip Code: 01701

Approximate square footage of the Establishment: 6000

How many abutters does this property have?: 10

Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?: Yes

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	Zoning.pdf	pdf	5b4fad0ba074053215ddb34c	07/18/2018
Community Outreach Meeting Documentation	Community outreach attestation.pdf	pdf	5b50fcb45c57ce321fac5aa3	07/19/2018
Certification of Host Community Agreement	Framingham MCR HCA certification.pdf	pdf	5b60db5df002a228615690aa	07/31/2018

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$1

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Economic Impact Plan.pdf	pdf	5b60db738a93fd282f3e38d8	07/31/2018

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Other Role:  
First Name: Michael Last Name: Kahn Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

### Individual Background Information 2

**Role:** **Other Role:**  
**First Name:** Rostislav **Last Name:** Gutman **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

### Individual Background Information 3

**Role:** **Other Role:**  
**First Name:** Scott **Last Name:** Churchill **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

### ENTITY BACKGROUND CHECK INFORMATION

#### Entity Background Check Information 1

**Role:** Parent Company **Other Role:**  
**Entity Legal Name:** Cardboard Box, LLC **Entity DBA:**  
**Entity Description:** Massachusetts LLC  
**Phone:** 617-750-6666 **Email:** mikahn@mcrlabs.com  
**Primary Business Address 1:** 85 Speen St **Primary Business Address 2:**  
**Primary Business City:** Framingham **Primary Business State:** MA **Principal Business Zip Code:** 01701  
**Additional Information:**

### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	2018-04-19 13-53 certificate of good standing secretary of commonwealth.pdf	pdf	5b2412d2b47dfe43b93ebac4	06/15/2018
Department of Revenue - Certificate of Good standing	2017-08-02 11-07 MCR certificate of good standing tax revenue.pdf	pdf	5b2412d453361a503c1d530d	06/15/2018
Articles of Organization	MCR Labs - Certificate of Organization (M1238070xB1386).PDF	pdf	5b2412d6a6220743bfd9d06c	06/15/2018
Bylaws	MCR Labs - Operating Agreement Final.pdf	pdf	5b24162aa6220743bfd9d074	06/15/2018

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	MA DOR Cert of Compliance.pdf	pdf	5f1610369a9ccf70437a6377	07/20/2020
Secretary of Commonwealth - Certificate of Good Standing	MA Sec of Commonwealth- Cert of Good Standing.pdf	pdf	5f16115ba3272a742d1c28c7	07/20/2020
Department of Unemployment Assistance - Certificate of Good standing	MCR-DOU Certificate.pdf	pdf	5f17622c8767bb7013cb0f9c	07/21/2020

**Massachusetts Business Identification Number:** 463124709

**Doing-Business-As Name:**

**DBA Registration City:**

**Date generated:** 12/03/2020

## BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	MCR LABS - SUMMARY BUSINESS PLAN (2).pdf	pdf	5b465c6c85e0cc3ea5b90210	07/11/2018
Proposed Timeline	MCR LABS - SUMMARY BUSINESS PLAN ADDENDUM.pdf	pdf	5b63537dfbbc11284d02ef3a	08/02/2018
Plan for Liability Insurance	MCR LABS - SUMMARY BUSINESS PLAN ADDENDUM.pdf	pdf	5b635385f002a228615692e0	08/02/2018

## LABORATORY CERTIFICATION

Certifying Body: ANAB ISO 17025 Accreditation Certificate Number: AT-1853

## OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Separating recreational from medical operations, if applicable	MCR LABS REC SOP 0001_SEPARATIONS.pdf	pdf	5f1894e37b30b674269a84f4	07/22/2020
Restricting Access to age 21 and older	MCR LABS REC SOP 0002_RESTRICTING ACCESS.pdf	pdf	5f1894f21c4abd74527f4436	07/22/2020
Security plan	MCR LABS REC SOP 0003_SECURITY PLAN.pdf	pdf	5f1894ffa3272a742d1c2f68	07/22/2020
Prevention of diversion	MCR LABS REC SOP 0004_PREVENTION OF DIVERSION.pdf	pdf	5f18950b9adff6745ddd59f5	07/22/2020
Storage of marijuana	MCR LABS REC SOP 0005_STORAGE.pdf	pdf	5f18951bc124977059ce758e	07/22/2020
Transportation of marijuana	MCR LABS REC SOP 0006_TRANSPORTATION.pdf	pdf	5f189541c124977059ce7594	07/22/2020
Inventory procedures	MCR LABS REC SOP 0007_INVENTORY.pdf	pdf	5f1895484601b5701e614f6c	07/22/2020
Quality control and testing	MCR LABS REC SOP 0008_QC & TESTING.pdf	pdf	5f18954f5272ec7447e7a80e	07/22/2020
Dispensing procedures	MCR LABS REC SOP 0009_DISPENSING.pdf	pdf	5f18955944827474644ea062	07/22/2020
Personnel policies including background checks	MCR LABS REC SOP 0010_PERSONNEL.pdf	pdf	5f189560cfe2dd743cd67ae6	07/22/2020
Record Keeping procedures	MCR LABS REC SOP 0011_RECORDKEEPING.pdf	pdf	5f18956862a1117473fb7bde	07/22/2020
Maintaining of financial records	MCR LABS REC SOP 0012_FINANCIAL RECORDS.pdf	pdf	5f18956ecfe2dd743cd67aec	07/22/2020
Qualifications and training	MCR LABS REC SOP 0014_QUALIFICATIONS AND TRAINING.pdf	pdf	5f1895789a9ccf70437a6a2d	07/22/2020
Diversity plan	2019-2020 Diversity Plan.pdf	pdf	5f1895a47b30b674269a8505	07/22/2020

## ATTESTATIONS

I certify that no additional entities or individuals meeting the requirement set forth in 935 CMR 500.101(1)(b)(1) or 935 CMR 500.101(2)(c)(1)

have been omitted by the applicant from any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

I understand that the regulations stated above require an applicant for licensure to list all executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings.: I Agree

I certify that any entities who are required to be listed by the regulations above do not include any omitted individuals, who by themselves, would be required to be listed individually in any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

Notification: I Understand

I certify that any changes in ownership or control, location, or name will be made pursuant to a separate process, as required under 935 CMR 500.104(1), and none of those changes have occurred in this application.: I Agree

I certify that to the best knowledge of any of the individuals listed within this application, there are no background events that have arisen since the issuance of the establishment's final license that would raise suitability issues in accordance with 935 CMR 500.801.: I Agree

I certify that all information contained within this renewal application is complete and true.: I Agree

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: Please see attached statement of Progress with Positive Impact Plan

#### COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

Description of Progress or Success: Please see attached statement of progress for diversity plan.

#### HOURS OF OPERATION

Monday From: 7:30 AM	Monday To: 11:30 PM
Tuesday From: 7:30 AM	Tuesday To: 11:30 PM
Wednesday From: 7:30 AM	Wednesday To: 11:30 PM
Thursday From: 7:30 AM	Thursday To: 11:30 PM
Friday From: 7:30 AM	Friday To: 11:30 PM
Saturday From: 8:00 AM	Saturday To: 9:00 PM
Sunday From: 8:00 AM	Sunday To: 9:00 PM



## PLAN TO REMAIN COMPLIANT WITH LOCAL ZONING

MCR LABS will comply with any changes in city or state ordinances and/or bylaws that regulate the use of land, buildings, and structures.

MCR LABS will make contact with the appropriate departments on a quarterly basis to ensure that no changes have been made to local siting or zoning laws. If changes have been made, MCR LABS will ensure compliance with new regulations.

## Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

I, MICHAEL KAHN, (insert name) attest as an authorized representative of MCR Labs, LLC (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on JULY 10, 2018 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on JUNE 28, 2018 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document).
3. A copy of the meeting notice was also filed on JUNE 27, 2018 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on JUNE 26, 2018 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee).



5. Information was presented at the community outreach meeting including:
  - a. The type(s) of Marijuana Establishment to be located at the proposed address;
  - b. Information adequate to demonstrate that the location will be maintained securely;
  - c. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;
  - d. A plan by the Marijuana Establishment to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
  
6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.





Attachment  
B

To: Mayor Yvonne M. Spicer  
From: MCR Labs  
Date: June 26, 2018  
Subject: CANNABIS TESTING LABORATORY LEGAL NOTICE OF COMMUNITY OUTREACH MEETING RE: MCR LABS 85 SPEEN ST.

Notice is hereby given that MCR Labs, located at 85 Speen Street, Framingham, Massachusetts, will conduct a Community Outreach Meeting on the following matter on July 10, 2018 at the Framingham Elks Lodge, 450 Union Ave, Framingham, MA at 6 PM.

MCR Labs intends to apply for an Independent Testing Laboratory license pursuant to M.G.L. Ch. 94G Section 15 of the Acts of 2017, other applicable laws and regulations promulgated thereunder, including those promulgated thereunder by the Massachusetts Cannabis Control Commission.

Information presented at the community outreach meeting will include, but not be limited to:

1. MCR Labs' role as an independent testing lab for the Medical Marijuana and Adult-use Marijuana programs overseen by the Cannabis Control Commission;
2. Background information concerning MCR Labs' history and continued operation within the City of Framingham
3. Information adequate to demonstrate that the MCR Labs location is maintained securely and does not constitute a nuisance to the community.

Community members will be permitted and are encouraged to ask questions and receive answers from representatives of MCR Labs.

A copy of this notice is on file with the Town Clerk, at the Board of Selectmen's office, and the Planning Board office, all located at the Framingham City Hall, 150 Concord St. Framingham, Massachusetts, and a copy of this Notice was mailed at least seven calendar days prior to the community outreach meeting to abutters of MCR Labs current operating location, owners of land directly opposite on any public or private street or way, and to abutters within three hundred feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

MCR Labs

Michael Kahn  
President



Attachment  
C

To: Five Speen LLC  
From: MCR Labs  
Date: June 26, 2018  
Subject: CANNABIS TESTING LABORATORY LEGAL NOTICE OF COMMUNITY OUTREACH MEETING RE: MCR LABS 85 SPEEN ST.

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MCR Labs

Michael Kahn  
President

## Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

### Applicant

I, MICHAEL KAHN, (*insert name*) certify as an authorized representative of MCR Labs, LLC (*insert name of applicant*) that the applicant has executed a host community agreement with City of Framingham (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on 31 July, 2018 (*insert date*).

M Kahn

Signature of Authorized Representative of Applicant

### Host Community

I, Yvonne M. Spicer, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for City of Framingham (*insert name of host community*) to certify that the applicant and City of Framingham (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on July 31, 2018 (*insert date*).

Yvonne M. Spicer

Signature of Contracting Authority or  
Authorized Representative of Host Community

## **MCR Labs – Plan to Positively Impact Areas of Disproportionate Impact**

MCR Labs intends to positively impact areas of disproportionate impact through three primary channels:

- 1) Financial Support – Direct Giving and Discounted Testing.
- 2) Education - Technical Assistance Seminars and Trainings.
- 3) Hiring Practices – Prioritizing applicants from key areas.

### **Financial Support**

We intend to offer financial support to areas of disproportionate impact through enhanced and targeted donations and sponsorships to advocacy groups, economic empowerment non-profits, and local charities. Our target (which may be revised upwards if we are financially able to do so) is \$500 per month for the first six months, \$1,000 per month afterwards.

We have reached out to local communities and non-profits such as Mass Equitable Opportunities Now (EON) to identify where our support can have the most positive impact, and EON has agreed to work with us on this initiative.

We are also implementing discounted testing structures for Economic Empowerment Applicants and other entrepreneurs from Areas of Disproportionate Impact.

Discounts will include:

- Revised bulk-pricing thresholds to half that of other clients (i.e. smaller customers will be able to get the volume pricing discount)
- 5% Discount for testing for Economic Empowerment Applicants for their first year of operation, on top of the bulk pricing discount.
- Extended repayment terms for Economic Empowerment Applicants.

### **Education**

To better serve areas of Disproportionate Economic Impact we are partnering with non-profits such as EON and other economic empowerment non-profits, to participate or host educational seminars and technical trainings in those communities.

Topics for Trainings and Seminars will include, but are will not be limited to:

- Massachusetts Testing Requirements for Cannabis Products (what products need to be tested, when, how to interpret results of testing, etc.)
- Best practices for producing safe products (with speakers either from our laboratory, or industry experts we bring in)
- Sharing our experience as a start-up in Massachusetts (and bring in other entrepreneurs to share their experiences)
- Cannabis science (going into detail on decarboxylation, accurate dosing, the science of extractions, product homogeneity, etc.)

We will not charge admissions to these trainings and will instead offer vouchers for further testing discounts to attendees. We have already begun to participate in seminars to engage communities of disproportionate impact.

