



## Board of Directors Mandate

### **1** **POLICY**

1.1 The board of directors (the “Board”) of Cannabis One Holdings Inc. (the “Company”) is firmly committed to the maximization of shareholder value while adhering to all applicable laws and observing the highest ethical standards. The following principles in this Board of Directors Mandate (the “Mandate”) have been approved and adopted by the Board. The Board recognizes corporate governance as an ongoing priority, and will review these principles at least annually, and more often if deemed appropriate.

1.2 This Mandate describes standards of ethical behavior that each director of Cannabis One (each is a “Director”) is expected to uphold. It does not and cannot address every situation that may be encountered and is not a substitute for a Director’s exercise of good judgment and common sense. A Director who has any question about a particular circumstance that may be in opposition to a provision of this Mandate should address the question with the chairperson of the audit committee of Cannabis One (the “Audit Committee”), who may then consult with legal counsel as deemed appropriate. Directors who are also officers of the Company’s subsidiaries are also subject to this Mandate.

1.3 The officers and senior management of Cannabis One (the “Senior Management”) are accountable to the Board for the effective running of day-to-day operations of the Company.

1.4 This Policy should be read together with The Code of Conduct (“Code”), and where inconsistent with the Code, the terms and conditions of the Code will apply.

### **2** **PURPOSE**

The purpose of this Mandate is to set out the composition of the Board, the respective accountabilities of the Board and the management of Cannabis One, and to provide guidance for the governance structures and processes to ensure that accountabilities are met and respected.

### **3 SCOPE**

This Mandate applies to the Board and Senior Management of Cannabis One.

### **4 COMPOSITION**

If possible, the Board will be composed of a majority of “independent” directors, as such term is defined under applicable securities legislation.

The Board will appoint an independent director to act as chairperson of the Board (the “Chair”). If the Board determines that this is not appropriate in the circumstances and instead appoints a non-independent director to act as Chair of the Board, the Board will also appoint an independent director to act as lead director (the “Lead Director”). Either the Chair or a Lead Director will act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties.

If in any year the Board does not appoint a Chair or Lead Director, if applicable, the incumbent Chair and Lead Director, if applicable, will each continue in office until a successor is appointed.

If the Chair of the Board or Lead Director, if applicable, is absent from any meeting, the chief executive officer (the “CEO”) of the Company, if he or she serves as a member of the Board, will preside at the meeting, or the Board will select one of the other members to so preside.

### **5 DIRECTOR QUALIFICATIONS**

Directors must be committed to representing the long-term interests of Cannabis One shareholders (the “Shareholders”). It is important to align the interests of Board members and Shareholders, so we encourage Board members to own common shares or other equity securities of the Company in an amount that is meaningful to the Board member. Board members should possess a high degree of integrity and should have broad knowledge, business experience, and mature judgment. In addition to a meaningful economic commitment to the Company as expressed in common share or other equity security ownership, members should possess diverse business backgrounds, have experience at policy-making levels in business and/or technology, and bring a variety of business experiences and perspectives to the Board.

The Board expects that each Director will, among other things:

- (a) act honestly, in good faith, and with a view to the best interests of the Company;
- (b) exercise with care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) commit the time and energy necessary to properly carry out his or her duties;
- (d) attend all Board meetings and committee meetings, as applicable; and

- (e) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

## **6      RESPONSIBILITY**

### **6.1** The Board is responsible for:

- (a) appointing the Company's Senior Management;
- (b) monitoring individual performance of the Chair, CEO, and chief financial officer and taking corrective action when required to create a culture of integrity throughout the organization;
- (c) providing assurance to Shareholders that all legal obligations have been met;
- (d) adopting a strategic planning process, which accounts for the opportunities and risks of the Company's business;
- (e) assessing the principal risks of the business, and ensuring that appropriate systems are implemented to manage those risks;
- (f) succession planning for Board members and Senior Management;
- (g) creating and approving compensation mechanisms for Senior Management;
- (h) ensuring the adequacy and effectiveness of internal controls and management information systems;
- (i) approving the annual budget and capital expenditure program;
- (j) monitoring Company performance on behalf of the Shareholders;
- (k) establishing a process to permit Shareholders to directly contact independent Directors;
- (l) considering what competencies and skills the Board, as a whole, should possess and assessing what competencies and skills each existing Director possesses;
- (m) ensuring that all new Directors receive a comprehensive orientation;
- (n) providing continuing education opportunities for all Directors;
- (o) ensuring that Cannabis One adheres to governance requirements set out in the corporate by-laws and proposing any necessary changes to Shareholders; and
- (p) establishing and articulating governance policies and related procedures.

