

ACREAGE HOLDINGS, INC.
COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Adopted: November 14, 2018

A. RESPONSIBILITY

The Compensation and Corporate Governance Committee (the “**Committee**”) is responsible for assisting the Board of Directors (the “**Board**”) of Acreage Holdings, Inc. (the “**Corporation**”) in fulfilling its oversight responsibilities in relation to:

- (a) the Corporation’s overall approach to corporate governance;
- (b) the size, composition and structure of the Board and its committees;
- (c) executive and director compensation;
- (d) executive compensation disclosure;
- (e) management development and succession;
- (f) orientation and continuing education for directors;
- (g) identifying and recommending new director nominees;
- (h) promotion of a culture of integrity throughout the Corporation;
- (i) related party transactions and other matters involving conflicts of interest; and
- (j) any additional matters delegated to the Committee by the Board.

B. MEMBERS

The Board shall elect annually from among its members the Committee, which shall be composed of three or more directors as determined by the Board, each of whom shall meet all applicable standards of independence under applicable laws, regulations, rules and guidelines, which determination of independence will be made by the Board.

The Board may remove members of the Committee at any time, with or without cause. The Chair shall be designated by the Board; *provided*, that if the Board does not so designate a Chair, the Committee shall choose one of its members to be its Chair by majority vote.

C. DUTIES

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or delegated to the Committee by the Board.

1. Human Resources Strategies

The Committee will:

- (a) review and monitor the Corporation’s compliance with applicable human rights laws; and
- (b) review and monitor the Corporation’s human resources strategies for consistency with the Corporation’s vision, mission and core values.

2. Board Size, Composition and Structure

The Committee will examine the size of the Board and recommend to the Board a size that facilitates effective decision-making. In addition, taking into consideration the recommended size of the Board, the

Committee will recommend the number of Board positions to be filled by Independent Directors, who should comprise at least a majority of the members of the Board.

The Committee will review the overall composition of the Board, taking into consideration such factors as business experience and specific areas of expertise of each director, and make recommendations to the Board as it determines appropriate.

The Committee will evaluate whether the necessary and appropriate committees exist to support the work of the Board and will make recommendations to the Board for the reorganization of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines to be appropriate.

3. Director Qualifications

The Committee will formulate and administer criteria for identifying, evaluating and recommending director candidates to stand for election at a meeting of shareholders or to fill a vacancy existing on the Board, which will reflect, among other things:

- (a) competencies, skills and personal qualities that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) competencies, skills and personal qualities that the Board considers each existing director to possess;
- (c) competencies, skills and personal qualities that each new director would bring to the Board; and
- (d) responsibilities that would materially interfere with or be incompatible with Board membership.

4. Candidates for Board Membership

The Committee will recommend to the Board a list of candidates for nomination for election to the Board at the Corporation's annual meeting of shareholders. In addition, as the need arises, it will identify and recommend to the Board new candidates for Board membership. Should the Committee recommend a Lead Director be appointed to the Board, or should a vacancy occur in the role of Lead Director, the Committee will, recommend to the Board an Independent Director to fill such role. In making its recommendations to the Board, the Committee will provide an assessment of whether each candidate is or would be: (i) an Independent Director; and (ii) "financially literate" as defined in National Instrument 52-110 – *Audit Committees*.

5. Appointments to Board Committees

The Committee will recommend to the Board those directors it considers qualified for appointment to each Board committee. Where a vacancy occurs at any time in the membership of any Board committee, the Committee will recommend to the Board a director to fill such vacancy.

6. Approach to Governance

The Committee will review the Corporation's overall approach to corporate governance and make recommendations to the Board in this regard. Among other things, the Committee will:

- (a) review and assess the Board Mandate and recommend any amendments to the Board;
- (b) review the charter of each committee and recommend any amendments to the Board;

- (c) review the position description for the Chair and recommend any amendments to the Board;
- (d) review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- (e) monitor relationships between senior management and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with, senior management;
- (f) be available as a forum for addressing the concerns of individual directors;
- (g) recommend to the Board a process for evaluating the contributions of individual directors to assist the Board in assessing directors' suitability for re-election;
- (h) meet separately with each member of senior management on an annual basis;
- (i) work with the Chief Executive Officer and other members of senior management to foster a healthy corporate governance culture within the Corporation; and
- (j) monitor developments in the area of corporate governance and recommend initiatives that will help the Corporation maintain high standards of corporate governance.

