

**AUXLY CANNABIS GROUP INC.  
(THE "COMPANY")**

**MAJORITY VOTING POLICY**

This Majority Voting Policy (the "**Policy**") was adopted by the board of directors (the "**Board**") of Company on May 11, 2021. This Policy applies to all current and future directors of the Company.

Each director and proposed nominee for election to the Board will be asked to confirm in writing that they will abide by this Policy each time his or her name is put forward for election by the Board.

The Board believes that each director should carry the confidence and support of the Company's shareholders. The Board is committed to fulfilling its mandate to supervise the management of the business and affairs of the Company with the highest standards and in the best interests of the shareholders of the Company. In accordance with the rules and policies of the Toronto Stock Exchange (the "**TSX**") and best practice standards in Canada, the Board has adopted this statement of policy providing for majority voting in director elections at any meeting of the Company's shareholders where an "uncontested election" of directors is held. For the purposes of this Policy, an "**uncontested election**" of directors of the Company means an election where the number of nominees for director is equal to the number of directors to be elected.

Pursuant to this Policy, the proxy forms for an uncontested election of directors at a meeting of the Company's shareholders will permit a shareholder to vote "for", or to "withhold" from voting for, each director nominee separately. If the number of proxy votes *withheld* for a particular director nominee is greater than the votes *for* such nominee, then for purposes of this Policy the director nominee (the "**Majority Withheld Director**") will be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. The Majority Withheld Director shall be required to promptly submit his or her resignation to the Board following the applicable meeting of the Company's shareholders, effective only if and when the Board accepts the resignation. The tender of resignation will be made by delivery of the resignation to the Chair of the Board, or, if the Chair of the Board is not present, to the chair of the meeting of shareholders, who will promptly provide a copy of the tendered resignation to all members of the Board.

Promptly following receipt of a resignation submitted pursuant to this Policy, the Board, or if applicable, the Governance and Nominating Committee of the Board, or such other committee of the Board which may be delegated the function for nominations (the "**Committee**"), shall consider whether or not to accept the offer of resignation. The Board shall accept the tendered resignation absent special circumstances that would warrant the continued service of the Majority Withheld Director on the Board. In determining whether to accept or reject the tendered resignation, the Board shall consider all factors it deems relevant, which may include: (i) the Company would not be compliant with corporate or securities law requirements, applicable regulations, stock exchange rules or commercial agreements regarding the composition of the Board as a result of accepting the resignation; (ii) the Majority Withheld Director is a key member of an established, active special committee that has a defined term or mandate (such as a strategic review), and accepting the resignation of the Majority Withheld Director would jeopardize the achievement of the committee's mandate; (iii) majority voting was used for a purpose inconsistent with the policy

objectives of the applicable stock exchange related to its majority voting requirement; or (iv) the reasons, if known, why shareholders "withheld" or were requested to "withhold" votes from the director and whether this was done for reasons other than the qualifications or individual actions of the Majority Withheld Director.

Within 90 days following the applicable meeting of the Company's shareholders, the Board shall decide whether or not to accept the tendered resignation. The resignation of the Majority Withheld Director will be effective when accepted by the Board. Following the Board's decision on the resignation, the Board shall promptly disclose, via press release, its decision whether to accept the Majority Withheld Director's resignation offer, or alternatively, listing the reasons for rejecting the resignation offer, if applicable. A copy of such press release shall be concurrently delivered to the TSX. If a resignation is accepted, the Board may, subject to applicable law, appoint a new director to fill any vacancy through the appointment of a new director whom the Board considers to be duly qualified and merit the confidence of shareholders or leave the vacancy unfilled until the next annual general meeting of shareholders.

A Majority Withheld Director who tenders his or her resignation pursuant to this Policy shall not be permitted to participate in any meeting of the Board, or if applicable, the Committee, at which his or her resignation is to be considered.

In the event that a sufficient number of Board members are Majority Withheld Directors as a result of the same election, such that the Board no longer has a quorum, then such Majority Withheld Directors shall not be permitted to vote in any meeting of the Board at which his or her resignation offer is considered, however he or she shall be counted for the purpose of determining whether the Board has quorum.

In the event that any Majority Withheld Director does not tender his or her resignation in accordance with this Policy, he or she will not be re-nominated by the Board.

The Board may adopt such procedures as it sees fit to assist it in its determinations with respect to this Policy and shall have the sole and complete authority to interpret and apply the Policy.

In the event of a "contested election", where the number of nominees for director exceeds the number of directors to be elected (including where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board), subject to applicable law, the voting method to be applied for purposes of electing directors at the meeting will be determined by the chair of the meeting in his or her sole discretion.