### **Hiring Practices**

Along with our stated intent in our Employee Handbook and Diversity Plan to prioritize hiring applicants from our local community and underrepresented and minority communities, we will also partner with agencies such as the Cannabis Business Association of Massachusetts to target applicants from Areas of Disproportionate Impact via hiring fairs, targeted job postings, and company presence at community

events including partnering with Community Colleges in those areas. We have engaged Roxbury Community College to establish an internship program for STEM students to receive technical training at MCR.

MCR will also prioritize hiring applicants from Areas of Disproportionate Impact into our Internship program, to help applicants from those areas start a career in science. As stated in our Diversity Plan, in 2018 MCR has started a Human Resources Improvement Initiative, and we have committed to hiring external consultants to implement best in class benefits, policies, and procedures. Beyond leading extensive trainings in Diversity sensitivity and awareness, we will also have the consultants thoroughly evaluate our hiring practices to determine how best to implement best hiring practices with the goal of meeting company staffing needs while also benefiting Areas of Disproportionate Impact.





*The Commonwealth of Massachusetts*  
*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

William Francis Galvin  
Secretary of the  
Commonwealth

April 13, 2018

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

**MCR LABS, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **July 8, 2013.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation or withdrawal; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are:  
**MICHAEL KAHN**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **MICHAEL KAHN, SCOTT M CHURCHILL, ROSTISLAV GUTMAN**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **MICHAEL KAHN**

In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth







Commonwealth of Massachusetts  
Department of Revenue  
Michael J. Heffernan, Commissioner

mass.gov/dor

Letter ID: L0999501312  
Notice Date: May 10, 2017  
MA Taxpayer FEIN: XX-XXX4709



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



MCR LABS LLC  
85 SPEEN ST STE 100  
FRAMINGHAM MA 01701-1902

000011

### ***Why did I receive this notice?***

The Commissioner of Revenue certifies that, as of the date of this certificate, MCR LABS LLC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

**This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.**

### ***What if I have questions?***

If you have questions, call us at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### ***Visit us online!***

Visit [mass.gov/dor](http://mass.gov/dor) to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief  
Collections Bureau



**The Commonwealth of Massachusetts  
William Francis Galvin**

Minimum Fee: \$500.00

Secretary of the Commonwealth, Corporations Division  
One Ashburton Place, 17th floor  
Boston, MA 02108-1512  
Telephone: (617) 727-9640

**Certificate of Organization**

(General Laws, Chapter )

**Federal Employer Identification Number:** 463124709 (must be 9 digits)

**1. The exact name of the limited liability company is:** MCR LABS, LLC

**2a. Location of its principal office:**

No. and Street: 42 FAIRVIEW ST  
City or Town: ROSLINDALE State: MA Zip: 02131 Country: USA

**2b. Street address of the office in the Commonwealth at which the records will be maintained:**

No. and Street: 42 FAIRVIEW ST  
City or Town: ROSLINDALE State: MA Zip: 02131 Country: USA

**3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:**

RESEARCH AND QUALITY CONTROL TESTING

**4. The latest date of dissolution, if specified:**

**5. Name and address of the Resident Agent:**

Name: MICHAEL KAHN  
No. and Street: 42 FAIRVIEW ST  
City or Town: ROSLINDALE State: MA Zip: 02131 Country: USA

**I, MICHAEL KAHN resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.**

**6. The name and business address of each manager, if any:**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	MICHAEL KAHN	42 FAIRVIEW ST ROSLINDALE, MA 02131 USA

**7. The name and business address of the person(s) in addition to the manager(s), authorized to execute documents to be filed with the Corporations Division, and at least one person shall be named if there are no managers.**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code

**8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code

**9. Additional matters:**

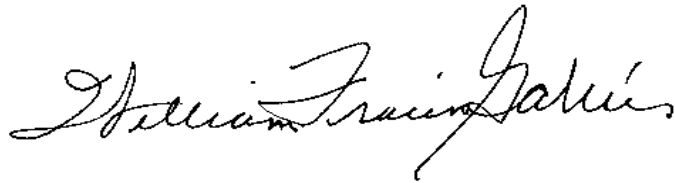
**SIGNED UNDER THE PENALTIES OF PERJURY, this 8 Day of July, 2013,**  
**MICHAEL KAHN**

*(The certificate must be signed by the person forming the LLC.)*

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

July 08, 2013 01:31 PM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, prominent initial "W".

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
MCR Labs, LLC

(A Massachusetts Limited Liability Company)

THIS LIMITED LIABILITY COMPANY AGREEMENT OF MCR Labs, LLC (the "Agreement"), dated as of May 10, 2018, is by and among MCR Labs, LLC, a Massachusetts limited liability company (the "Company"), Michael Kahn ("Founder"), Cardboard Box Holdings LLC (the "Parent"), and any other persons who hereinafter become parties hereto. References herein to the "Members" shall be to Founder and any other individuals or entities who have been admitted to (and have not withdrawn or been expelled from) the Company as members.

RECITALS

WHEREAS, the Company was formed by the filing of a Certificate of Organization with the Secretary of the Commonwealth of Massachusetts on July 8, 2013; and

WHEREAS, the parties hereto desire to operate the Company as a Massachusetts limited liability company pursuant to the Massachusetts Limited Liability Company Act (M.G.L. Ch. 156C, g! seq.), as amended from time to time (the "Act"), and any successor to such Act; and

WHEREAS, the Founder has contributed the Units of the Company to the Parent pursuant to that certain Contribution Agreement by and between the Founder and the Parent, dated as of May 10, 2018.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Organization: Certificate: Name.

1.1 Organization. The Company shall be organized and continued as a Massachusetts limited liability company as provided herein.

1.2 Filings. The parties hereto ratify and confirm the authority of each member of the Management Board (as defined in Section 8.1) and any other individual authorized by the Management Board, acting singly in any case, to execute, acknowledge, deliver, file and record in the appropriate offices, as applicable, (i) the Company's Certificate of Organization (the "Certificate") and any amendments thereto (each of such individuals being an "authorized person" within the meaning of the Act), (ii) such other instruments, certificates, documents and other writings which the Management Board determines to be necessary or appropriate to secure or preserve the Company's status as a Massachusetts limited liability

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company or to qualify the Company to do business in states other than Massachusetts, and (iii) any recordable instrument on behalf of the Company purporting to affect an interest in real property in the Commonwealth of Massachusetts, whether to be recorded with a registry of deeds or a district office of the land court.

1.3 Name. The name of the Company shall be "MCR Labs, LLC" or such other name as the Management Board determines to be appropriate.

2. Purpose. The Company's purpose shall be to engage in any business or activity in which a limited liability company formed under the Act may engage and which is determined by the Management Board to be in the best interest of the Company. In furtherance of such purpose and business, the Company shall have the authority to (a) negotiate, execute, deliver, perform, modify, supplement, amend and terminate contracts, agreements, instruments, documents and other writings, including but not limited to employment agreements, consulting and other independent contractor agreements, management agreements, purchase and sale agreements, lease agreements, loan agreements, promissory notes and security agreements, (b) borrow money, guarantee the debts of others, and pledge assets to secure such borrowings and guarantees, (c) hire and compensate employees, managers, officers, consultants, agents, contractors, subcontractors, accountants, attorneys and others, (d) establish and maintain bank and other accounts and draw checks or other orders or expenditures from such accounts, (e) apply for, obtain and hold licenses, certifications, permits, variances and other permissions and approvals, (f) purchase, acquire, finance, hold, market and sell assets, (g) apply for and obtain insurance and (h) do any and all other things that are ancillary or incidental to any of the foregoing.

3. Place of Business; Registered Office; Registered Agent. The principal place of business of the Company shall be at 85 Speen Street, Framingham, Massachusetts 01701. The Company's registered office in the Commonwealth of Massachusetts shall be Michael Kahn, 42 Fairview Street, Roslindale, Massachusetts 02131. The registered agent for service of process on the Company in the Commonwealth of Massachusetts shall be Michael Kahn. The Management Board may at any time change the location of the Company's principal place of business, establish additional places of business and designate a new agent for service of process as it shall deem advisable.

4. Term. The Company shall continue in full force and effect until terminated pursuant to Section 14.

5. Capitalization; Tax Classification; Capital Accounts; Ownership of Assets.

5.1 Equity interests in the Company shall be expressed in terms of units of limited liability company interest ("Units"), which shall all be of a common class and shall

provide their respective holders with the rights, preferences and privileges specified herein. Initially, there shall be authorized 1,000,000 Units.

5.2 On or about the date of the filing of the Certificate of Organization, Founder had made the contribution to the Company set forth on the attached Schedule I. In

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exchange for such contribution, the Company issued 100,000 Units to Founder. As of the date of the Contribution Agreement, Founder contributed all of his Units to Parent such that Parent owns 100,000 Units.

5.3 The Management Board may from time to time (i) with the approval in any case of a majority in interest (by Unit holdings) of the Members, authorize additional classes and numbers of Units having such rights, preferences and privileges as it determines to be appropriate, (ii) issue authorized but unissued Units to such individuals or entities (and admit such individuals or entities to the Company as Members) for such contributions (if any) and on such other terms and conditions (and upon the execution and delivery by such individuals or entities of such counterpart signature pages, instruments of adherence and/or other documentation) as it determines to be appropriate in any case, including, without limitation, pursuant to one (1) or more phantom unit incentive plans adopted from time to time by the Management Board, and (iii) accept additional contributions from any or all of the Members with respect to their Units. In connection with any issuance of Units, the Management Board may cause the Company to enter into a separate agreement (each, a "Restricted Unit Agreement") with the person then being issued Units containing, among other things, vesting and de-vesting provisions, provisions for the purchase or forfeiture of such person's Units upon the termination of such person's service to (or other relationship with) the Company, further restrictions on transfers of such person's Units, limitations on the voting rights of such person upon the termination of such person's service to (or other relationship with) the Company, restrictions on the ability of such person to participate in purchases of Units from the Company or other Members, and limitations on such person's rights to participate in distributions of cash and property and allocations of profit, loss and other items (including, without limitation, by causing the Units subject thereto to represent interests only in the post-issuance appreciation in the value of all or certain portions of the Company's assets). The Management Board shall have full authority to establish the terms and conditions of, exercise and assign the Company's rights (including, without limitation, the Company's rights to repurchase Units) and discharge the Company's obligations under, and amend or otherwise modify such Restricted Unit Agreements as it determines to be appropriate.

5.4 At such time as there ceases to be only one (1) holder of outstanding Units, the holders of outstanding Units shall be deemed for tax purposes (and only for tax purposes) to have formed a partnership in accordance with applicable federal income tax principles. From and after the time that there ceases to be only one (1) holder of outstanding Units, the Management Board shall maintain capital accounts for the holders of the Company's Units in

accordance with Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder.

5.5 All assets of the Company shall be owned by the Company as an entity.

6. Allocations of Book Profit and Loss• Tax Allocations.

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6.1 For as long as there is only one (1) holder of outstanding Units, such holder shall directly take into account all book and tax profit or loss of the Company (and the items making up any such profit or loss).

6.2 For any accounting period from and after the time that there ceases to be only one (1) holder of outstanding Units, but subject to the terms of any Restricted Unit Agreements, the Company's profits and losses (and the component items of income, gain, loss, deduction and credit) shall be allocated among the Members in such amounts and proportions as the Management Board reasonably determines to be consistent with the economic terms of this Agreement and to conform with the provisions of Sections 704 and 706 of the Code and the Treasury Regulations thereunder. Without limiting the foregoing, the Management Board may make such special allocations as it reasonably determines to be appropriate (i) to comply with the rules set forth in the Treasury Regulations under Section 704(b) of the Code governing (a) allocations of "nonrecourse deductions," "partner nonrecourse deductions" and other items lacking "economic effect," (b) "minimum gain chargebacks" and "partner nonrecourse debt minimum gain chargebacks," (c) allocations in connection with exercises of options and conversions of equity or debt interests or instruments, and (d) allocations with respect to forfeitures of "substantially nonvested interests" in the Partnership transferred or issued in connection with the performance of services, and (ii) for this Agreement to contain a "qualified income offset" provision within the meaning of the Treasury Regulations under Section 704(b) of the Code.

6.3 For any accounting period from and after the time that there ceases to be only one (1) holder of outstanding Units, tax allocations shall be made consistent with the allocations of book items pursuant to Section 6.2 for such period, except that, solely for tax purposes, (i) items of income, gain, loss and deduction with respect to Company assets reflected hereunder in the capital accounts and on the books of the Company at values that differ from the Company's adjusted tax bases in such assets shall be allocated among the holders of the outstanding Units so as to take account of those differences in such manner, and using such method or methods (including, without limitation, the "traditional" method described in Section 1.704-3(b) of the regulations under Section 704(b) of the Code), as the Management Board determines to be appropriate and in compliance with Section 704(c) of the Code and Section



1.704-3 of the regulations, and (ii) items of gain recognized by the Company that are subject to the depreciation recapture provisions of Sections 1245 and 1250 of the Code shall be allocated among the holders of outstanding Units in such manner as is necessary to comply with Sections 704, 1245 and 1250 of the Code and any applicable regulations thereunder.

