

FIRE & FLOWER HOLDINGS CORP.

INSIDER TRADING POLICY

1. OBJECTIVE OF THE POLICY

- 1.1. The objective of this Insider Trading Policy (the “Policy”) is to ensure that Fire & Flower Holdings Corp. (together with its subsidiaries, the “Company”) and all persons to whom this Policy applies meet their obligations under applicable securities laws and stock exchange rules by ensuring that all such persons who have Material Non-Public Information (as defined below) do not engage in insider trading or tipping.

2. APPLICATION OF THE POLICY

- 2.1. The provisions of this Policy apply to all directors, officers, employees, consultants and contractors of the Company, each of whom will agree to be bound by such provisions upon notification of the most recent copy, and all Related Persons (as defined below) of such persons (collectively, “Restricted Persons”).
- 2.2. The provisions of this Policy that apply to trading and reporting of transactions in securities apply to all transactions in the Company’s securities, including common shares, preferred shares, stock options and any other securities the Company may issue from time to time (as well as the securities of other companies described in Section 5.4 (d) below).

3. COMMUNICATION OF THIS POLICY

- 3.1. To ensure that all Restricted Persons are aware of the Policy, a copy of the Policy will be distributed to all directors, officers, employees, consultants and contractors of the Company, or alternatively they will be advised that the Policy is available on the Company’s website for their review. All such persons will be informed whenever significant changes are made to the Policy. New directors, officers, employees, consultants and contractors of the Company will be provided with a copy of this Policy and will be educated about its importance.

4. DEFINITIONS & EXPLANATIONS

What is “Material Non-Public Information”?

- 4.1. “Material Information” is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Company’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions.
- 4.2. Both positive and negative information can be material. Because trading will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved by treating such information as being material. See the Company’s Corporate Disclosure Policy for more information on how to determine if information is material and also for examples of material information.
- 4.3. “Non-Public Information” is information that is not generally known or available to the public. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or by filings with the Securities Commissions) and the investing public has had time to absorb the information fully. As a general rule, information is considered non-public until the close of business on the second full trading day after the

information is released. "Trading day" shall mean a day on which the TSX Venture Exchange is open for trading.¹

Who is a "Related Person"?

- 4.4. For purposes of this Policy, a "Related Person" includes: your spouse, minor children and anyone else living in your household, or who does not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control; partnerships in which you are a general partner; trusts of which you are a trustee; and estates of which you are an executor. Although a person's parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a "tippee" for securities laws purposes. See below for a discussion on the prohibition on "tipping".

Who is a "Reporting Insider"?

- 4.5. All directors, officers and certain designated employees of the Company as listed in Section 4.6 below are considered as Reporting Insiders and, in addition to the terms and conditions of this Policy, are subject to the reporting obligations stipulated in applicable securities laws.

- 4.6. "Reporting insiders" include, among others:

- (a) the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Chief Operation Officer of the Company or any senior officer of any subsidiary or operating division of the Company;
- (b) a director of the Company or of a major subsidiary of the Company;
- (c) a person or company responsible for a principal business unit, division or function of the Company;
- (d) any other insider who:
 - i. in the ordinary course receives or has access to information as to material facts or material changes concerning the Company before the material facts or material changes are generally disclosed; and
 - ii. directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company.

- 4.7. If an individual falls into one of the above categories, that individual is required to file insider trading reports and should consult with the CEO to confirm his or her reporting obligations.

5. SPECIFIC POLICIES AND GUIDELINES

Non-disclosure of Material Non-Public Information

- 5.1. Maintaining the confidentiality of information of the Company is essential for competitive, security and other business reasons, as well as to comply with securities laws. You should treat all information you learn about the Company or its business plans in connection with your employment or association as confidential and proprietary to the Company. Inadvertent

¹ For example, if material non-disclosed information (such as quarterly results) is disclosed on a Monday at 10 am, then trading in the Company securities (as defined in, and subject to the terms of this Policy) by a Restricted Person is not allowed until the open of business on Thursday.

disclosure of confidential or inside information may expose the Company and you to significant risk of investigation and liability.

- 5.2. The timing and nature of the Company's disclosure of Material Information to outsiders is subject to legal rules, the breach of which could result in substantial liability to you, the Company and its management. Accordingly, Material Non-Public Information must not be disclosed to anyone, except to persons within the Company or third party agents of the Company (such as investment banking advisors or outside legal counsel) whose positions require them to know it, until such information has been publicly released by the Company.

Prohibited Trading in Securities of the Company

- 5.3. No Restricted Person shall, directly or indirectly, engage in any transaction involving a purchase or sale of the Company's securities during any period commencing with the date that he or she possesses Material Non-Public Information of the Company and ending at the close of business on the second trading day following public disclosure of that information. For greater certainty, examples of prohibited transactions would include, but are not limited to the following:
 - i. buying or selling securities of the Company, other than through the exercise of Company granted fixed price share options or warrants, but not the sale of the securities so acquired (see below);
 - ii. buying or selling securities whose price or value may reasonably be expected to be affected by changes in price of securities of the Company;
 - iii. selling securities acquired through the exercise of share options or warrants; and
 - iv. buying or selling securities of another company in which the Company proposes to invest or with which the Company has a business relationship or where the individual, in the course of employment with the Company, becomes aware of Material Non-Public Information concerning that other company.
- 5.4. Restricted Persons may be subject to civil and criminal liabilities for engaging in such transactions at a time when they have knowledge of Material Non-Public Information about or affecting the Company.

