

FIRE & FLOWER HOLDINGS CORP.

DIVERSITY POLICY

1. DEFINITIONS

- (a) **“Board”** means the board of directors of the Corporation.
- (b) **“CGC Committee”** means the Board’s corporate governance and compensation committee.
- (c) **“Corporation”** means Fire & Flower Holdings Corp.
- (d) **“Executive Officer”** means an individual who is (a) a chair, vice-chair or president, (b) a chief executive officer or chief financial officer, (c) a vice-president in charge of a principal business unit, division or function, or (d) performing a policy making function at the Corporation.
- (e) **“Policy”** means this policy regarding diversity on the Board and in Executive Officer positions.

2. PURPOSE

This Policy sets forth the Corporation’s approach to achieving and maintaining diversity on its Board and in Executive Officer positions, with a specific emphasis on gender diversity.

3. POLICY STATEMENT

The Corporation is of the view that Board member and Executive Officer appointment decisions should be based on merit and remains committed to selecting the best person to fulfill these roles. At the same time, the Corporation recognizes that diversity is important to ensure that the profiles of Board members and Executive Officers provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to the Corporation’s success. By bringing together men and women from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives in an inclusive workplace, the Corporation believes that it is better able to develop solutions to challenges and deliver sustainable value for the Corporation and its stakeholders. The Corporation considers diversity to be an important attribute of a well-functioning Board and an efficient team of Executive Officers, and will assist the Corporation to achieve its goal of becoming a leading mining Corporation in its sector.

Gender diversity is an important component of the Corporation’s diversity strategy. The Board is committed to ensuring that gender diversity is actively pursued and seeks to ensure that at least one woman is represented on the Board at all times, giving due consideration to all other factors set forth in this Policy. The Corporation will seek to achieve a target of not less than 30% women on the Board.

For the purposes of Board composition and composition of the team of Executive Officers, diversity includes, but is not limited to, gender, ethnicity, aboriginal status, physical disabilities and age. In particular, the Corporation recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that women play in contributing to the diversity of perspective on the Board and in Executive Officer positions.

4. BOARD APPOINTMENTS

The CGC Committee is responsible for recommending qualified persons for Board nominations that possess the appropriate experiences, skills and characteristics and level of commitment required of a director to fulfill Board responsibilities. Diversity of directors is considered in assessing the skills matrix of the Board. The CGC Committee recognises that the evolution of the mix of skills and diversity is a long-term process and weighs the various factors relevant to board balance and diversity when vacancies arise.

In the process of searching for qualified persons to serve on the Board, the CGC Committee strives for the inclusion of diverse groups, knowledge and view points. To accomplish this, the CGC Committee may retain an executive search firm to help meet the Board's diversity objectives.

In connection with its efforts to create and maintain a diverse Board, the CGC Committee:

- (a) develops recruitment protocols that seek to include diverse candidates in any director search. These protocols take into account that qualified candidates may be found in a broad array of organizations, including academic institutions, privately held businesses, non-profit organizations and trade associations, in addition to the traditional candidate pool of corporate directors and officers;
- (b) strives to use, to their fullest potential, the current network of organizations and trade groups that may help identify diverse candidates;
- (c) periodically reviews Board recruitment and selection protocols to ensure that diversity remains a component of any director search; and
- (d) in order to support the specific objective of gender diversity, considers the level of representation of women on the Board and will seek to include women in the short list of candidates being considered for a Board position.

5. EXECUTIVE OFFICER APPOINTMENTS

The CGC Committee in connection with fulfilling its role to recommend Executive Officers:

- (a) considers candidates that are highly qualified based on their experience, education, expertise, personal qualities, and general and sector-specific knowledge;
- (b) reviews potential candidates from a variety of backgrounds and perspectives, with the Corporation's diversity objectives in mind including, without limiting the generality of the foregoing, the specific objective of gender diversity; and
- (c) considers the level of representation of women in Executive Officer positions when making Executive Officer appointments and will seek to include women in the short list of candidates being considered for an Executive Officer position.

6. ANNUAL REVIEW

On an annual basis, the CGC Committee:

- (a) assesses the effectiveness of the nomination process at achieving the Corporation's diversity objectives outlined in this Policy;
- (b) measures the annual and cumulative progress in achieving its gender diversity objectives; and
- (c) monitors the implementation of this Policy.

7. DISCLOSURE OF POLICY

The Corporation shall disclose in any of its management information circulars, among other things:

- (a) a short summary of the Policy's objectives and key provisions;
- (b) the measures taken to ensure that the Policy has been effectively implemented;
- (c) annual and cumulative progress in achieving the Policy's objectives;
- (d) whether, and if so how, the Board or the CGC Committee measures the effectiveness of the Policy;
- (e) how the Board or the CGC Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board;
- (f) how the Board or the CGC Committee considers the level of representation of women in Executive Officer positions when making Executive Officer appointments;
- (g) whether the Corporation has adopted a target regarding women on the Board and, if not, the reasons why it has not done so;
- (h) whether the Corporation has adopted a target regarding women in Executive Officer positions and, if not, the reasons why it has not done so;
- (i) the number and proportion (in percentage terms) of directors on the Board who are women; and

- (j) the number and proportion (in percentage terms) of Executive Officers of the Corporation, including all major subsidiaries of the Corporation (as such term is defined in Section 1.1 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*), who are women.

This Policy will be published on the Corporation's website for public information.

Approved by the Board October 15, 2019