7. Non-liquidating Distributions. The Company may make non-liquidating distributions of cash or other assets at such times and in such amounts as the Management Board, in its sole discretion, determines to be appropriate. Subject to the terms of any Restricted Unit Agreements, any non-liquidating distribution shall be made to the holders of the outstanding Units in proportion to the respective numbers of Units held by them as shown in the Company's books and records as of the date that is ten (10) days before the date of such distribution.

8. Management Board.

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8.1 The management and operation of the Company, and the development and implementation of Company policies, shall be and hereby are vested in a board of managers constituted pursuant to this Section 8 (the "Management Board"). Subject to Sections 8.8 and 9 and any other applicable limitations imposed by this Agreement, the Management Board shall have exclusive authority to exercise on behalf of the Company all of the powers of the Company hereunder (including, without limitation, those specified in Section 2) and to take such other actions as it determines are necessary, advisable or incidental to the carrying on of the Company's business and affairs.

8.2 The Management Board shall be comprised of at least one (1) but not more than five (5) individuals or entities (each, a "Manager") appointed from time to time by a majority in interest (by Unit holdings) of the Members (with each Manager requiring such a vote of a majority in interest (by Unit holdings) of the Members, so that there is no cumulative voting in any instance in which more than one (1) Manager is to be elected). The initial member of the Management Board shall initially be Michael Kahn. Subject to the terms of any Restricted Unit Agreements, the number of Managers on the Management Board may be established, increased or decreased at any time by a vote of a majority in interest (by Unit holdings) of the Members. A Manager shall serve until his, her or its successor is duly elected or, if earlier, until his, her or its death, dissolution, resignation pursuant to Section 8.3, or removal pursuant to Section 8.4. At any time that there is or would be no Managers, but subject to the terms of any Restricted Unit Agreements, the Company shall be managed by the Members, and any right, power or responsibility of the Management Board hereunder shall be a right, power or responsibility, as the case may be, of the Members, acting by a majority in interest (by Unit holdings) of the Members. Managers need not be Members. For as long as any Manager holds his, her or its position as such, such Manager shall be a "manager" of the Company within the meaning of the Act (with the rights, powers and duties in such capacity provided in this Agreement).

8.3 A Manager may resign at any time by giving the other Managers and the Members at least thirty (30) days' written notice thereof specifying the effective date, which may not be earlier than the close of such thirty (30) day period, of his, her or its resignation. The resignation of a Manager who is also a Member from his or her position as a Manager shall not affect such Manager's rights, or constitute a withdrawal of such Manager, as a Member.

8.4 A Manager may be removed at any time, for any reason or no reason, by a vote of a majority in interest (by Unit holdings) of the Members. The removal of a Manager who is also a Member shall not affect his or her rights, or constitute his or her withdrawal, as a Member.

8.5 Any matter requiring the action of the Management Board pursuant to this Agreement may be considered at a meeting of the Managers held not less than three (3) nor more than twenty (20) days after written notice thereof shall have been given to the Managers. Any such notice shall state briefly the purpose, time and place of the meeting. A Manager may waive in writing the requirements for notice of a meeting before, during or after

such meeting (and the attendance of a Manager at any meeting shall constitute such Manager's waiver). All such

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meetings shall be held at such reasonable times and places as a majority of the Managers shall determine. A meeting of the Management Board may be called by any two (2) Managers (or, if there are fewer than three (3) Managers, by any Manager). At any meeting of the Management Board, a majority of the Managers then in office, but in no event less than one third (1/3) of the entire Management Board, shall constitute a quorum for the transaction of business, and the act of a majority of the Managers present at any meeting at which there is a quorum shall be the act of the Management Board, except as may be otherwise specifically provided by law. For purposes of this Section 8, the term "entire Management Board" shall mean the number of Managers last fixed by a vote of the Members to constitute the Management Board. If a quorum shall not be present at any meeting of the Management Board, a majority of the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Unless otherwise restricted by this Agreement, Managers may participate in a meeting of the Management Board by conference telephone call or similar communications equipment if all the Managers participating in such meeting can hear each other. Such participation of a Manager shall constitute the presence of such Manager at such meeting.

8.6 Unless otherwise restricted by this Agreement, any action required or permitted to be taken at any meeting of the Management Board may be taken without a meeting if all members of the Management Board consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Management Board.

8.7 Except pursuant to Section 8.2 if there is no Manager or in his or her capacity as liquidating trustee, a Member who is not a Manager shall have any authority, in his or her capacity as a Member, to act for or on behalf of the Company or any other Member or to bind the Company or any other Member in any way, to pledge the Company's credit or to render the Company liable for any purpose.

8.8 Notwithstanding Section 8.1, and in addition to any other matters as to which the vote, approval or consent of the Members or any class or group of them is required under this Agreement or the Act (but subject to the terms of any Restricted Unit Agreements), without the approval of a majority in interest (by Unit holdings) of the Members, the Management Board shall have no authority to cause (i) the merger or consolidation by the Company with or into any other entity or (ii) the sale or other disposition by the Company of all or substantially all of its assets.

8.9 Any individual or entity dealing with the Company may rely upon a certificate signed by a Manager or, if appointed pursuant to Section 9, a Secretary or Assistant Secretary of the Company, as to:

8.1.1 the existence or non-existence of any fact or facts which constitute conditions precedent to acts by the Management

Board, an officer or a Member or in any other manner germane to the affairs of the Company; and

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8.1.2 the person or persons who are authorized to execute and deliver any instrument or document of the Company or to take any action on behalf of the Company.

9. Officers. The Management Board may elect officers of the Company (any of whom may be a Member, a Manager or an affiliate of a Member or Manager), including a President, one or more Vice Presidents, a Treasurer, a Secretary and such other officers as it may determine. An officer may, but need not, be a Member, Manager or affiliate of a Member or Manager. The Management Board may use descriptive words or phrases to designate the standing, seniority or area of special competence of any officer. A person may hold more than one office. An officer of the Company shall have such authority and duties as the Management Board may from time to time determine (but in no event shall have greater authority in any respect than the Management Board). The Management Board may from time to time create or eliminate offices of the Company and establish, increase, reduce or otherwise modify the responsibilities of any officer, in each case as it determines to be appropriate. Each officer shall serve until his or her successor is duly elected or, if earlier, until his or her death, resignation or removal. A vacancy in any office may be filled only by the Management Board. An officer may resign at any time by notifying the Management Board in writing. Any resignation of an officer shall be effective upon the receipt of such notice by the Management Board or on such later date as is specified therein. An officer may be removed by the Management Board at any time with or without cause.

10. Liability; Indemnification. No Member, Manager or officer shall be liable, responsible or accountable to the Company or any Member for any loss or damage incurred by reason of any act or omission of such Member, Manager or officer performed or omitted (i) in good faith either on behalf of the Company or in furtherance of the interests of the Company, (ii) in a manner reasonably believed by such Member, Manager or officer to be within the scope of his or her authority and (iii) without fraud, gross negligence or willful misconduct. To the fullest extent permitted by law, the Company shall indemnify the Members, the Managers and any officers for, and shall hold them harmless from and against, any and all damages, losses, liabilities, fines, penalties, amounts paid in settlement, costs and expenses (including attorneys' fees and expenses) actually and reasonably incurred by them in connection with any threatened, pending or completed demands, claims, actions, suits or proceedings,

whether civil, criminal, administrative or investigative, brought or threatened against them by reason of or in connection with actions taken or omitted to be taken by them on behalf of the Company, provided that no Member, Manager or officer shall be entitled to indemnification hereunder for any damage, loss, liability, fine, penalty, amount paid in settlement, cost or expense incurred by such Member, Manager or officer as a result of his or her bad faith, fraud, gross negligence or willful misconduct. Expenses (including attorneys' fees) incurred by a Member, Manager or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Member, Manager or officer to repay such amount, unless it shall ultimately be determined that such Member, Manager or officer is entitled to be indemnified by the Company pursuant to this Section 10. The Company shall have the power to purchase and maintain insurance on behalf of the Members, the Managers and/or any officers against any liability asserted against and incurred by them or arising out of their actions

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on behalf of the Company, whether or not the Company would have the power to indemnify them against such liability under the provisions of this Section 10 or the Act.

## 11. Transfers.

11.1 Subject to Sections 11.2 and 11.3, no Member shall be entitled to transfer any of his or her Units, and no transferee of any Units (by any form of transfer, whether voluntary, involuntary or by operation of law) shall be admitted to the Company as a Member, without the express written consent of the Management Board (which may be withheld for any reason or no reason). Unless and until a person who has acquired any Units by any form of transfer has been admitted to the Company as a Member, such person shall have none of the rights and powers of a Member hereunder or under the Act (including, without limitation, to vote, give consents or approvals, access Company records or otherwise manage or participate in the affairs of the Company) other than to receive the distributions and allocations that his or her predecessor would have been entitled to receive hereunder had such transfer not occurred. A Member who transfers all of his or her Units shall cease to have any of the rights and powers of a Member. Notwithstanding anything herein to the contrary, the Company shall be entitled to treat the record holder of a Unit as the absolute owner thereof in all respects, and shall incur no liability for distributions made in good faith to such record holder, until such time as it has received written notice of such transfer and all of the conditions to the effectiveness of such transfer hereunder have been satisfied. A person who acquires an interest in the Company (by any form of transfer) but is not admitted as a substituted Member pursuant to this Section 11 may not transfer all or any portion of such interest

without complying with this Section 11 in full as if such person were a Member for such purpose.

11.2 Notwithstanding Section 11.1 (but subject to the terms of any Restricted Unit Agreements), the consent of the Management Board shall not be required for the effectiveness of any Permitted Transfer or for the admission to the Company as a Member of any person who acquires any Units in a Permitted Transfer; provided, however, that, as a condition of admission, such person shall execute and deliver such documents and agreements as are necessary or appropriate to effect such person's agreement to be bound by the terms and conditions of this Agreement. As used herein, the term "Permitted Transfer" means a transfer of an interest in the Company by an individual Member or his or her estate (including, without limitation, in connection with such individual Member's Retirement Event, as that term is defined in Section 12.3) (i) to his or her estate, (ii) to any one (1) or more of his or her spouse and descendants (by blood or adoption), or (iii) to a trust, limited partnership or limited liability company a majority of the beneficial interests in which are owned, directly or indirectly, by any one (1) or more of such individual and his or her spouse and descendants (by blood or adoption).

11.3 Notwithstanding Section 11.1 or Section 12, a holder of all of the outstanding Units may transfer such Units without the consent of the Management Board, and any transferee of such Units shall be automatically admitted to the Company as a Member (except to the extent provided otherwise in the instrument effecting such transfer).

## 12. Withdrawals.

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12.1 No Member may resign or withdraw from the Company, or receive any distribution on account of his or her resignation or withdrawal (whether voluntary, involuntary or by operation of law), except upon the liquidation of the Company or as provided in Section 14.

12.2 From and after the occurrence of a Retirement Event (as defined below) with respect to any Member (such Member, the "Retired Member"), but subject to the terms of any applicable Restricted Unit Agreement, such Retired Member (and, unless admitted as a Member, any transferee of any interest of such Retired Member in the Company) shall have the status of an unadmitted assignee of his or her interest in the Company and, as such, shall have none of the rights and powers of a Member hereunder or under the Act (including, without limitation, to vote, give consents or approvals, access Company records or otherwise manage or participate in the affairs of the

Company) other than to receive the distributions and allocations that he or she otherwise would have been entitled to receive hereunder had such Retirement Event not occurred. Notwithstanding the preceding sentence, but subject to the terms of any applicable Restricted Unit Agreement, if an individual Member dies or is adjudicated by a court of competent jurisdiction to be incompetent to manage his person or property, the powers of such Member may be exercised by his or her executor, administrator, guardian, conservator or other legal representative for purposes of settling his or her estate or administering his or her property to the extent permitted by the Act.

### 12.3 As used herein:

12.3.1 the term "Change of Control" means, with respect to any corporation, partnership, limited liability company, trust or other entity that holds an interest in the Company, any event, set of circumstances, transaction or series of related transactions (including, without limitation, a sale of beneficial interests in such entity or a merger or consolidation of such entity with or into another entity) if, as of the time immediately thereafter, a majority of the beneficial interests in such entity (or, in the case of a merger of such entity into another entity, such other entity) are held directly or indirectly by individuals who (i) did not directly or indirectly hold beneficial interests in such entity as of the time that such entity acquired its interest in the Company, (ii) are not spouses or descendants (by blood or adoption) of individuals who directly or indirectly held beneficial interests in such entity as of the time that such entity acquired its interest in the Company, (iii) did not directly or indirectly transfer an interest in the Company to such entity by Permitted Transfer and (iv) are not spouses or descendants of an individual who directly or indirectly transferred an interest in the Company to such entity by Permitted Transfer; and

12.3.2 the term "Retirement Event" means, with respect to any Member, (i) such Member's death, insanity, incompetence, bankruptcy (within the meaning of the Act) or dissolution, (ii) the transfer by such Member of all or any portion of his or her interest in the Company in violation of this Agreement or (iii) if such Member is a corporation, partnership, limited liability company, trust or other entity, a Change of Control of such Member.