**6.2** Some responsibilities of the Board may be delegated to subcommittees of the Board. However, all substantive subcommittee decisions must be approved by the Board.

6.3 The Chair is responsible for:

- (a) proposing any changes to Cannabis One Management to the Board;
- (b) proposing the annual budget and capital expenditure program to the Board;
- (c) presenting the monthly or quarterly results of the Company to the Board;
- (d) identifying the principal risks of the business, and ensuring that appropriate systems are implemented to manage those risks;
- (e) executing the strategic planning process and proposing revisions as required;
- (f) performing succession planning for all key management personnel, including appointing, training and monitoring the performance of Senior Management; and
- (g) ensuring adequate and effective internal controls and management information systems are implemented.

## **7      DEFINITIONS**

7.1 “Accountabilities” means a set of responsibilities for which an individual, or group of individuals, is accountable to another individual or group of individuals. For example, the Board is accountable to the Shareholders for effective governance.

7.2 “Confidential Information” is defined in The Code of Conduct, Section D.

7.3 “Corporate Governance” means the processes and structure used to direct and manage the affairs of the Company, with the objective of maximizing Shareholder value. This includes ensuring the financial viability of Cannabis One. The processes and structure define the allocation of responsibility and power, and sets out the accountabilities among the Shareholders, the Directors, and Senior Management.

## **8      PROCEDURES**

8.1 Board Responsibilities, Committees and Meetings -

- (a) The Board is primarily responsible for, in addition to its responsibilities set forth in the Company by-laws:
  - (i) designating the offices of the Company, appointing such officers, specifying the specific duties, and delegating to them the power to manage the day-to-day business and affairs of the Company;

- (ii) reviewing the officer's performance and effectiveness; and
  - (iii) acting in a supervisory role such that any duties and powers not delegated to the officers of the Company remain with the Board and its committees.
- (b) In addition, the Board is responsible for, to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company.
- (c) The Board is responsible for adopting a strategic planning process and approving, on at least an annual basis, a strategic plan or an update to the company's long-term strategic plan which takes into account, among other things, the opportunities and risks of the business of the Company.
- (d) The Board shall identify the principal risks of the Company's business and ensure the implementation of appropriate systems.
- (e) The Board is responsible for the Company's internal control and management information systems.
- (f) The Board will also develop the Company's approach to corporate governance, including the development of a set of corporate governance principles and guidelines that are specifically applicable to the Company.
- (g) Notice of the time and place of every meeting will be given to each member of the Board and the CEO at least 48 hours prior to the designated time of the meeting.
- (h) A majority of the Board will constitute a quorum. No business may be transacted by the Board except at a meeting of directors at which a quorum of the Board is present in person or by means of a telephonic, electronic, or other communication form that permits all participants to communicate adequately with each other during the meeting.
- (i) The Board may invite such officers and employees of the Company and advisors as it sees fit from time to time to attend a Board meeting.
- (j) Minutes of meetings of the Board will be recorded and maintained by the Secretary of the Company and will be subsequently presented to the Board for review and approval.
- (k) The Board shall establish the following standing committees:
- (i) Audit Committee
  - (ii) Compensation Committee
  - (iii) Corporate Governance Committee
  - (iv) Regulatory and Public Policy Committee

Standing committees shall submit all substantive decisions to the Board for approval. All committees shall minute their meetings and introduce these minutes into the minute book of the Company on a regular basis.

(l) In addition, ad hoc committees may be established and/or dissolved at any time by resolution of the Board. Ad hoc committees shall follow the same rules of procedure as standing committees.

(m) The Board is responsible for ensuring that processes are in place to ensure that applicable laws are complied with in each of the countries, provinces, states, and municipalities in which Cannabis One does business.

(n) Directors shall attend the annual Shareholders meeting.

(o) Regular meetings of the Board shall be held at a minimum quarterly, or at other more frequent intervals set by the Board. Advance notice shall be provided as required by the by-laws of the Company, unless such notice is waived by all Directors. Minutes shall be taken and subsequently distributed.

(p) Independent Directors shall regularly schedule meetings at which non-independent Directors are not in attendance. Advance notice shall be provided as required by the Business Corporations Act (British Columbia), unless such notice is waived by all Directors. Minutes shall be taken and subsequently distributed.