"Tipping" Information to Others

- 5.5. No Restricted Person shall disclose ("tip") Material Non-Public Information to any other person (including Related Persons) where such information may be used by such person to his or her benefit by trading in the securities of companies to which such information relates, nor shall such Restricted Person make recommendations or express opinions on the basis of Material Non-Public Information as to trading in securities of the Company or other companies.
- 5.6. Restricted Persons may also be liable for improper transactions by any person (commonly referred to as a "tippee") to whom they have disclosed Material Non-Public Information or to whom they have made recommendations or expressed opinions on the basis of such information.

Avoid Speculation

- 5.7. In order to ensure that perceptions of improper insider trading do not arise, Restricted Persons should not "speculate" in securities of the Company. For the purpose of this Policy, the word "speculate" means the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. Speculating in such securities for short-term profit is distinguished from purchasing and selling securities as part of a long-term investment program. "Speculation" does

not include the exercise of the Company granted, fixed price share options or warrants and sale of the securities so acquired in order to take the benefit of long term appreciation inherent in such options or warrants, so long as the sale does not involve the use of Material Non-Public Information.

6. TRADING RESTRICTIONS

No Trade Periods

Mandatory Periodic Blackouts

- 6.1. Commencing on the date that is ten trading days prior to the end of any financial period for which the Company is required to prepare financial statements and ending on the date that is two business days following the dissemination of such financial statements: (a) directors; (b) executive officers; and (c) all employees of the Company, who are tasked with the preparation of the financial statements of the Company may not trade in the Company's securities unless they have received pre-clearance for the proposed trade. Persons subject to the pre-clearance restriction should contact the CEO at least two business days in advance of any proposed transaction and may not effect such transaction unless given clearance to do so. Any pre-clearance request that has been granted will be valid only for three business days following the approval date unless terminated earlier by the CEO. If a transaction for which pre-clearance has been granted is not effected within such period, the transaction must be pre-cleared again. If the transaction order is not placed within that five-business day period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.
- 6.2. Directors, officers, senior management and all corporate employees of the Company may not trade in the Company's securities from the date that is ten trading days prior to the date on which the annual or quarterly financial statements of the Company are scheduled to be released until the close of business on the second trading day after public disclosure of such financial statements.
- 6.3. The CEO, or another individual as may be designated by the CEO, will disseminate an e-mail to all of the directors, officers and employees of the Company and other persons subject to this Policy confirming the scheduled release date for financial statements, and the date preceding such scheduled release upon which date the blackout period will commence (subject to any subsequent e-mail confirmation from the CEO, or another individual as may be designated by the CEO, amending such scheduled release date and corresponding blackout period).

Event Specific Blackout Periods

- 6.4. From time to time, information may develop or an event may occur that is material to the Company but not yet disclosed or disclosable (e.g. negotiation of a material contract). The CEO, or their designee will inform directors, officers, employees, consultants and contractors of an event specific blackout by means of e-mail notification and any other necessary means. All directors, officers, employees, consultants and contractors of the Company are prohibited from trading securities of the Company during the event specific blackout. The existence of any event specific blackout is itself confidential and must be kept confidential by all directors, officers, employees, consultants and contractors. Once instituted, an event specific blackout period will continue to exist until the CEO or designated person communicates its termination.

No Hedging

- 6.5. No officer or director is permitted to purchase financial instruments for the purpose of, or shall otherwise engage in, hedging or other price protective transactions with respect to options or other equity or equity related securities of the Company which are held, directly or indirectly, by the officer or director. In addition, no officer or director is permitted to engage in the short sale of securities of the Company or sales of borrowed securities of the Company. For the purposes

hereof, the concurrent short sale of Company shares as a method of facilitating the exercise of a vested option granted by the Company shall be deemed not to be a short sale for purposes of the aforementioned restriction.

Pre-Clearance Requirements

- 6.6. Directors and officers of the Company with the title of vice president or higher must obtain prior clearance from the CEO before they or a Related Person makes any purchases or sales of the Company's securities, including, but not limited to, any exercise of stock options. Notice of any proposed transaction is to be given to the CEO and other persons designated by the CEO from time to time. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under securities laws and regulations or otherwise may have an appearance of impropriety. Clearance of a transaction is valid only for a period of five business days. If the transaction order is not placed within that five-business day period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. If the Company becomes aware of Material NonPublic Information, all persons who have pre-cleared transactions that have not been completed will be asked to withdraw their trading instructions.

