

## AUXLY CANNABIS GROUP INC.

### COMPENSATION COMMITTEE CHARTER

#### 1. Purpose

The Compensation Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Auxly Cannabis Group Inc. (the “**Company**”). The Committee’s purpose is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation of the Company. This Charter shall govern the operations of the Committee.

In considering compensation matters, the Committee will be guided by the following principles: (a) offering competitive compensation to attract, retain and motivate the very best qualified individuals in order for the Company to meet its goals; and (b) acting in the interests of the Company by being fiscally responsible.

#### 2. Composition

- (a) The Committee will consist of a minimum of three directors, and a majority of the Committee will meet the criteria for independence established by applicable laws and the rules of any stock exchanges upon which the Company’s securities are listed, including section 1.4 of National Instrument 52-110 – *Audit Committees*, and will be free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.
- (b) The Board shall appoint members of the Committee. The members of the Committee shall be appointed for one-year terms, or such other terms as the Board may determine, and members shall serve until a successor is duly appointed by the Board or until the member’s resignation, disqualification or removal.
- (c) The Board shall designate the chair of the Committee (the “**Chair**”), who shall have responsibility for leadership of the Committee and ensuring that the Committee fulfills its mandate and duties effectively. If the Board does not designate a Chair, the Committee will elect a Chair from among their members.
- (d) Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee on ceasing to be a director of the Company. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy exists on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

#### 3. Limitations on Committee’s Duties

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee will be obliged to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (a) the integrity of the persons and organizations from whom they receive information, (b) the accuracy and completeness of the

information provided, (c) representations and reports made by the management of the Company (“**Management**”), and (d) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

#### 4. **Duties and Responsibilities**

##### *Annual*

At least annually, the Committee shall:

- (a) review and approve the corporate goals and objectives applicable to the compensation of the Chief Executive Officer and evaluate the Chief Executive Officer’s performance in light of those goals and objectives;
- (b) review and make recommendations to the Board with respect to the compensation of the Chief Executive Officer and other senior executive officers of the Company, including incentive compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change of control arrangements or provisions, and any special or supplemental benefits;
- (c) review and discuss with Management the Company’s executive compensation disclosure to be included in the Company’s management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of the Company prior to the Company disclosing such information; and
- (d) report to the Board on the activities of the Committee, including any decisions and action taken by the Committee.

##### *General*

From time to time, as appropriate, the Committee shall:

- (a) review with the Chair of the Board and Chief Executive Officer the goals and objectives of the Company in relation to compensation;
- (b) review and make recommendations to the Board with respect to the compensation of the directors, including incentive compensation plans;
- (c) review and make recommendations to the Board with respect to awards under any incentive compensation or equity-based plans of the Company;
- (d) compare the total remuneration (including benefits) and the main components thereof for the Board with the remuneration practices of peers in the cannabis and/or consumer packaged goods and/or pharmaceutical industries;
- (e) review the Company’s policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentives and recommend changes to the Board if appropriate; and

- (f) take such other actions within the general scope of its responsibilities as the Committee shall deem appropriate or as directed by the Board.

## **5. Meetings**

The Committee shall meet at least once per year, and more frequently as circumstances require, at such time and place as it (or the Board) deems necessary to fulfill its responsibilities. Committee members may attend meetings either in person, through videoconferencing or by telephone. A quorum for the transaction of business at any meeting of the Committee will be a majority of the members of the Committee or such greater number as the Committee will by resolution determine. The Committee, through the Chair, shall report to the Board following each meeting on the major discussions and decisions made by the Committee, and shall make recommendations to the Board as appropriate. The Committee will keep minutes of each meeting of the Committee, and a copy of the minutes will be provided to each member of the Committee. The powers of the Committee may be exercised by written resolution signed by all of the members of the Committee. The Committee may form and delegate authority to individual members and subcommittees where the Committee determines it is appropriate to do so.

The Committee may invite such directors, officers and employees of the Company to its meetings as it deems appropriate to assist the Committee with the fulfilment of its duties and responsibilities. However, the Committee shall meet separately without such members present, and in all cases the Chief Executive Officer and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined. However, the Chief Executive Officer may be present at meetings of the Committee to provide input on executive compensation other than his or her own. The Committee will determine any desired agenda items.

## **6. Annual Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

## **7. Resources and Advisors**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. The Committee shall have access to the Company's Management and employees as well as the books and records of the Company that it deems necessary to carry out its responsibilities. The Committee shall also have the authority to retain and obtain advice and assistance from external legal counsel, accounting advisors, compensation consultants, and other advisors to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation and oversee the work of any such advisors.

## **8. Inconsistencies with Applicable Laws**

In the event of any conflict or inconsistency between this Charter and the applicable laws, in each case as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of such applicable laws to the extent necessary to resolve such conflict or inconsistency.

This Charter was adopted by the Board on December 18, 2020.