7. Executive Compensation

- (a) To review at least annually the goals and objectives of the Corporation's executive compensation plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.
- (b) To review at least annually the Corporation's executive compensation plans in light of the Corporation's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new, or the amendment of existing, executive compensation plans.
- (c) The Committee shall evaluate at least once a year the performance of the Chief Executive Officer in light of the goals and objectives established by the Board and, based on such evaluation, shall, with appropriate input from other independent members of the Board, determine and recommend the annual compensation of the Chief Executive Officer, including, as appropriate, salary, bonus, incentive and equity compensation. The Committee may discuss the compensation of the Chief Executive Officer with the Board if it chooses to do so.
- (d) Review on an annual basis the evaluation process and compensation structure for the Corporation's executive officers and, in consultation with the Chief Executive Officer, review the performance of the other executive officers in order to make recommendations to the Board with respect to the compensation for such officers, including, as appropriate, salary, bonus, incentive and equity compensation. To the extent that long-term incentive compensation is a component of such executive officers' compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer.
- (e) Assess the competitiveness and appropriateness of the Corporation's policies relating to the compensation of executive officers on an annual basis.
- (f) Review and, if appropriate, recommend to the Board the approval of, any adoption, amendment and termination of the Corporation's incentive and equity-based incentive compensation plans (and the aggregate number of shares to be reserved for issuance thereunder), and oversee their administration and discharge any duties imposed on the Committee by any of those plans.

8. Officers

- (a) Review, with the Chief Executive Officer, management's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession to officers and other management personnel, and to report on this matter to the Board when appropriate.
- (b) Oversee the selection of any benchmark group used in determining compensation or any element of compensation.

9. Director Compensation

Review, on at least an annual basis, the form and amount of compensation for members of the Board and committees thereof, taking into account their responsibilities and time commitment and information regarding the compensation paid at peer companies, and making recommendations to the Board with respect to changes when appropriate.

10. Compensation Disclosure

Prior to its public disclosure, review the Corporation's Compensation Discussion & Analysis and related executive compensation disclosure for inclusion in the Corporation's public disclosure documents, in accordance with applicable rules and regulations and, if appropriate, recommend to the Board the approval and disclosure of such information.

11. Board Succession

The Committee will develop and maintain a Board succession plan that is responsive to the Corporation's needs and the interests of its shareholders.

12. Orientation and Continuing Education for Directors

The Committee will confirm that procedures are in place and resources are made available to provide new directors with a proper orientation to both the Corporation and their responsibilities and duties as directors and to provide other directors with appropriate continuing education opportunities.

13. Related Party Transactions and Conflicts of Interest

The Committee will review all proposed related party transactions and situations involving a potential conflict of interest that are not required to be dealt with by an "independent special committee" pursuant to securities law rules. Any member of Committee who is a party to or has a potential conflict of interest in a proposed transaction, or who has a material interest in any related party transaction or is a party to a related party transaction, must abstain from any vote on that transaction.

14. Code of Ethics and Business Conduct

The Committee will:

- (a) review and assess the Corporation's Code of Ethics and Business Conduct in place from time to time to confirm that it addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Corporation's assets, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behaviour, and establishes

- mechanisms to facilitate the effective operation of the Code of Ethics and Business Conduct and the granting of waivers of the Code of Ethics and Business Conduct;
- (b) approve any waivers of the Code of Ethics and Business Conduct sought by directors or members of senior management;
 - (c) confirm that any waivers of the Code of Ethics and Business Conduct for directors or members of senior management are promptly disclosed to shareholders as may be required by law, rule, regulation or stock exchange requirement; and
 - (d) present the Code of Ethics and Business Conduct to the Board for the Board's ratification.

The Code of Ethics and Business Conduct will be posted on the Corporation's website and management information circulars of the Corporation will state that the Code of Ethics and Business Conduct is available on the website or is available in print to any shareholder who requests a copy.

15. Other Responsibilities

The Committee will perform any other activities consistent with this Charter, the Corporation's by-laws, and governing laws that the Board or Committee determines are necessary or appropriate.