## 13. Actions of the Members

13.1 A Member's consent, approval, vote or other action as to any matter may be effected by (i) the affirmative vote by such Member to the doing of the act or thing under consideration at any meeting called and held pursuant to Section 13.2 to consider such act or thing or (ii) a written consent given by such Member at, prior to or after the doing of the act or thing under consideration.

13.2 Any matter requiring the action of the Members (or any class or group of them) hereunder may be considered at a meeting of the Members (or such class or group of Members) held not less than three (3) nor more than twenty (20) days after written notice thereof shall have been given to the Members (or such class or group of Members). Any such notice shall state briefly the purpose, time and place of the meeting. A Member may waive in writing the requirements for notice of a meeting before, during or after such meeting (and the attendance of a Member at any meeting shall constitute such Member's waiver). All such meetings shall be held at such reasonable times and places as the Management Board shall determine. A meeting of Members may be called by the Management Board or by Members holding at least forty percent (40%) of the Units held by all of the Members entitled to participate in such meeting. A Member may participate in any meeting of Members by conference telephone call or similar communications equipment if all the persons participating in such meeting can hear each other. Such participation of a Member shall constitute the presence of such Member at such meeting. At any meeting of Members, the presence in person, or by conference telephone call or similar communications equipment, of a number of Members sufficient to approve the action under consideration shall be required to constitute a quorum for the transaction of business at such meeting.

13.3 The Management Board shall give the Members (or any class or group of them) written notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for the consideration and approval of the Members (or such class or group of them). Such notice shall include any information required by the relevant provision of this Agreement or by law.

#### 14. Dissolution: Wind-up; Liquidating Distributions.

14.1 The Company shall dissolve at (i) the time that there are no remaining Members of the Company unless the business of the Company is continued in accordance with the Act, (ii) the election of the Management Board, with the approval of a majority in interest (by Unit holdings) of the Members (subject to the terms of any Restricted Unit Agreements), to dissolve the



Company, or (iii) the time of the judicial dissolution of the Company under the Act.

14.2 The Management Board (or, if one is appointed under the Act, a liquidating trustee) shall be responsible for the winding up and liquidation of the Company. The assets of the Company shall first be applied to the payment of, or the establishment of adequate reserves or other provision for the payment of, the debts and obligations of the Company. In connection therewith, the Management Board shall have full right and discretion to determine the time, manner and terms of any sale or sales of Company assets, having due regard to the activity

and condition of the relevant markets and general financial and economic conditions. After the Company's debts and obligations have been paid or provided for, the Management Board shall distribute the Company's remaining assets to the Members in accordance with Section 7, provided, however, that if there is more than one (1) holder of Units, the Company shall first make a final allocation of Profit or Loss, as the case may be, and other items to the holders of outstanding Units in such amounts and proportions as are necessary (to the extent possible) for the capital account balances of such holders to equal the amounts of such remaining assets to be distributed to them. The dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the assets of the Company have been distributed as provided herein and a certificate of cancellation of the Company has been filed with the Office of the Secretary of State of the Commonwealth of Massachusetts. Any individual member of the Management Board (or, if one is appointed, a liquidating trustee), acting singly, is authorized to execute and file the certificate of cancellation on behalf of the Company.

## 15. Miscellaneous.

15.1 The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto, and no other person shall have any rights or benefits hereunder except to the extent expressly provided by applicable law.

15.2 The failure of any person to seek redress for violation, or to insist on strict performance, of any covenant or condition of this Agreement shall not (i) prevent a subsequent act which would have constituted a violation from having the effect of an original violation or (ii) excuse strict performance of such covenant or condition in any subsequent case.

15.3 The Management Board may (or, if directed by any vote of a majority in interest (by Unit holdings) of the Members, shall) cause the Member's interest in the Company to be evidenced by one or more certificates. Unless certificated pursuant to this Section 15.3, interests in the Company shall not be evidenced by certificates. As a condition to the effectiveness of any transfer of an interest that has been certificated, the Management Board may require the submission to the Company of the certificate(s) evidencing such interest (or an affidavit of loss in such form as the Management Board determines to be appropriate).

15.4 This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provisions of this Agreement shall control and take precedence.

15.5 Each provision of this Agreement shall be considered separable, and if for any reason any provision or provisions of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid or unenforceable in any jurisdiction, such provision or provisions shall, as to such jurisdiction, be ineffective to the extent of such

invalidity or unenforceability without invalidating the remaining provisions hereof, or the application of the affected provision to persons or circumstances other than those to which it was held invalid or unenforceable, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15.6 This Agreement (together with any exhibits, schedules or agreements expressly referred to herein, which are hereby incorporated herein by reference) constitutes the entire agreement among the parties governing the relationship established hereby. This Agreement (together with such exhibits, schedules and other agreements) supersedes any prior agreement or understanding among the parties and may not be modified or amended in any manner other than as set forth herein or therein.

15.7 Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

15.8 This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto notwithstanding that all the parties have not signed the same counterpart.

15.9 When used herein, pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter or to the singular or plural as the identity of the person or persons referenced or the context may require.

15.10 Except as expressly provided herein, no Member or successor-in-interest to any Member shall have the right while this Agreement remains in effect to have any property of the Company partitioned, or to file a complaint or institute any proceeding at law or in equity to have such property of the Company partitioned, and each Member, on behalf of himself, herself or itself and his, her or its successors, representatives, heirs and assigns, hereby waives any such right.

15.11 In addition to any amendments otherwise permitted by this Agreement, this Agreement may be amended and/or restated from time to time by one or more written agreements executed by the Company and, subject to the provisions of any Restricted Unit Agreements, a majority in interest (by Unit holdings) of the Members.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

MCR Labs, LLC

By: 

Name: Michael Kahn

Title: Manager

PARENT:

MCR Labs, LLC

By: 

Name: Michael Kahn

Title: Manager

FOUNDER:



Michael Kahn, individually

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SCHEDULE I

Initial Contribution of Founder

Operating costs of the Company equal to at least \$100.

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MCR LABS  
SUMMARY BUSINESS PLAN

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# Executive Summary

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*MCR Labs is the premier Cannabis Testing Laboratory in New England and we are excited to leverage our experience serving the Massachusetts medical community into a key role in the emerging Adult Use market.*

*Our team is made up of researchers, chemists, and pharmaceutical scientists. We support this community by providing a analytical product testing and a safe space to learn about the science behind the medicine.*

*As the first independent cannabis testing laboratory to be certified by the Department of Public Health in the state of Massachusetts, we're proud to offer analytical testing and R&D services to medical and adult-use cannabis providers, patients, healthcare providers, caregivers, and researchers. Our laboratory ISO-17025 accredited, and we are regularly audited by the international scientific community.*

*We're passionate about cannabis science and strive to supply our partners with accurate information that encourages safe and responsible practices. We also collaborate with some of the best advocacy groups, educators, and research contemporaries in the field to further the science and safety of cannabis.*

## Highlights

*At MCR Labs, our aim is to provide laboratory services which are good for patients, cultivators, and the community while helping providers within the cannabis industry ensure product safety and regulatory compliance.*

*The core of our experience comes from contract research organizations (CROs) in the pharmaceutical industry. This means that we are experts in:*

- Regulatory compliance – cGMP (current good manufacturing practice) is the stringent regulatory framework used in the pharmaceutical industry and trusted by the FDA. We base our systems on this framework, adapted to the ISO-17025 format. Therefore, we are ready to assist our clients with a seamless transition into a regulated marketplace.*
- Method development – we can adapt to any new standards that are required now or in the future by regulatory agencies.*
- Formulation – we have experience analyzing many molecules in a variety of matrices, developed over our five years of testing.*
- We use methodologies developed in the pharmaceutical field and apply them to a wide variety of cannabis related compounds and matrices. Our contract research background within the pharmaceutical industry makes us flexible in application and knowledgeable in regulatory compliance to*



*an extent unmatched by any other subfield in the industry.*

*At MCR Labs we created a testing environment of the highest degree of fidelity to help ensure the safety and quality of available MMJ products in accordance with the regulations of the Massachusetts Department of Public Health and the Cannabis Control Commission.*

## Objectives

*To leverage our experience with testing Cannabis products for the Massachusetts Medical Marijuana Market into testing for the Adult Use market. We've tested tens of thousands of samples and are uniquely positioned to help guide entrepreneurs, educate consumers, inform regulators, and help our community.*

## Mission Statement

*To make cannabis safer and healthier.*

*To provide the best possible service to our clients.*

*To help business provide safe and innovative products to their customers.*

*To help consumers feel confident that they are getting the quality product they expect.*

*To help educate communities through leveraging our experience and scientific know-how.*

## Description of Business

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*MCR Labs provides ISO accredited analytical testing and R&D services to registered marijuana dispensaries, new businesses, entrepreneurs, and independent patients or caregivers in the state of Massachusetts. These services allow our clients to comply with regulations for the legal sale of cannabis in Massachusetts and provide them with the assurance of product safety, details about product potency, and assistance with product development and processing.*

*Additionally, we devote substantial time and resources to engaging with multiple industry partners and community members (healthcare providers, researchers,*

student organizations, etc.) to spread information about regulations, product safety, and emerging research relevant to cannabis users and industry professionals. These efforts allow us to maintain a credible and influential voice within the community as we push to break down the stigma around cannabis by promoting product safety and education as cornerstones of the legal cannabis industry. As part of our efforts to support the community, we offer heavily discounted or free testing to veterans and caregivers tending to patients in need.

Being a positive voice in the community and providing an exceptional level of service to all our clients has positioned us as an industry leader. The community's trust in us is our primary competitive advantage. Anyone who works with us, from the largest dispensary group to the smallest independent patient, knows they can trust the results of our testing to be accurate and count on us to help them every step of the way with understanding the data and using it to optimize their output for safety and effectiveness.

## Products and Services

- **Cannabinoid/Potency Profile:** For medical cannabis, the Commonwealth of Massachusetts requires four cannabinoids to be screened for: THCA, d9-THC, CBDA, and CBD. In addition to these four, we also screen for CBGA, CBC, CBDV, THCv, CBN, and d8-THC. We utilize High-Performance Liquid Chromatography (HPLC) for cannabinoid analysis, and potency is measured as a weight based percentage.
- **Heavy Metals Screen:** Arsenic (As), Cadmium (Cd), Mercury (Hg), and Lead (Pb) can cause serious health problems if consumed. For consumer safety, the Commonwealth of Massachusetts has set strict limits on the levels of heavy metals for cannabis products that can be sold to patients at dispensaries.
- **Microbiological Contaminant Screen:** Yeast, mold, and bacteria, including *E. coli* and *Salmonella*, are microbiological contaminants that may be found in cannabis. Some mold species can produce mycotoxins, a family of hazardous compounds. Inhaling even small amounts of microbiological contaminants may lead to infections, especially in patients with compromised immune systems.
- **Pesticides Screening:** Pesticides are used to protect plants from biological pests, contaminants, and diseases. Massachusetts requires testing of all cannabis grown under the Medical Marijuana Program.
- **Residual Solvent Testing:** Solvents are used to separate cannabinoids and terpenes from the rest of the plant material during extraction. Following extraction, residual amounts of the solvents used may remain in the consumable product. Testing for residual solvent levels in cannabis extracts is required by the Commonwealth of Massachusetts and is important for ensuring product safety.
- **Terpenes Panel:** Terpenes are compounds partially responsible for the smell and taste of cannabis. They have also been noted to interact synergistically with

cannabinoids and to have their own health benefits and treatment applications.

## Training

MCR Labs intends to be the leader in providing cannabis safety and potency testing services in Massachusetts. As such we approach the staffing and training of laboratory personnel with the highest degree of standards and diligence. All MCR Labs employees will be trained in compliance with 935 CMR, ISO 17025.2017, and MCR's internal training program.

MCR maintains up to date records containing a detailed description of the qualifications and required training for each employee at MCR Labs per 935 CMR. These records include the competency requirements for each position that can influence the results of laboratory activities, including requirements for education, qualification, training, technical knowledge, skills, and experience per ISO 17025.2017. MCR's management reviews consider and address the adequacy of resources and status of training on an ongoing basis.