Exception to Trading Restriction

- 6.7. Trading by Restricted Persons during blackout periods may be permitted in exceptional circumstances with the prior approval of the CEO, provided that the individual is not in possession of Material Non-Public Information. Exceptional circumstances may, for example, arise where the individual is subject to a pressing financial commitment that cannot be satisfied other than by the sale of securities of the Company, or where the timing of the trade is important for tax planning purposes. The approval for such trades will only be provided upon receipt of positive clearance by legal counsel and may require the Restricted Person to make specific representations regarding the circumstances. If such a pre-clearance is granted under this Policy, such persons are reminded of the general prohibition against insider trading under Canadian securities laws generally, and that compliance with those laws is the sole responsibility of the Restricted Person.
- 6.8. For greater certainty, the prohibition regarding trading in securities of the Company during a blackout period does not apply to the acquisition of securities through the exercise of the Company granted fixed price share options or warrants, but does apply to the sale of the securities acquired through the exercise of the options or warrants.

7. REPORTING REQUIREMENTS

- 7.1. To comply with Canadian securities laws, but subject to certain limited exceptions, all "Reporting Insiders" as listed in Section 4.6 must file an "Insider Report" within 10 days of becoming a Reporting Insider, disclosing the Reporting Insider's:
- i. beneficial ownership of, or control or direction over, whether direct or indirect, securities of the Company, and
 - ii. interest in, or right or obligation associated with, a related financial instrument involving a security of the Company.
- 7.2. A Reporting Insider must file an "Insider Report" within 5 days following a change in the:
- i. direct or indirect beneficial ownership of, or control over securities of the Company (including the grant, exercise or expiration of options, warrants or other convertible or exchangeable securities of the Company); or

- ii. any interest in, or right or obligation associated with, a related financial instrument of the Company (i.e. an agreement, arrangement or understanding, the effect of which is to alter, directly or indirectly, the insider's economic interest in a security of the Company, or its economic exposure to the Company).
- 7.3. If a Reporting Insider enters into, materially amends, or terminates an agreement, arrangement or understanding which;
 - i. has the effect of altering, directly or indirectly, the Reporting Insider's economic exposure to the Company; or,
 - ii. involves, directly or indirectly, a security or related financial instrument of the Company, and the Reporting Insider is not otherwise required to file an Insider Report, the Reporting Insider must, within 5 days of such event, file an Insider Report in respect of such event.
- 7.4. Insider Reports by Reporting Insiders of the Company are required to be filed electronically on SEDI (System for Electronic Disclosure by Insiders). SEDI is available at its website, 24 hours a day, 7 days a week at <http://www.sedi.ca/>.
- 7.5. Any individual required to file on SEDI must first register with CDS, the developer of the software. Registration can only be completed by accessing the SEDI website (listed above) and completing an online user registration form. The individual user will be required to print and sign a paper copy of the registration form and deliver the signed copy to CDS by fax or email. However, once the online registration process is complete, the system is immediately available to make filings.
- 7.6. Before filing an Insider Report via SEDI, a Reporting Insider also will be required to file a profile in electronic format, containing information identifying the Reporting Insider and his or her relationship to one or more SEDI issuers. The Reporting Insider profile can only be completed by accessing the SEDI website (listed above) and completing the online profile form.
- 7.7. Any changes to a Reporting Insider's name or relationship to an issuer must be made within 10 days by filing an amended Reporting Insider profile on the SEDI website.
- 7.8. The Company can assist any Reporting Insider with the SEDI reporting process. For assistance, please contact the CEO.

8. SANCTIONS

- 8.1. Failure to comply with the Insider Trading and Tipping provisions of this Policy may result in disciplinary action, possibly including termination of employment, termination of contract or removal from the Company's Board of Directors.
- 8.2. In addition, Canadian securities laws provide various penalties (including potentially fines, civil damages and imprisonment) for Insider Trading and Tipping.
- 8.3. Penalties may also be levied under Canadian securities laws against a Reporting Insider for not complying with the reporting requirements set out above.
- 8.4. Directors, officers, employees, consultants and contractors of the Company who violate this Policy will be subject to disciplinary action, which may include, but is not limited to, restrictions on future participation in incentive plans or termination of employment.

9. AMENDMENTS AND REVIEW

- 9.1. This Policy may be amended from time to time. Any amendments to this Policy shall be approved by the Board of Directors and will be communicated to directors, officers, employees, consultants and contractors.
- 9.2. This Policy is to be reviewed on a regular basis. The Governance Committee of the Board is to report to the Board of Directors, on an ongoing basis, any deficiencies, concerns or issues relating to the effectiveness of this Policy.

10. QUESTIONS ABOUT THIS POLICY

- 10.1. Any person who is unsure whether he or she may trade in a given circumstance should contact the CEO for specific guidance. Persons subject to this Policy are encouraged to consult with the CEO prior to any trading in securities of the Company.
- 10.2. Reporting Insiders are also encouraged to seek independent legal advice for matters other than routine reporting.

Original Approval Date: February 13, 2019

Approval Date of Amendment: May 6, 2019

Approved by: Board of Directors