



Appendix 3 - TAX EXEMPTION POLICY

Dear TH Toys, Inc. Customer:

The provinces of British Columbia, Manitoba, and Saskatchewan grant a resale exemption of the PST on purchases to those Retailers (resident or non-resident) who are registered with their province's Finance Taxation Division. If you are a registered business, please provide us with your PST number (official provincial tax document with seven-digit number). Your RST number must be visible on all outgoing sales invoices to allow for the PST resale exemption. Without this information, TH Toys, Inc. is required to charge the full tax rate for your province on all orders due to the application of the taxing province RST rules.