MCR Labs procedure for staffing the laboratory, in accordance with ISO 17025.2017 and 935 CMR, includes accessible business hours, safe laboratory conditions, determining competency requirements, selection of personnel, training of personnel, supervision of personnel, authorization of personnel, and ongoing monitoring of the competence of personnel. Employees will be authorized for specific activities including; development, modification, verification, and validation of analytical methods, analysis of results including statements of conformity or opinions and interpretations, reporting, review and authorization of results.

MCR Labs has created a tailored training programs that provides position specific training to each employee. Additionally, each employee will receive a minimum of eight hours of ongoing training annually, training in privacy and confidentiality requirements, and will complete the responsible vendor program provided by an organization accredited by the commission.

All employee training records, including certifications, and annual 8-hour duty specific training will be maintained on file for at least twelve months after the end of the employee's employment with MCR. The training records will contain at a minimum; the signed statement of the individual indicating the date, time, and place of the training, the topics discussed, and the name and title of the presenters of the training.

MCR Labs is committed to providing the highest level of service and quality of science to its clients. MCR is committed to remaining fully compliant with ISO 17025 and 935 CMR as well as its internal policies and procedures. To that end MCR is committed to the highest standards of recruitment and training of personnel.

## Community Outreach

*we provide significant discounts, or provide free testing, for terminally ill patients who can't afford our services and to veterans.*

*We work with and develop educational materials for healthcare providers to help them better explain safe cannabis consumption to patients.*

*We support educational and minority organizations including New England Veterans Alliance, Elevate Boston, and Women grow by providing educational materials, talks, seminars, and by supporting their community events.*

*We host open house in our facility to allow community members to come in to view our processes, ask about the science of cannabis, safe consumption, and regulatory processes.*

*We host seminars and send our team to present at conferences to provide valuable information about the science of cannabis, safe consumption, and testing to the community.*

*We support and partner with open source research initiatives and organizations like the Cannabis Community Care and Research Network to further collaboration within the health and cannabis science communities.*

## Marketing

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### Marketing Strategy

*We take a multipronged approach to connect with our customers and the community, including:*

#### *Events*

*Conferences. We're participating in all relevant local conferences and starting to attend national conferences (NY, CA). We've recently rebranded all materials used in conferences and rolling out with the new brand in NECANN.*

*Meetups and networking events: A member of MCR Labs attends 70% of meetups in Boston. We aim to host seminars classes once per month.*

*We are implementing our new brand within the office with the consultation of HomePolish and continuing to develop materials (posters) hung around the office to add color and make the safety information we present feel exciting.*

#### *Social media*

*Forums: We are members of multiple major cannabis forums and are a*

*part of the discussion*

*Facebook and Instagram We post 2-4 times per week. Our content is educational and topical.*

#### *Community relations*

*Cannabis companies: We're open to discussing cooperation. We invite collaborators to host events at our lab, and often sponsor exciting and educational events.*

*Healthcare providers: We provide many clinics that recommend cannabis in MA with educational booklets and posters to help better explain the science of cannabis and safe consumption.*

#### *Digital Media Resources*

*We're currently developing the new branded website. The information infrastructure is being upgraded, and we're getting a new look for the general site and reports.*

*Cannabis Review: We've aggregated hundred of clinical studies on the effects of cannabinoids and terpenes on a variety of conditions. Cannabis consumers, healthcare providers, and researchers can access this public database to aid their research.*

#### *Market research:*

*We have an ongoing effort to track the prices, social media communication and within our industry, the general layout of competition and market, and social media efforts within our community.*

## **Market Analysis**

*We believe that the Massachusetts Cannabis market will grow to \$1 Billion within two-three years; we base this projection on what other states have achieved. The market will be made up of growers, extractors, infused products manufacturers, retailers, researchers, consultants, and laboratories like ours. Our goal is to be a trusted source of truth for these businesses when they require products be tested to determine potency and/or safety. We will also work with them to help them develop new, innovative products, and help Massachusetts achieve the same level of innovation and growth in cannabis as it has in tech and biotech sectors.*

## **Company Management**

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### **The Team**

*Michael Kahn – President and Founder*

With over 10 years of experience in the pharmaceutical and academic research fields, Michael brings a wide range of laboratory and teaching experience to MCR Labs. His scientific background and leadership skills make him an integral part of lab operations and community outreach efforts. Michael has been an advocate for product safety and efficacy through reliable testing in the MMJ industry since entering the cannabis space.

He has spoken publicly for the right of MMJ consumers to access testing results that current scientific practices can provide. Michael is committed to ensuring that MCR Labs is a leader in reliable and trusted cannabis research and testing. He earned an MS in Chemistry from Boston University, BA/MS degrees in Chemistry and BA in Physics from Brandeis University in Waltham, MA.

#### Jonathan Wani - Director Of Community & Client Relations

Jon brings a wealth of cannabis knowledge to MCR Labs. He has been a part of the cannabis community for over a decade while studying genetic lineages, plant physiology, and structure of cannabis.

Jon's technical expertise and knowledge of testing procedures and regulations allow him to effectively communicate with clients to ensure they receive excellent customer service. Jon received his BA in English from Plymouth State University.

#### Scott Churchill - Director Of Compliance & Methodology

Scott brings over fifteen years of diverse industrial and pharmaceutical experience to MCR Labs. By leveraging his experience in management, quality assurance, and analytical chemistry, Scott ensures MCR Labs meets or exceeds regulatory compliance requirements, achieves operational excellence, and maintains leading-edge technological capabilities.

In the pharmaceutical research field, Scott was a formulation scientist, a quality assurance expert, and an analytical method development scientist. Scott understands that scientists are the most important asset of any analytical testing operation. To this end, he instituted a company-wide training program to ensure a high level of quality for all performed operations. Scott has a degree in chemistry from Rivier College.

#### Ross Gutman - Director Of Finance

Ross is a finance and accounting professional with over 10 years of experience in Financial Operations, Business Strategy, and Quantitative Analysis and has worked in positions of increasing responsibility in Public Accounting and Corporate environments. Most recently Ross served as the Canada business unit Controller and CFO for a multi-brand organization with \$300 million in annual revenues. He brings a wealth of experience with budgeting, revenue forecasting, cost management, financial reporting, analytics, and Six Sigma process improvement methodologies to MCR Labs.

Ross holds an MBA from Carnegie Mellon University's Tepper Graduate School of Business. He also has a Masters in Taxation, a Graduate Certificate in Financial Planning from Bentley University's McCallum Graduate School of Business, as well as a Bachelors in Accounting from Bentley University.

Ross is also a frequent guest lecturer and start-up advisor at MIT's eClub.

#### Yasha Kahn - Director Of Marketing & Technology

Yasha oversees growth and awareness of the MCR brand. As the Director of Marketing & Technology, he spearheads the development and implementation of

*strategies that strengthen MCR's market presence. Through thought leadership, brand management, and digital campaigns, Yasha works tirelessly to ensure the lab's voice in the cannabis community is meaningful and impactful. He also drives MCR's innovation efforts in the evolving field of cannabis science, including projects like The Cannabis Review.*

*Yasha has 15 years of experience in global marketing, business development, and high-tech innovation. He is the ultimate entrepreneur at heart, having worked in fields ranging from video & radar analytics to nano-technologies.*

## Addendum

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### **Proposed timeline for achieving operation of the establishment and evidence that the establishment will achieve operation within that timeframe.**

*MCR Labs is currently operational as an Independent Testing Laboratory within the Massachusetts Medical Use of Marijuana Program and is ready to begin testing for the Adult Use program upon receiving our license.*

### **Plan to obtain a liability insurance policy.**

*MCR Labs is currently covered under the following liability insurance policy:*

*Insurer: Atlantic Casualty Insurance Company*

*Insurance Limits:*

- Per occurrence: \$1 Million*
- In aggregate: \$2 Million*

*Deductible: \$250 per occurrence*

*We will continue to have insurance coverage, and will we will adjust our limits as required for regulatory compliance.*

### **Description of the Marijuana Establishment's hours of operation and after-hours contact information.**

*Our days and hours of operation where we are open to the public are Monday through Friday from 10:30AM to 5:00 PM.*

*Laboratory operations are conducted twenty-four hours per day, seven days per week.*

*After-hours contact information:*

*Michael Kahn (617) 750-6666*

*Scott Churchill (603) 930-7316*

*Ross Gutman (617)953-5902*



**SEPARATING RECREATIONAL  
FROM MEDICAL OPERATIONS****Approved by / date:** *William McCormick 07-Jul-20*

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**1. Purpose**

- 1.1. The purpose of Standard Operating Procedures (SOP's) for Separating Recreational from Medical cannabis is to describe the policies and protocols in place for separation.

**2. Scope**

- 2.1. This SOP applies to all procedures relating to separating recreational from medical cannabis operations.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.029: Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803: Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility**

- 4.1. Operations Manager:
  - 4.1.1. Operations Manager provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.
- 4.2. Compliance Manager
  - 4.2.1. Ensures that procedures adopted at MCR Labs are compliant with Municipal, State and Federal regulations. The Compliance Manager (CM) ensures that all documents relating to regulatory compliance are assessed, stored, and distributed to the proper persons and authorities. In conjunction with their compliance responsibilities, the CM will also have oversight of the security, safety, and facilities areas of the company. Additionally, the CM is to act as a point of contact between several outside resources including security monitoring companies, compliance consultants, regulatory agencies, and government officials.
- 4.3. Quality Assurance Officer:
  - 4.3.1. To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over MCR Labs' practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

**SEPARATING RECREATIONAL  
FROM MEDICAL OPERATIONS****Approved by / date:** *William McCormick 07-Jul-20*

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**5. References**

N/A

**6. Definitions and Acronyms**

- 6.1. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.2. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is: (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (MTC), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.3. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.4. *Marijuana*- Cannabis or Marijuana and its products, including products that have been manufactured and contain Cannabis or Marijuana or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edible Cannabis Products, Beverages, topical products, ointments, oils and Tinctures. Marijuana-Infused Products (MIPs) are included in this definition
- 6.5. *Sample*- a marijuana product submitted to MCR Labs for testing.
- 6.6. *Quality Assurance (QA)* - all those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
- 6.7. *Quality Control (QC)* - the operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third-party laboratory analysis) have been fulfilled.
- 6.8. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.

**7. Procedure**

- 7.1. MCR Labs currently utilizes state-of-the-art Laboratory Information Management Systems (LIMS) for sample tracking. Each sample is tracked in the lab, so that all samples remain separate from each other during the entire duration of the samples' time at the lab. Samples are never mixed.
- 7.2. MCR Labs has incorporated the METRC tracking system into our systems and maintains ongoing compliance with any and all regulations of the Commission regarding separation of marijuana samples at the lab.

**RESTRICTING ACCESS TO AGE 21  
AND OLDER****Approved by / date:** *William McCormick 07-Jul-20*

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**1. Purpose**

- 1.1. This Standard Operating Procedure is to be followed step-by-step in order to restrict access to the facility to individuals who are under the age of 21.

**2. Scope**

- 2.1. This SOP applies to all procedures relating to restricting access to the facility.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
- Section 500.029: Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803: Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility**

- 4.1. Operations Manager
- 4.1.1. Provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.
- 4.2. Compliance Manager
- 4.2.1. Ensures that procedures adopted at MCR Labs, LLC (MCR) are compliant with Municipal, State and Federal regulations. The Compliance Manager (CM) ensures that all documents relating to regulatory compliance are assessed, stored, and distributed to the proper persons and authorities. In conjunction with their compliance responsibilities, the CM will also have oversight of the security, safety, and facilities areas of the company. Additionally, the CM is to act as a point of contact between several outside resources including security monitoring companies, compliance consultants, regulatory agencies, and government officials.
- 4.3. Security Manager
- 4.3.1. The Security Manager is responsible for the physical security of MCR Labs' facilities to include prevention and investigation of diversion incidents, monitoring of surveillance, alarm and access control systems, and liaising between law enforcement and MCR Labs when applicable. The Security Manager shall ensure that all security and anti-diversion protocols are followed in accordance with MCR Labs policy and regulation.

