

FIRE & FLOWER HOLDINGS CORP.

CORPORATE GOVERNANCE

POLICY ON INDIVIDUAL AND MAJORITY VOTING FOR ELECTION OF DIRECTORS

The board of directors (the “**Board**”) of Fire & Flower Holdings Corp. (the “**Corporation**”) believes that each of its directors should carry the confidence and support of its shareholders (the “**Shareholders**”). To this end, the Board has unanimously adopted this statement of policy entitled “Policy on Individual and Majority Voting for Election of Directors” (the “**Policy**”).

Forms of proxy for the vote at a Shareholders’ meeting where directors are to be elected to the Board will enable the Shareholders to vote in favour of, or to withhold from voting, separately for each nominee proposed for election to the Board as opposed to for a slate of nominees. At such a meeting, the chairperson of the meeting will call for a vote by ballot with respect to the election of directors. The scrutineers of the meeting will record with respect to each nominee the number of shares voted in his or her favour and the number of shares withheld from voting in respect of his or her election.

Prior to receiving the scrutineer’s report on the ballot respecting the election of directors, the chairperson of the meeting may announce the vote result based on the number of proxies received by the Corporation. At the conclusion of the meeting, the final scrutineers’ report will be presented to the meeting and following the meeting, a vote report of matters voted on the meeting will be filed on SEDAR in compliance with applicable securities legislation.

If, with respect to any particular nominee for election to the Board, the number of shares withheld from voting exceeds the number of shares voted in favour of his or her election, then, for purposes of the Policy, the nominee shall be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law.

A person elected as a director who is considered under this test not to have the confidence of the Shareholders is expected to immediately submit to the Compensation Committee of the Board his or her resignation. The Compensation Committee will consider such person’s resignation and will promptly thereafter make a recommendation to the Board to either accept or reject the resignation. Upon receipt of a recommendation from the Compensation Committee, the Board shall thereafter have 90 days from the date of the Shareholders’ meeting to either accept or reject the resignation.

When considering resignations, both the Compensation Committee and the Board shall consider, among other things, any stated reasons why Shareholders “withheld” from voting for a nominee, the number of “withholds” as compared to the number of votes “for” a nominee and such other factors deemed relevant by such the Compensation Committee and/or the Board. The Board shall be expected to accept a resignation unless exceptional circumstances warrant the applicable director to continue to serve on the Board.

Upon a decision being made by the Board, a press release will be issued advising the public of the Board’s decision and, if the resignation is not accepted, detailing the Board’s reasoning behind such decision.

Any director who tenders his or her resignation pursuant to the Policy shall not participate in the meeting of the Compensation Committee, if a member thereof, or of the Board at which his or her resignation, or any other resignations also tendered pursuant to the Policy, will be discussed. If, however, the resignations tendered will result in there being no quorum at a meeting of (a) the Compensation Committee, then the independent directors of the Board shall appoint a new committee from amongst themselves to consider the resignations and the recommendations to be made to the Board; or (b) the Board, then all directors of the Board, including those who tendered resignations, may participate in the determination of whether to accept or reject such

resignations.

Subject to any corporate law restrictions, the Board may: (a) leave the resultant vacancy unfilled until the next annual general meeting of the Shareholders; (b) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders; or (c) it may call a special meeting of the Shareholders at which there will be presented a management slate to fill the vacant position or positions.

The Policy does not apply in any case where the election involves a proxy battle -- i.e., where proxy material is circulated in support of one or more nominees who are not part of the slate supported by the Board.