



**GREEN THUMB INDUSTRIES INC.**

**CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

**Adopted by the Board of Directors August 29, 2018  
Amended August 5, 2019**

**1. ROLE AND OBJECTIVE**

The Compensation Committee (the “**Committee**”) is appointed by and reports to the board of directors (the “**Board**”) of Green Thumb Industries Inc. (the “**Corporation**”). The Committee shall assist the Board in fulfilling the Board's oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the Chief Executive Officer (the “**CEO**”), with the skills and expertise needed to enable the Corporation to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives. The Committee shall (i) review the Corporation's compensation practices and policies, including all equity incentive and employee benefit plans and programs; (ii) annually determine the compensation of the CEO; (iii) annually review and approve the compensation of the other “executive officers” within the meaning of Rule 3b-7 issued by the Securities and Exchange Commission (the “**SEC**”) and the other “officers” within the meaning of Rule 16a-1(f) issued by the SEC of the Corporation (the “**Officers**”); (iv) evaluate the performance of the CEO and Officers and make recommendations to the Board as appropriate; (v) periodically establish and review succession plans for the CEO and Officers as the Corporation shall identify; and (vi) review compensation strategy and philosophy. Notwithstanding anything to the contrary contained herein, the Committee shall have no responsibility to review the performance or approve the compensation of any Officer who does not report directly to the CEO unless required under applicable law, rule or regulation or otherwise deemed necessary or appropriate by the Committee.

The Committee and its membership shall, to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, British Columbia laws, and all applicable securities regulatory authorities, including the SEC.

**2. COMPOSITION**

- The Committee shall consist of two or more directors, at least two of which directors must be “independent” (as such term is defined in National Policy 58-101 – *Corporate Governance Guidelines*, or as under other applicable securities laws and exchange requirements.
- Members of the Committee shall be appointed by the Board (at a meeting of the Board, typically held after the annual shareholders' meeting). Each member shall serve until his or her successor is appointed unless he or she shall resign or be removed by the Board or he or she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board with or without cause.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.



- The Chair of the Committee (the “**Chair**”) may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- Except as expressly provided in this Charter, the Corporation’s Articles of Incorporation or as required by law or regulation, the Committee shall set its own rules of procedure. Minutes shall be kept of each meeting of the Committee.

### **3. MEETINGS**

- The Committee shall meet at least quarterly and additionally as circumstances dictate.
- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Notice of the time and place of every meeting may be given orally, in writing or by e-mail to each member of the Committee at least 24 hours prior to the time fixed for such meeting, if reasonably practicable.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee in person or by means of conference telephone, video-conference or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present at the meeting.
- A majority of Committee members who are independent directors (as described in Section 2), present at a meeting shall constitute a quorum.
- If within one hour after the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.



- If the CEO is not a member of the Committee, nonetheless, the CEO is expected to be available to attend meetings. The Committee may by specific invitation have other resource persons in attendance, including such Officers, directors and employees of the Corporation and its subsidiaries, and other persons as it may see fit. However, the Committee shall meet regularly without such persons present, and in all cases the CEO and Officers shall not be present at meetings at which their compensation or performance is determined.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings, activities and recommendations to the Board.
- All non-management directors who are not members of the Committee may attend meetings of the Committee but may not vote.

#### **4. RESOURCES AND AUTHORITY**

- The Committee shall have access to such Officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority, but is not required to, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, provided that, the Committee may avail itself of any compensation consultant retained by the Company.
- The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of legal counsel and other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any legal counsel and other advisor, provided that, the Committee may avail itself of any compensation consultant retained by the Company.
- The Committee shall receive appropriate funding from the Corporation, as determined by the Committee in its capacity as a committee of the Board, for the payment of reasonable compensation to its compensation consultants, legal counsel and other advisors.
- The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultants, legal counsel or other advisors, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties and responsibilities under this Charter.
- In retaining or seeking advice from a compensation consultant, legal counsel or other advisor (other



than the Corporation's in-house legal counsel), the Committee must take into consideration the following factors: (i) provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other advisor; (ii) amount of fees paid by the Corporation to the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of that person's total revenue; (iii) policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest; (iv) any business or personal relationship between the compensation consultant, legal counsel or other advisor and any member of the Committee; (v) ownership by the compensation consultant, legal counsel or other advisor of the Corporation's stock; and (vi) any business or personal relationship between the compensation consultant, legal counsel or other advisor, or the person that employs that compensation consultant, legal counsel or other advisor, and the CEO or any Officer of the Corporation. The Committee may retain, or receive advice from, any compensation consultant, legal counsel or other advisor that it prefers, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant, legal counsel or other advisor that only: (a) consults on any broad-based plan that does not discriminate in scope, terms or operation, in favor of the CEO, Officers or directors of the Corporation, and that is generally available to all salaried employees; and/or (b) provides information that is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, legal counsel or other advisor, and about which the compensation consultant, legal counsel or other advisor does not provide advice.