**5. References**

N/A

**6. Definitions and Acronyms**

- 6.1. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.2. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is:  
(a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (MTC), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.3. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.4. *Limited Access Area (LAA)*- an indoor or outdoor area on the Premises of a Marijuana Establishment where Marijuana or Marijuana Products, or their byproducts are cultivated, stored, weighed, packaged, Processed, or disposed, under the control of a Marijuana Establishment, with access limited to only those Marijuana Establishment or Laboratory Agents designated by the Establishment.
- 6.5. *Marijuana*- Cannabis or Marijuana and its products, including products that have been manufactured and contain Cannabis or Marijuana or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edible Cannabis Products, Beverages, topical products, ointments, oils and Tinctures. Marijuana-Infused Products (MIPs) are included in this definition.
- 6.6. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.
- 6.7. *Visitor*- an individual, other than a Laboratory Agent authorized by MCR Labs to be present on the Premises of an Establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000, provided, however, that no such individual shall be younger than 21 years old.
- 6.8. *Visitor Identification Badge*-a badge issued by MCR Labs or the Commission to be used at all times while on the Premises of the Independent Testing Laboratory. These identification badges shall be issued in a form and manner determined by the Commission

**RESTRICTING ACCESS TO AGE 21  
AND OLDER****Approved by / date:** *William McCormick 07-Jul-20*

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**7. Employee Access**

- 7.1. All MCR employees shall always visibly display their MCR issued identification badge while within the laboratory.
- 7.2. All laboratory entry point doors shall always remain secured to prevent unauthorized access of the laboratory.
- 7.3. Entry point doors shall not be propped open with inanimate objects, e.g. chairs, bricks, books etc.
- 7.4. If an entry point door requires being open for an extended period, it shall be held open by an authorized MCR employee.

**8. Visitor Access**

- 8.1. All non-employees shall show positive identification and shall be at least 21 years of age, prior to entering the laboratory, except for emergency personnel and regulatory commissioners.
- 8.2. All visitors will be issued a visitor identification badge prior to entering the laboratory.
- 8.3. The visitor identification badge shall always be visible while the visitor is in the laboratory.
- 8.4. The visitor identification badge is to be returned to MCR upon exiting the laboratory.
- 8.5. All visitors shall be logged in and logged out upon entering and exiting the laboratory.
- 8.6. The log will be archived and made accessible to regulatory body upon request.
- 8.7. All visitors shall be escorted during the entirety of their visit. The assigned escort is responsible for ensuring that visitors at MCR only engage in activities that are permitted by MCR and that the visitor leaves MCR at the conclusion of their business at MCR.
- 8.8. The MCR host should provide basic safety instructions and personal protective equipment (PPE) to the visitor.
- 8.9. A visitor may only observe unless provided with task-specific training consistent with MCR policy on that task and location. If work is to occur in the MCR laboratory, an MCR host should contact the MCR Management team to arrange for specialized (online or in-person) training.
- 8.10. Visitors are strictly prohibited from handling any marijuana, marijuana products or byproducts of testing that contain marijuana.
- 8.11. Vendors and contractors may work on designated equipment if they are familiar with it or have received appropriate training. Service engineers, who may be working in the lab for longer periods of times, shall be supervised continuously. At no point shall a visitor be unescorted in a limited access area.
- 8.12. Visitors are prohibited from moving hazardous chemicals or equipment.
- 8.13. Visitors are prohibited from eating or drinking in the laboratory.

**9. Limited Access Area (LAA)**

- 9.1. MCR has two LAAs within the facility. These areas are identified by a minimum 12”X12” sign with lettering equal to or greater than 1-inch stating, “Do Not Enter - Restricted Access Area - Access Limited to Authorized Personnel Only”.
- 9.2. One of the LAA is for the locked storage of marijuana and MIPs.
- 9.3. The second LAA, houses the surveillance and security equipment.
- 9.4. Authorization to LAAs is granted to employees by the Security Manager.
- 9.5. Only employees authorized to access LAAs shall escort service personnel, agents or volunteers specifically permitted by MCR Labs, regulatory commissioners and emergency personnel while in a LAA.

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**QUALITY CONTROL & TESTING****Approved by/date:** *William McCormick 07-Jul-20*

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**Purpose**

- 1.1. This Standard Operating Procedure (SOP) is a summary of the methods of procedure (MOPs) that MCR Labs, LLC (MCR Labs) follows during laboratory testing, and describes the quality management system (QMS) in place at MCR Labs

**2. Scope**

- 2.1. This SOP applies to all procedures and documents within the QMS.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.029: Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
    - (3): Requirements for Safe Handling of Marijuana
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803: Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility**

- 4.1. Operations Manager
  - Provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that SOPs related to all components of facility operations are followed according to their method of procedure.
- 4.2. Quality Assurance Officer
  - To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over MCR Labs' practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

**5. References**

N/A

**6. Definitions and Acronyms**

- 6.1. *Cannabinoid* - any of several compounds produced by marijuana plants that have medical and psychotropic effects.
- 6.2. *Cannabinoid Profile* - the amounts, expressed as the dry-weight percentages, of delta-nine- tetrahydrocannabinol (THC), cannabidiol (CBD), tetrahydrocannabinolic acid (THCA) and cannabidiolic acid (CBDA) in a cannabis or marijuana product. Amounts of other cannabinoids may be required by the Commission.

**QUALITY CONTROL & TESTING****Approved by/date:** *William McCormick 07-Jul-20*

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- 6.3. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.4. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is: (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (MTC), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.5. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.6. *Marijuana*- Cannabis or Marijuana and its products, including products that have been manufactured and contain Cannabis or Marijuana or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edible Cannabis Products, Beverages, topical products, ointments, oils and Tinctures. Marijuana-Infused Products (MIPs) are included in this definition.
- 6.7. *Sample*- a marijuana product submitted to MCR Labs for testing.
- 6.8. *Quality Assurance (QA)* - all those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
- 6.9. *Quality Control (QC)* - the operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third-party laboratory analysis) have been fulfilled.
- 6.10. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.

**7. Procedure**

- 7.1. MCR Labs provides compliance testing for registered marijuana businesses. MCR performs all testing required by the cannabis control commission under ISO 17025 accreditation. MCR continues to update its testing procedures to remain compliant with testing regulations promulgated by the Commonwealth of Massachusetts as well as ISO 17025.
  - These tests include but are not limited to:
    - Potency testing for the total active cannabinoid content of CBDA, THCA, CBD, and THC.
    - Heavy metals analysis for arsenic, cadmium, lead, and mercury.
    - Toxin analysis for aflatoxin B1, B2, G1, and G2, and ochratoxin A.



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- Pesticide residue analysis for cyfluthrin, bifenthrin, bifenazate, etoxazole, myclobutanil, spiromesifen, trifloxystrobin, imazalil, and imidacloprid.
  - Residual solvent analysis for hydrocarbons and ethanol.
  - Microbiological contamination for e. coli, Salmonella, total viable aerobic bacteria, coliforms, yeast and mold, and bile tolerant gram-negative bacteria.
  - All compliance tests conducted by MCR labs shall be compliant with the Cannabis Control Commission regulations and will be performed under ISO 17025 accreditation.
- 7.2. In addition to providing quality control and contaminant testing under ISO 17025 accreditation and in compliance with the cannabis control commission regulations, MCR labs has a robust quality program which comprises the policies and procedures that ensure the quality of MCR's analytical services. The vendor assurance program verifies that the materials, instrumentation, equipment, and services which impact the quality of our analysis are suitable for the intended use. MCR performs routine maintenance and calibration of measurement instruments using accredited service providers.
- 7.3. MCR Labs has a robust training program for all employees involved in performing analysis. MCR performs trend analysis of quality control samples analyzed with each batch or samples on each analysis performed to ensure the ongoing suitability of MCR's methodology and analysis performance. MCR uses certified reference material to calibrate instruments. MCR has an internal audit program that verifies ongoing compliance with internal procedures, cannabis control commission regulations, and ISO 17025. MCR is also externally audited by an authorized accreditation agency as well as authorized state agencies themselves. All of these efforts are employed to ensure the quality and compliance of MCR and its work.
- 7.4. In order to reduce the risk of contamination, ensure the quality and accuracy of our results, and to ensure the safety and wellbeing of our personnel, MCR Labs shall enforce sanitary practices which shall include, but are not limited to:
- Maintaining adequate personal cleanliness
  - Providing adequate hand washing facilities and instructing staff to frequently wash hands thoroughly
  - Ensuring an appropriate amount of space for storage of materials
  - The proper removal and disposal of waste
  - Ensuring the facility, to include the floors, walls and ceiling, is kept clean and in good repair
  - Ensuring adequate lighting in all workspaces
  - Maintaining and regularly cleaning all spaces and objects in the facility
  - Regularly cleaning and sanitizing all contact surfaces, equipment, utensils and tools
  - The proper use, storage, identification and disposal of any toxic, hazardous, or potentially contaminating items, as outlined in MCR Labs' Environmental Health and Safety policies
  - Providing adequate and sanitary toilet facilities

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- The isolation of any biological waste stream containing media which supports undesirable microorganism growth and methods to prevent such growth in other waste streams and environments within the facility
- Storing samples and their containers under conditions that will protect them against degradation and physical, chemical and microbial contamination until they have been used in testing and destroyed.
- Ensuring that any vehicles used to transport samples are designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the samples from becoming contaminated or rendered unsuitable for testing

**1. Purpose**

- 1.1. The purpose of Standard Operating Procedures (SOPs) for Personnel Policies is to describe the policies in place for lab facility personnel.

**2. Scope**

- 2.1. This SOP applies to all procedures relating to personnel policies and background checks.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
- Section 500.029: Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803 Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility****4.1. Operations Manager**

- 4.1.1. Provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that SOPs related to all components of facility operations are followed according to their method of procedure.

**4.2. Compliance Manager**

- 4.2.1. Ensures that procedures adopted at MCR Labs are compliant with Municipal, State and Federal regulations. The Compliance Manager (CM) ensures that all documents relating to regulatory compliance are assessed, stored, and distributed to the proper persons and authorities. In conjunction with their compliance responsibilities, the CM will also have oversight of the security, safety, and facilities areas of the company. Additionally, the CM is to act as a point of contact between several outside resources including security monitoring companies, compliance consultants, regulatory agencies, and government officials.

**4.3. Quality Assurance Officer**

- 4.3.1. To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over MCR Labs' practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

**5. References**

N/A

## 6. Definitions and Acronyms

- 6.1. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.2. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is: (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (MTC), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.3. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.4. *Quality Assurance (QA)* - all those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
- 6.5. *Quality Control (QC)* - the operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third-party laboratory analysis) have been fulfilled.
- 6.6. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.

## 7. Procedure

- 7.1. MCR Labs Personnel policies and procedures are outlined in our Employee Handbook, Quality Management System, SOPs, and Training Manual.

Prior to starting employment with MCR Labs, all employees are required to read and acknowledge in writing that they have read, understood, and agree to comply with our:

- Employee Handbook,
- Conflict of Interest policy,
- Internal/External Pressure policy.
- IT policy (including safeguarding any confidential information)
- Laboratory Access policy (to ensure only authorized personnel have access to samples and secure areas)
- Sample Diversion Prevention Policy
- Employee Hygiene Policy (which covers safe work practices)
- Diversity Policy

- 7.2. All new and existing employees have job descriptions and a corresponding pre-determined training curriculum to ensure that they receive training in all relevant SOPs, including those related to personnel policies and procedures, Laboratory safety, and Security. Compliance is tracked via training matrix and administered by our Human Resources and Quality Assurance departments.

Policies detailed in the MCR Labs Employee Handbook include, but are not limited to:

- MCR Lab's commitment to providing equal employment opportunities
- MCR Lab's Diversity Policy.
- Performance Reviews
- Salary evaluations and compensation
- Maintaining an alcohol, smoke, and drug free workplace.
- Benefits
- Work Schedules
- Leave Policies
- Observed Holidays
- Break Policies
- Policies prohibiting harassment of any sort
- Laboratory access policies
- Non-Disclosure and Confidentiality Policies
- Policies outlining our Code of Conduct and expectation of professionalism.
- Disciplinary Policies
- Causes for immediate termination of employment (including for diversion of marijuana).
- Types of separation
- Background check policies (all employees are required to undergo a background check, and shall all be registered as Laboratory Agents).

**1. Purpose**

- 1.1. The purpose of Standard Operating Procedures (SOPs) for Transportation is to describe the methods of procedure (MOPs) in which MCR Labs, LLC (MRC Labs) executes the transportation of marijuana products between state registered marijuana facilities.

**2. Scope**

- 2.1. This SOP applies to all Transportation plans and procedures carried out by MCR Labs.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
- Section 500.029: Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803: Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility**

- 4.1. Operations Manager
- 4.1.1. Provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that SOPs related to all components of facility operations are followed according to their method of procedure.
- 4.2. Compliance Manager
- 4.2.1. To ensure that procedures adopted at MCR Labs, LLC (MCR) are compliant with Municipal, State and Federal regulations, a Compliance Manager shall be appointed. This individual shall exercise oversight over practices and procedures from seed to sale. The Compliance Manager ensures that all documents relating to regulatory compliance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Compliance Manager to train, oversee, and hold accountable employees for ensuring that these procedures are executed in accordance to regulation.
- 4.3. Quality Assurance Officer
- 4.3.1. To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over MCR Labs' practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

**5. References**

N/A

**6. Definitions and Acronyms**

- 6.1. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.2. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is: (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (MTC), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.3. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.4. *Marijuana*- Cannabis or Marijuana and its products, including products that have been manufactured and contain Cannabis or Marijuana or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edible Cannabis Products, Beverages, topical products, ointments, oils and Tinctures. Marijuana-Infused Products (MIPs) are included in this definition.
- 6.5. *Sample*- a marijuana product submitted to MCR Labs for testing.
- 6.6. *Quality Assurance (QA)* - all those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
- 6.7. *Quality Control (QC)* - the operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third-party laboratory analysis) have been fulfilled.
- 6.8. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.