(q) Information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors before the meeting and Directors should review these materials in advance of the meeting.

(r) The Chair will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda.

(s) The Board may hold meetings by telephone/teleconference.

(t) The Board may approve matters without a meeting by means of each Director signing a resolution.

(u) Directors who do not attend at least 75% of Board meetings in a fiscal year of the Company may be required by the Chair to resign their seat.

(v) The Board will review and assess the adequacy of this Mandate on a regular basis, taking into account all legislative and regulatory requirements applicable to the Board, as well any best practice guidelines recommended by securities regulatory authorities or any stock exchanges on which the Company's shares are listed.

## 8.2 Senior Management Responsibilities -

(a) Senior Management is responsible for the effective running of the day-to-day operations of the Company. This includes:

(i) planning and day-to-day decision-making, which reflects the intentions of the Board and the interests of the owners;

(ii) analyzing the principal risks of the business, and ensuring that appropriate systems are implemented to manage those risks;

(iii) proposing a strategic planning process;

(iv) succession planning for key management personnel;

(v) appointing, training, and monitoring the performance of Company employees;

(vi) ensuring the adequacy and effectiveness of internal controls and management information systems; and

(vii) Reporting on a regular basis to the Board applicable financial results and other information necessary for the Board to discharge its responsibilities.

(b) Senior Management is responsible for providing effective management of the affairs of the Company by establishing additional policies and procedures to ensure its accountabilities are met.

(c) Senior Management is responsible for implementing decisions of the Board and for providing the Board with the information and analysis it requires for the effective performance of its duties.

## **9 DIRECTORS CODE OF CONDUCT**

### **9.1 Conflicts of Interest -**

(a) Directors must avoid conflicts of interest with the Company. A conflict of interest occurs when:

(i) a Director's private interests interfere in any way, or can reasonably be expected to interfere in any way, with the interests of Cannabis One;

(ii) a Director or a member of his or her immediate family receives an improper personal benefit as a result of the Director's position as a Director of Cannabis One; or

(iii) a Director has other duties, responsibilities or obligations that run counter to his or her duty to the Company.

(b) A Director must immediately disclose to the chairperson of the Audit Committee (the "Audit Chair") and the Chair of the Board any situation that involves, or may reasonably be expected to involve, a conflict of interest. While this Mandate does not attempt to describe all possible conflicts of interest that could arise, the following are some of the conflicts of interest that Directors must avoid:

(i) receiving loans or guarantees of obligations as a result of one's position as a Director;

(ii) engaging in conduct or activity that improperly interferes with the Cannabis One's existing or prospective business relationships with a third party;

(iii) accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company; and

(iv) accepting, or having a member of a Director's immediate family accept, a gift from persons or entities that deal with the Company, in cases where the gift, considered in light of the totality of the circumstances, would reasonably be expected to influence the Director's actions as a member of the Board.

## 9.2 Business Relationships with Directors -

Any direct or indirect monetary arrangement for goods and services between a Director or a member of the Director's immediate family and the Company or a member of the Company's senior management must be approved by the Board.

## 9.3 Use of Corporate Information, Opportunities and Assets -

Directors may not compete with Cannabis One or use opportunities that are discovered through the use of Company information or their position with the Company for their own personal benefit or for the benefit of persons or entities outside Cannabis One. Directors may not waste or improperly use any Company asset.

## 9.4 Confidentiality -

A Director may never use Confidential Information for his or her own personal benefit or to benefit persons or entities outside Cannabis One. Directors shall not disclose Confidential Information outside the Company either during or after their service as a Director of Cannabis One, except with the express or implied consent of the Board or as required by law. Each Director and officer of the Company shall sign a Confidentiality Agreement to ensure nondisclosure of Confidential Information.

## 9.5 Reporting of Violations -

Directors should communicate any suspected violations of this Mandate promptly to the Audit Chair. Suspected violations shall be investigated by or at the direction of the Board or the Audit Committee, and appropriate action shall be taken in the event a violation is confirmed.

## 9.6 Waiver -

The Board is responsible for monitoring compliance with the Mandate. Waivers of a provision of this Mandate can only be made by the Board and shall be granted only in very exceptional circumstances. Cannabis One shall disclose any such waiver and the reasons for it, in accordance with legal and regulatory requirements. A Director who becomes aware of a circumstance that may require a waiver shall promptly bring the circumstance to the attention of the Audit Chair.

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