- The Committee shall evaluate whether any compensation consultant retained, or to be retained, by the Committee has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its duties and responsibilities relating to executive or director compensation shall not be retained by the Corporation for any other compensation or human resource matters.

## **5. RESPONSIBILITIES**

### **A. The Chair**

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee (unless not present, including in camera sessions), and report to the Board periodically on the findings, activities and any recommendations of the Committee;
- ensure that the Committee meets on a regular basis, at least three to four times per year;
- in consultation with the Committee members, establish a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee;
- ensure that Committee materials are available to any director on request, provided that, no Committee member who is an officer or employee of the Corporation need be provided with



materials related to that Committee member;

- act as liaison and maintain communication with the Chair (or Lead Director, if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes reporting to the Board at such other times and in such manner as the Committee considers advisable;
- report annually to the Board on the role of the Committee and the effectiveness of the Committee role in contributing to the objectives and responsibilities of the Board as a whole;
- assist the Committee members in understanding their duties and obligations on the Committee;
- foster ethical and responsible decision making by the Committee and its individual members;
- together with the Board, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and approve work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage Committee members to ask questions and express viewpoints during meetings;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

#### **B. The Committee**

To carry out its oversight responsibilities, the Committee shall undertake the following:

- annually review and approve corporate goals and objectives relevant to the compensation of the CEO and Officers, evaluate the performance of the CEO and each Officer's performance in light of those goals and objectives, and determine and approve the compensation level for the CEO and each Officer based on this evaluation. In determining such compensation, the Committee shall consider such performance metrics of the Corporation that it deems relevant and may periodically survey the compensation of CEOs and executive officers at peer companies (i.e., companies in similar industries) or comparable companies based on metrics deemed relevant by the Committee. The Committee may consider input from the CEO on executive compensation, but the CEO may not provide input with respect to his or her own compensation and the CEO may not be present during any voting or deliberations by the Committee on his or her compensation;
- review and approve the perquisites and supplemental benefits granted to the CEO and Officers;
- annually review the compensation systems that are in place for employees of the Corporation in order to ensure the fairness and appropriateness of the compensation of all employees, including incentive compensation plans, equity-based plans and employee benefit plans;



- make recommendations to the Board regarding the adoption, amendment or termination of the Corporation's equity-based plans (including specific provisions);
- administer the Corporation's equity-based plans and such other plans the Committee adopts or with respect to which the Board delegates administration to the Committee, and review and approve the number and frequency of stock option and other equity-based grants to employees and determine all terms and conditions of such grants (provided that, the Committee may delegate to the CEO authority to make stock option and other equity-based grants to employees other than the Officers, including the authority to determine applicable terms and conditions of such grants);
- review and recommend to the Board compensation and expense reimbursement policies for directors, including establishing levels of director compensation, including retainers, equity-based plan awards and other similar components of director compensation and committee chairs, which recommendations may be based on reviews of director compensation of peer companies or comparable companies based on metrics deemed relevant by the Committee;
- review and approve employment agreements, severance arrangements or plans, including any benefits to be provided in connection with a change in control, and other similar arrangements for the CEO and Officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans, provided that, any individual agreement with the CEO shall be subject to approval by the Board;
- compare on an annual basis the total remuneration (including benefits) and the main components thereof for the CEO and Officers with the remuneration practices at peer companies or comparable companies based on metrics deemed relevant by the Committee;
- review and recommend to the Board for its approval required disclosure, if any, regarding CEO, Officer and director compensation in the management proxy circular and in any offering documents prior to their public release;
- review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for its approval;
- develop and recommend to the Board for approval a CEO or Officer succession plan (the “**Succession Plan**”), review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for CEO or Officer positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan; and
- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.