**7. Procedure**

- 7.1. MCR Labs, LLC (MCR Labs) will maintain and make available to the Commission upon request records including but not limited to:
- Operating procedures, such as Security Measures, Sample Diversion Policies, Transportation Policies
  - Personnel records including our employee handbook (which includes personnel policies and hours of operation), Staffing policies, job descriptions, Company Organization Chart, training records, background check results, periodic performance evaluations, disciplinary actions taken, and payroll records
  - Business records including our Financial statements, Sales documents, Cash Transaction Support and reconciliations, Accounts Receivable and Payable records
  - Waste disposal policies and records.
- 7.2. MCR Labs does not grow, process, or sell any Marijuana or Marijuana products, and therefore the Inventory or a “Seed to Sale” system does not apply to these operations. MCR Labs shall participate in appropriate Seed-to-Sale tracking in regards to transporting, receiving, test results, destruction and disposal of marijuana products.
- 7.3. Hard-copy records are maintained in secure locked cabinets, electronic records are backed up at least weekly and are stored on encrypted drives.
- 7.4. Records are maintained for an appropriate duration as determined by the longer of Generally Accepted Accounting Principles, ISO 17025 requirements, or requirements of 935 CMR 500
- 7.5. In the event of closure, we will store all records at our expense in a form and location acceptable to the Commission.

**8. General**

- 8.1. Hard copies of records are kept in locked cabinets with restricted access to ensure only appropriate staff have access to them
- 8.1.1. Electronic copies are stored in compliance with MCR-POL-0003, *Department IT Policy*.
- 8.2. Retention of Records
- 8.2.1. All records shall be retained in accordance with 935 CMR 500.105(9). The duration of retention for the following records shall meet or exceed the minimum length detailed below:
- 8.2.1.1. Responsible Vendor Training records shall be retained for a minimum of four years as required
- 8.2.1.2. All other training records shall be retained for a minimum of three years
- 8.2.1.3. All personnel records shall be retained for a minimum of twelve months after termination of that individual’s affiliation with MCR Labs and shall include, at a minimum:
- All materials submitted to the Commission pursuant to 935 CMR 500.030(2)
  - Documentation of verification of references



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- The job description or employment contract that includes duties, authorities, responsibilities, qualifications and supervision
  - Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters
  - Documentation of periodic performance evaluations
  - A record of any disciplinary action taken
  - Notice of completed responsible vendor and eight-hour related duty training as required
- 8.2.1.4. Waste disposal records shall be retained for a minimum of three years
- 8.2.1.5. All test results shall be retained for a minimum of one year
- 8.3. Inventory Records
- 8.3.1. Sample inventory is tracked via the Sample Management Database.
- 8.3.1.1. The database is able to produce a snapshot of all samples on site in real-time, showing samples in the process of testing, and awaiting disposal.
- 8.3.1.2. The database is backed up regularly, so historical inventory records are available for recall as required.
- 8.3.1.3. Records of inventory audits are stored indefinitely.
- 8.4. Seed-to-sale tracking
- 8.4.1. MCR Labs shall incorporate seed-to-sale tracking as required by the Commission, and shall log all transportation, receiving, testing, destruction and disposal of marijuana in that system, to include any other activities which are required by the Commission to be logged.
- 8.5. Personnel Records
- 8.5.1. Laboratory Agent Registration Documents
- 8.5.1.1. MCR Labs will retain all Laboratory Agent registration documents, including the Background Check, in the employee file. If electronic copies exist, they will be stored indefinitely on a secure folder in the shared drive.
- 8.5.2. Onboarding documents
- 8.5.2.1. All onboarding documents, including the verification of references, are stored in hard copy in the employee folder. If electronic copies exist, they will be stored indefinitely on a secure folder in the shared drive
- 8.5.3. Job Descriptions
- 8.5.3.1. Human Resources and QA will ensure that a job description, in compliance with ISO requirements, is available for each employee.
- 8.5.3.2. Human Resources and QA will ensure that an organizational chart which is consistent with job descriptions is available and kept up to

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date, in compliance with Management Roles Responsibilities and Authorities

8.5.4. Training Documentation

8.5.4.1. All training is documented, and records are maintained, in accordance with MCR Labs' Training Program

8.5.4.2. Privacy and Confidentiality Policies are outlined in the MCR Labs Non-Disclosure documents, which are retained in hard copy in the employee records.

8.5.5. Performance Evaluation

8.5.5.1. Periodic performance evaluations are stored in hard copy in the employee file

8.5.6. Disciplinary Actions

8.5.6.1. Any disciplinary actions or incident reports are stored in hard copy in the employee file

8.5.7. Staffing Plan

8.5.7.1. Staffing of the laboratory is organized in accordance to the Org Chart and is intended to scale with the growth of the company.

8.5.8. Personnel Policies and Procedures

8.5.8.1. Human Resources and Quality Assurance ensure that all appropriate management staff are trained in MCR Labs Personnel Policies and Procedures. Records of these trainings are retained by Quality Assurance.

8.5.8.2. Personnel policies requiring employee signature and agreement are stored in the employee file or aggregated by policy for improved availability. Access to these records is restricted. These records are stored indefinitely.

8.5.9. Business/Financial Records

8.5.9.1. Finance and Accounting shall maintain a representative Balance Sheet for the organization via QuickBooks accounting software.

8.5.9.2. Monetary Transactions are recorded in compliance with MCR Labs' Cash Handling Procedure

8.5.9.3. Accounting Records are recorded electronically via QuickBooks accounting software.

8.5.9.4. Supporting documentation, such as checks, invoices, reconciliation documents, are stored electronically, and if available also in hard copy.

8.5.10. Sales Records

8.5.10.1. Sales are recorded via QuickBooks

8.5.11. Payroll documentation

8.5.11.1. Paper payroll documents are stored in hard copy, electronic copies are available via third party payroll processor.

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8.6. Waste Disposal

8.6.1. Waste will be disposed of in accordance with MCR Labs' Waste Management and Disposal SOP; records will be retained, at minimum, in accordance with regulatory guidelines.

8.7. Storage Provisions in Case of Business Closure

8.7.1. In the event of business closure all records will be kept for a period of no less than two years.

8.7.1.1. Electronic records will be stored on an off-site server.

8.7.1.2. Hard copies will be stored off site or digitized and stored on an off-site server.

**MAINTAINING OF FINANCIAL  
RECORDS****Approved by / date: *William McCormick 07-Jul-20***

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**1. Purpose**

- 1.1. The purpose of Standard Operating Procedures (SOPs) for Financial Records is to describe the standard procedures, including the specific methods of procedures (MOPs) to be followed to ensure accurate accounting and transaction reports of financial records.

**2. Scope**

- 2.1. This SOP applies to all procedures relating to maintaining of financial records.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
- Section 500.029: Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803: Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility**

- 4.1. Operations Manager
- 4.1.1. Provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that SOPs related to all components of facility operations are followed according to their method of procedure.
- 4.2. Compliance Manager
- 4.2.1. To ensure that procedures adopted at MCR Labs, LLC (MCR) are compliant with Municipal, State and Federal regulations, a Compliance Manager shall be appointed. This individual shall exercise oversight over practices and procedures from seed to sale. The Compliance Manager ensures that all documents relating to regulatory compliance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Compliance Manager to train, oversee, and hold accountable employees for ensuring that these procedures are executed in accordance to regulation.
- 4.3. Director of Business Operations
- 4.3.1. Directs policies related to records and operations of company finances, human resources (HR), purchasing, accounting and any other business operations of the company. The Director is ultimately responsible for ensuring compliance with regulations involved in these operations.

**5. References**

N/A

**MAINTAINING OF FINANCIAL RECORDS****Approved by / date: William McCormick 07-Jul-20**

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**6. Definitions and Acronyms**

- 6.1. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.2. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is: (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (RMD), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.3. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.4. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.

**7. Procedure**

- 7.1. Financial records will be stored in accordance with our Records Retention Operating Procedure and in compliance with 935 CMR 500.105 (9).
- 7.2. Hard-copy documents will be kept in locked cabinets in limited access areas.
- 7.3. Electronic copy documents will be stored indefinitely, both in our online accounting software, and with digital backups stored on encrypted and firewall protected servers.
- 7.4. Records we will retain include, but are not limited to:
  - Hard-copy and electronic records of monetary transactions and associated reconciliations.
  - Financial statements
  - General Ledgers showing all transactions,
  - Trial Balances showing periodic account balances,
  - Accounts Payable and Receivable records (with appropriate supporting documentation)
  - Documents required for renewal applications for our Independent Testing Laboratory license
- 7.5. Records are maintained for an appropriate duration as determined by the longer of Generally Accepted Accounting Principles, ISO 17025 requirements, or requirements of 935 CMR 500. In the event of closure, we will store all records at our expense in a form and location acceptable to the Commission.
- 7.6. Business/Financial Records
  - 7.6.1. Assets and Liabilities; Balance Sheet
    - 7.6.1.1. Finance and Accounting shall maintain a representative Balance Sheet for the organization via QuickBooks accounting software.
  - 7.6.2. Monetary Transactions

**MAINTAINING OF FINANCIAL  
RECORDS**

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- 7.6.2.1. Monetary Transactions are recorded in compliance with MCR Labs' Cash Handling Procedure
- 7.6.3. Accounting Records
  - 7.6.3.1. Accounting Records are recorded electronically via QuickBooks accounting software.
    - 7.6.3.1.1. Supporting documentation, such as checks, invoices, reconciliation documents, are stored electronically, and if available also in hard copy.
- 7.6.4. Sales Records
  - 7.6.4.1. Sales are recorded via QuickBooks
- 7.6.5. Payroll documentation
  - 7.6.5.1. Paper payroll documents are stored in hard copy, electronic copies are available via third party payroll processor.

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**QUALIFICATIONS & TRAINING****Approved by / date:** *William McCormick 07-Jul-20*

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**1. Purpose**

- 1.1. The purpose of Standard Operating Procedures (SOPs) for Employee Qualifications and Training is to describe the qualifications and training an individual must complete to be able to work in a licensed and compliant testing laboratory.

**2. Scope**

- 2.1. This SOP applies to all employee training and qualification standards.

**3. Additional Information- Applicable Regulations**

- 3.1. 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.029 : Registration and Conduct of Laboratory Agents
  - Section 500.050 Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.160: Testing of Marijuana and Marijuana Products
  - Section 500.803: Suitability Standard for Registration as a Laboratory Agent

**4. Responsibility**

- 4.1. Operations Manager
  - 4.1.1. Provides oversight and supervision of day-to-day operations of the facility, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and facility staff and consultants to ensure that SOPs related to all components of facility operations are followed according to their method of procedure.
- 4.2. Compliance Manager
  - 4.2.1. Ensures that procedures adopted at MCR Labs, LLC (MCR) are compliant with Municipal, State and Federal regulations. The Compliance Manager (CM) ensures that all documents relating to regulatory compliance are assessed, stored, and distributed to the proper persons and authorities. In conjunction with their compliance responsibilities, the CM will also have oversight of the security, safety, and facilities areas of the company. Additionally, the CM is to act as a point of contact between several outside resources including security monitoring companies, compliance consultants, regulatory agencies, and government officials.
- 4.3. Quality Assurance Officer
  - 4.3.1. To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over MCR Labs' practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

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**QUALIFICATIONS & TRAINING****Approved by / date:** *William McCormick 07-Jul-20*

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**5. References**

N/A

**6. Definitions and Acronyms**

- 6.1. *Compliance* - adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
- 6.2. *Independent Testing Laboratory* - a laboratory that is licensed by the Commission and is:  
(a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center (RMD), Marijuana Establishment or licensee for which it conducts a test; and (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.
- 6.3. *Laboratory Agent* - an employee of an Independent Testing Laboratory who transports, possesses or tests cannabis or marijuana in compliance with 935 CMR 500.000.
- 6.4. *Quality Assurance (QA)* - all those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
- 6.5. *Quality Control (QC)* - the operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third-party laboratory analysis) have been fulfilled.
- 6.6. *Standard Operating Procedures (SOPs)* - detailed, written instructions to achieve uniformity of the performance of a specific function.