D. REPORTING

The Committee will:

- (a) regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- (b) oversee the preparation of the "Statement of Corporate Governance" sections of the Corporation's management information circular or other public documents as required.

E. MEETINGS

Subject to the Corporation's by-laws and articles and the requirements under the *Business Corporations Act* (British Columbia):

1. Scheduling

The Committee will meet at least two (2) times annually, or more frequently as it determines is necessary to fulfill its responsibilities. A meeting of the Committee may be called by the Chair of the Committee, the Chair of the Board, the Chief Executive Officer or any Committee member.

Meetings will be held at a location determined by the Chair of the Committee. Meetings may be held in person or by tele- or video-conference. The Committee may also act by unanimous written consent, whether given in writing or electronically, in lieu of a meeting.

2. Notice

Notice of the time and place of each meeting will be given to each member either by telephone or other electronic means not less than 48 hours before the time of the meeting. Meetings may be held at any time without notice if all of the members have waived or are deemed to have waived notice of the meeting. A member participating in a meeting will be deemed to have waived notice of the meeting.

3. Agenda

The Chair of the Committee will preside as Chair of each meeting and will establish the agenda for each meeting and lead discussion on meeting agenda items. The Chair shall instruct management to circulate properly prepared agenda materials to Committee members with sufficient time to review prior to scheduled meetings. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

4. Distribution of Information

The Chair of the Committee will distribute, or cause the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

5. Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

6. Quorum

A majority of members will constitute a quorum for any meeting of the Committee.

7. Voting and Approval

At meetings of the Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chair of the Committee will not have a second or casting vote in addition to his or her original vote.

8. Procedures

Procedures for Committee meetings will be determined by the Chair of the Committee unless otherwise determined by the by-laws of the Corporation or a resolution of the Committee or the Board.

9. Transaction of Business

The powers of the Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee.

10. Absence of Chair

In the absence of the Chair of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chair of that meeting.

11. Secretary

The Committee may appoint one of its members or any other person to act as secretary.

12. Minutes of Meetings

A person designated by the Chair of the Committee at each meeting will keep minutes of the proceedings of the Committee and the Chair will cause the Secretary to circulate copies of the minutes to each member on a timely basis.

F. CHAIR

Each year, the Board will appoint one member to be Chair of the Committee. If, in any year, the Board does not appoint a Chair of the Committee, the incumbent Chair of the Committee will continue in office until a successor is appointed.

Among other responsibilities, the Chair should:

- (a) provide leadership to the Committee and oversee the functioning of the Committee;
- (b) set the agenda for each meeting of the Committee with input from other members of the Committee, the Chair of the Board and any other appropriate individuals;
- (c) act as a liaison, and maintain communication, with the Chair of the Board and the Board to coordinate input from the Board and to optimize the effectiveness of the Committee;
- (d) ensure appropriate information is provided to the Committee by the senior officers of the Corporation to enable the Committee to function effectively and comply with this mandate;
- (e) ensure that appropriate resources and expertise are available to the Committee; and
- (f) perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time.

G. REMOVAL AND VACANCIES

Any member of the Committee may be removed and replaced at any time by the Board and will automatically cease to be a member as soon as he or she ceases to meet the qualifications set out above.

The Board will fill vacancies on the Committee by appointment from among qualified members of the Board on the recommendation of the Committee. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

H. ASSESSMENT

At least annually, the Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the Board Mandate adopted by the Board.

I. REVIEW AND DISCLOSURE

The Committee will review this Charter at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate.

This Charter will also be posted on the Corporation's website and the annual report of the Corporation will state that this Charter is available on the website or is available in print to any shareholder who requests a copy.

J. ACCESS TO OUTSIDE ADVISORS

The Committee may retain any outside advisor, including a director search firm, at the expense of the Corporation at any time and has the authority to determine any such advisor's fees and other retention terms.

The Committee, and any outside advisors retained by it, will have access to all records and information relating to the Corporation which it deems relevant to the performance of its duties.

K. LIMITATIONS ON THE COMMITTEE'S DUTIES

Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the amended articles of incorporation or by-laws of the Corporation or any federal, provincial, state or exchange law, regulation or rule to which the Corporation is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws, regulations and rules. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.

Any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board.