**7. Procedure****7.1. General**

- 7.1.1 The training program identifies the level of training and competencies required to perform specific job functions.
- 7.1.2 For each function, the minimum training requirements necessary should be identified for an individual to be successful in the performance of that function as well as to ensure consistency in the results.
- 7.1.3 Training matrices should be established to provide guidance for individual training requirements. Required levels of competencies should be identified to measure the individual's proficiency.
- 7.1.4 All employees will sign MCR-FRM-0018, *Employee Signature Log*, as part of their initial training.
- 7.1.5 All employees will receive privacy and confidentiality training.
- 7.1.6 As of July 9, 2020, MCR Labs is awaiting guidance on responsible vendor training programs.
- 7.1.7 As soon as guidance is given, all current owners, managers and employees of



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MCR Labs that are involved in the handling of marijuana at the time of licensure or renewal of licensure, as applicable, shall attend and successfully complete a responsible vendor program to be designated a “responsible vendor” if this is deemed necessary by the Commission.

- 7.1.8 Any employee who is responsible for tracking and entering product in the Seed-to-Sale SOR shall receive training in the form and manner required by the Commission.

7.2. Job Descriptions & Qualifications

- 7.2.1 All laboratory agents shall be screened at the time of hiring to ensure that they meet the requirements of 935 CMR 500.029(1). As such, all individuals considered for recruitment shall:

7.2.1.1 Be 21 years of age or older

7.2.1.2 Have not been convicted of any felony drug offense in the Commonwealth or a like violation of the laws of another jurisdiction

7.2.1.3 have not been convicted of any offense involving the distribution of controlled substances to a minor or a like violation of the laws of another jurisdiction

7.2.1.4 be determined to be suitable for registration consistent with 935 CMR 500.803

7.2.2 A job description shall identify the functions and expectations of the job position.

7.2.3 The description should include core competency requirements for the individual to enter the position at MCR Labs. This includes education and experiences.

7.2.4 An individual’s work history identifies qualifications pertaining to the job position currently held, establishing the core competencies the individual has satisfied in order to be employed at MCR. This, however, does not negate the need for specific training requirements to perform activities within MCR.

7.3. Types of Training

7.3.1. Document Training

7.3.1.1. Training on any written procedure will require a minimum of training to “read and understand” the requirements of the documented policy or procedure. This type of training provides the general understanding of the requirements which may be used as a reference during the execution of the procedure.

7.3.1.2. Document training may include a lecture session during which the author or someone with an appropriate level of expertise may conduct a formal review of the requirements of the document, with an individual trainee or in a classroom environment with several trainees. This type of training is used when the procedure may be new or complex in that the need to guide or clarify specific issues is necessary. This is a preferred method of document training in that it allows the opportunity for the trainee to ask questions.

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## 7.3.2. Demonstration training

7.3.2.1. Training is performed for those procedures which are complex in design and are better suited to a demonstration of the procedure. This may be an extension of the lectured review of the document. The trainer may use equipment or simulation in the execution of the procedure to enhance the training.

## 7.3.3. Performance training

7.3.3.1. Training is required for those procedures in which specialized skills, or a certain level of performance may be necessary. Procedures which have a direct impact on the quality of the product may require this type of training. The trainee is assigned a minimum number of procedures in which they must demonstrate their knowledge and skills to ensure success and consistency in execution and results.

## 7.3.4. Formalized training

7.3.4.1. Training may be required for those functions in which a certification is required. Instruction may be given by an accredited agency. Typical types of formalized trainings may be a seminar, classroom of an accredited school, in-house group training by an outside certified instructor, and online courses of an accredited school.

## 7.3.5. Pre-recorded training

7.3.5.1. Training sessions may be utilized as a means of training provided that the material meets the requirements of the subject matter.

## 7.4. Documentation of Training

7.4.1. Each employee of MCR Labs will have a training curriculum of the minimum requirements to perform the specific job function as described.

7.4.2. MCR training will be documented via training records with attestations of the trainee and trainer

## 7.5. Training Assessment

7.5.1. Training assessment is a requirement to verify that an individual has acquired a level of competency of the specific subject matter. Assessment of training may be in several forms.

7.5.2. Materials in which a reference is available, and/or work instruction is detailed and proceduralized, may require only that the individual has documented review of the procedures. Assessment of competency may be through job performance reviews and/or internal audits.

7.5.3. Complex operations may require an individual to demonstrate their proficiency after a structured training program. The proficiency of the execution of the operation may be considered. This may be in the form of verification of an individual executing the procedure.

7.5.4. Use of formal testing such as a document containing a series of specific subject matter questions may be used as an assessment of training. The test design should use a question with a choice of multiple answers in which one correctly answers the question. Avoid the use of testing requiring the trainee to provide a

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statement as this could lead to subjective answers and/or interpretation of the question.

- 7.6. Training of Newly Hired Employees
  - 7.6.1. Training for all employees shall be tailored to specific job requirements, and may omit certain requirements specified above, if appropriate.
  
- 7.7. Ongoing Training and Retraining
  - 7.7.1 Ongoing training of MCR Labs staff will be conducted as appropriate to ensure staff stays current in relevant topics, both general and those specific to particular job requirements.
    - 7.7.1.1 Staff will be trained on revised procedures, new procedures, industry trends, and other relevant topics in a timely fashion, with respect to the criticality of the procedures.
  - 7.7.2 Staff will be trained on each procedure prior to execution of work included in the respective subject matter.
  - 7.7.3 Retraining may be performed to ensure an individual's familiarity with a specific subject matter or procedure. This may be due to lapse in time since the individual performed such activity or there has been evidence of poor performance. Judgment of such requirement should be at the discretion of the individual's immediate supervisor and/or QA.
  - 7.7.4 Subject matter in which there is a change or new materials become available may also require retraining. This may be performed by a periodic review of the subject matter to ensure the individual's knowledge is based on the current standards or information.
  - 7.7.5 At a minimum, staff shall receive eight hours of on-going training annually.

## **2019 Diversity Plan**

Continuing our efforts from our 2018 Diversity Plan, MCR Labs (“MCR”) intends to continue and expand our efforts to promote equity among the following demographics: minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations. MCR recognizes that diversity in the workforce is key to the integrity of a company’s commitment to its community and believes in creating and sustaining a robust policy of inclusivity and diversity. MCR will make every effort to employ and advance in employment qualified and diverse people at all levels within the company.

### **Continuing Efforts in 2019 will include:**

- A. Diversity Recruitment and Sourcing: Prioritizing applicants from the above-listed demographics, ensuring managers receive applicable training, outreach to candidates via hiring fairs, community events, targeted job posting, leveraging (and expanding) relationships with non-profit organizations, and leveraging our Diversity Committee for employee referral efforts.
- B. Employee Retention, Training, and Development: ensuring employees receive training in diversity awareness and leveraging the Diversity Committee to promote equity via ensuring diverse new hires from the above-listed demographics are provided with mentorship and supplemental on-the-job training as required.
- C. Supplier and Vendor Selection: Promoting equitable opportunities for businesses owned by the above-listed demographics via prioritizing them during our vendor selection process; reviewing our current vendor listing to attempt to identify alternate vendors falling into the above-listed demographics.
- D. Increasing Involvement of the MCR Diversity Committee: Utilizing our workforce to further our equity efforts via direct action, collaboration with the executive management team, and developing additional goals.
- E. Ongoing Progress Measurement: Continue periodic performance reviews via interviews and surveys to determine the success of our Diversity plan and develop action items as required.

### **Detail of 2019-2020 Programs with Specific Goals and Measurement Metrics**

- A. Diversity Recruitment and Sourcing:
  - a. Plan Detail: MCR will target applicants from above-listed demographics via hiring fairs, targeted job postings, expanded referral efforts, establishing recruitment efforts at higher learning institutions and institutions with special programs that reach diverse people, and HR presence at company attended community events. Per our required recruiting SOP, any recruiting efforts will require attempts at referral hires, outreach to non-profit organizations, and collaboration with the Diversity Committee.
  - b. Specific Goals:
    - i. Hiring Fairs: MCR will either host, co-host, sponsor, or otherwise attend, no fewer than four hiring fairs with the explicit purpose of sourcing candidates from the above-listed demographics.
    - ii. Targeted Job Posting: MCR will develop and maintain a list of recruiting sources specific to the above-listed demographics; this list will be made available to the Commission upon request. All new positions will be posted directly to these recruiting sources prior to being open to general applicants.
    - iii. HR Presence at Company Attended Events: In addition to four hiring fairs, MCR will have HR representatives at no fewer than four other community events, to

hand out literature about job openings, take resumes, and if practical, conduct on-site interviews.

- iv. Relationships with Institutions of Higher Learning: MCR will develop relationships with diversity focused groups within institutions of higher learning to source candidates via targeted employment efforts;
- v. Internal Hiring Efforts Including Collaboration with the Diversity Committee: MCR will encourage employees from diverse groups to refer applicants for employment. Per our hiring SOP, all jobs must be first communicated internally, including to the Diversity Committee, with enough time allowed for outreach.

c. Metrics Used to Determine Success:

- i. The Director of Business and Operations will perform a review, at minimum once per quarter, to determine if each new position was posted in compliance with the Recruiting SOP, with results presented to MCR Management.
- ii. This goal will be considered successful if MCR participates in no fewer than 4 hiring fairs, has HR representation at 4 other community events, and can demonstrate that all jobs were first posted internally, then to community partners including non-profit organizations, and the Diversity Committee approved the move to general posting.

B. Employee Retention, Training, and Development:

- a. Plan Detail: MCR's goal is to ensure all new hires are properly trained in diversity awareness, our "zero tolerance" of harassment policy, and our reasonable accommodation policy, in compliance with company SOP's,

b. Specific Goals:

- i. HR will review all employee files to ensure all employees have signed the MCR policies referenced above.
- ii. Managers will receive additional training in diversity awareness, being mindful of subconscious bias, and equitable hiring practices.
- iii. As employees become promoted to manager they will have a training curriculum including all the above referenced trainings to ensure ongoing compliance.
- iv. The Diversity Committee will ensure candidates from the above-listed demographics are provided mentorship.

c. Metrics Used to Determine Success:

- i. This goal will be determined successful upon completion of the employee file audit and resulting follow-up training.
- ii. Ongoing compliance will be determined by the HR Manager and the Director of Business Operations via document review to occur at minimum once per quarter, with results presented at the weekly management meeting.

C. Supplier and Vendor Selection:

- a. Plan Detail: In addition to the Vendor Selection Program, which we are required to comply with by ISO, we have rolled out a Supplier Diversity Questionnaire, which requests potential vendors to provide information about ownership, specifically about diversity. To promote equity within the industry we will also perform a vendor review project to determine if minority owned vendors are available.

b. Specific Goals:

- i. Prior to selecting a new vendor, MCR will send them our Supplier Diversity Questionnaire; if multiple vendors meet operational requirements MCR will prioritize vendors based on diversity in ownership;

- ii. MCR will contact all current active vendors on the Approved Vendor List and request they complete the Supplier Diversity Questionnaire;
        - iii. If vendors responses do not demonstrate that they fall within the above-referenced demographics, MCR will determine if a qualifying vendor is available; if a qualifying vendor is available MCR will switch to them.
      - c. Metrics Used to Determine Success:
        - i. We will consider this goal successful if we have completed our project to either find qualifying vendor options for our purchases, or conclusively determined that no qualifying vendor is available.
        - ii. MCR Procurement and the Director of Business Operations will perform a semi-annual audit of the allocation of laboratory spend, will present the resulting finding at the management meeting, and will take appropriate action as determined by audit results.
- D. Increasing Involvement of the MCR Diversity Committee:
  - a. Plan Detail: The Diversity Committee will be made up of MCR Labs employees who want to be involved in driving change within the organization with no restrictions on membership; the Diversity Committee is tasked with collaborating with MCR management for implementation, management, and tracking the progress of the MCR Diversity Plan.
  - b. Specific Goals:
    - i. The Diversity Committee will review and sign off on statements, policies, programs, and internal and external communication procedures in support of the goals of the Diversity Plan;
    - ii. Attend the weekly Management Meeting to provide status updates regarding ongoing equity initiatives.
    - iii. Audit MCR's job postings to ensure information is following MCR's diversity policies and procedures and assisting with interviewing candidates.
  - c. Metrics Used to Determine Success:
    - i. We will consider this goal successful if we can demonstrate that the Diversity Committee has been involved in the above referenced activities.
- E. Ongoing Progress Measurement:
  - a. Plan Detail:
    - i. The Director of Business Operations at MCR will be responsible for auditing the Diversity Plan, with results presented during the Management Review.
  - b. Specific Goals:
    - i. A comprehensive Diversity Audit will be compiled at least annually, and will contain the following:
    - ii. Employment data, including information on minority, women, disabled, and veteran representation in the workforce in all job classifications obtained via self-reported anonymous survey; including salary range information, retention, outreach efforts, and detailed demographic information
  - c. Metrics Used to Determine Success:
    - i. We will consider this goal successful if the percentage of MCR employees falling within the above-referenced demographics is increased, especially for manager level and above positions. Progress will be measured via survey, with results available to the CCC as requested.