

**GREEN THUMB INDUSTRIES INC.**  
**CHARTER OF THE AUDIT COMMITTEE**

Amended Effective December 1, 2019

**Authority and Composition**

The Board of Directors (the “**Board**”) of Green Thumb Industries Inc. (the “**Company**” or “**GTI**”), pursuant to the Company’s Amended and Restated Articles (the “**Articles**”), as the same may be amended from time to time, has determined that the Audit Committee of the Board shall assist the Board in fulfilling certain of the Board’s oversight responsibilities. The Board hereby adopts this Audit Committee Charter (this “**Charter**”), to establish the governing principles of the Audit Committee (the “**Committee**”). The Charter will be reviewed and reassessed, at least annually, by the Committee. The Committee shall consist of three or more Directors, each of whom is independent of management. Members of the Committee shall be considered “independent” if they have no relationship that may interfere with the exercise of their independence in carrying out the responsibilities of a director and as further set out in each of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators and the Securities Exchange Act of 1934.\* All Committee members will be financially literate, as determined by the Board in its business judgment. At least one member must have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background that results in the individual’s financial sophistication, including service as a Chief Executive Officer, Chief Financial Officer, or other senior officer with financial oversight responsibilities or otherwise satisfy standards for financial expertise required for audit committees of companies listed on any stock exchange that the Company is listed. At least one member of the Committee, who is qualified as per the preceding sentence, must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K.

The members of the Committee shall be appointed by the Board and subject to annual reconfirmation and shall serve until their successors shall be duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Unless a chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee. The Chairperson will chair all regular sessions of the Committee and with input, when appropriate from management, set the agenda for the Committee meetings.

**Statement of Policy**

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by:

\* Directors shall meet the standards for independence set forth in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the rules promulgated by the Securities and Exchange Commission (the “SEC”) and any applicable stock exchange requirements, as amended. The composition and responsibilities of the Committee also will be consistent with SEC guidance, and in particular with the SEC Order set forth in Release No. 34-37538.

- Reviewing financial information, provided to the shareholders and others;
- Reviewing systems of internal controls, established by management and the Board;
- Overseeing GTI's audit function, including internal audit, financial reporting and the related legal and compliance process, including the Company's Code of Business Conduct hotline; and
- Overseeing the company's independent auditor's qualifications and independence.

Additionally, the Committee provides oversight of the Company's compliance with regulatory and legal requirements and its standards of business conduct and ethics, including the risk governance and risk assessment and strategy as it relates to key risks, including strategic, legal and regulatory, financial and operational risk (including technology, information systems, privacy and cyber security). The Committee shall maintain free and open communication with independent auditors, internal auditors and GTI's management. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of GTI. The Committee shall have the authority to retain outside legal, accounting or other advisors for this or any other purpose, including the authority to approve the fees payable to such advisors and any other terms of retention. The Company shall provide appropriate funding, as determined by the Committee in its sole authority, for payment of compensation to such advisors.

## **Responsibilities and Processes**

The primary responsibility of the Committee is to oversee GTI's financial reporting process on behalf of the Board and report the results of these activities to the Board. Management is responsible for preparing GTI's financial statements, and the independent auditors are responsible for auditing those financial statements. The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to set the overall corporate policy for quality financial reporting, sound business risk management practices, and ethical behavior.

The responsibilities and processes of the Committee shall be consistent with the Exchange Act, the rules and regulations adopted by the SEC, any applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Company's shares are listed and applicable Canadian securities laws. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate. Principal recurring processes of the Committee in carrying out its responsibilities are as follows:

1. The Committee will meet at least once every financial quarter, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting, either in person or via tele- or video conference. A majority of the members present shall constitute a quorum and a majority of the members present shall decide any matter brought before the Committee. The Committee will invite members of management, auditors or others to attend meeting to provide pertinent information. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The Committee will meet

periodically in executive session. Minutes will be prepared.

2. The independent auditors are ultimately accountable to the Board and the Audit Committee, who represent the interest of GTI's shareholders. The Committee shall have the ultimate authority and responsibility for the appointment, retention, approval of compensation and oversight of the independent auditor. The Committee will replace the independent auditors if the Committee determines that such a change would be in the company's and its stockholders' best interests. The Committee shall nominate the independent auditors for shareholder ratification in any proxy statement. In addition, the Committee shall ensure the rotation of the lead independent audit partner every five years and other audit partners every seven years and participate in the selection of the lead audit partner.

3. The Committee is responsible for ensuring its receipt from the independent auditors at least annually of a formal written statement delineating all relationships between the auditor and GTI, consistent with the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and/or the Canadian Public Accountability Board ("CPAB"). The Committee shall monitor and discuss with the independent auditors any disclosed relationships or non-audit fees and services that may impact the objectivity and independence of the auditor and shall take or make recommendations to the full board to take appropriate actions to be satisfied of the auditor's independence. Additionally, the Committee shall review with the independent auditors any audit problems or difficulties and management responsiveness. The Committee shall have oversight on resolving any disagreements between the independent auditors and management. The Committee shall prescribe what services are allowable by the independent auditors and approve in advance all services (audit and otherwise) provided by the auditors as detailed in the Independent Public Auditor Services section. The Committee shall review and approve all proposed GTI hires formerly employed by the independent auditors or any of GTI's former independent auditors.

4. Annually, the Committee evaluates the performance of the independent auditor. As one of the inputs for this review, the Committee receives and reviews, at least annually, a report by the independent auditors describing: (a) the independent auditors' internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues.

5. The Committee shall discuss with the head of the internal audit function and the independent auditors the overall scope and risk-based plans for their respective audits including the adequacy of staffing, compensation, and resources. Also, the Committee shall discuss with management, the head of the internal audit function, and the independent auditors the adequacy and effectiveness of GTI's internal controls, including systems to monitor and manage business, cyber, privacy and technology risk, and legal and ethical compliance programs and financial reporting. Further, the Committee shall meet separately with the head of the internal audit function and the independent auditors, with and without management present, to discuss the results of their examinations and any restrictions on the scope of activities or access. The internal auditors shall report directly to the Committee and have free and open

access to information deemed necessary by them to perform their assessments. The Committee shall provide oversight over the system of internal controls, relying upon management's and the internal and independent auditor's representations and assessments of the controls, and annually approve the internal audit plan, major changes to that plan, and the internal audit charter.

6. The Committee will meet periodically with the internal auditors and assist the Board in its oversight of the performance of the internal audit function. The Committee will also discuss with the outside auditor the responsibilities, budget and staffing of the internal audit function. The Committee shall review the effectiveness of the head of the internal audit function and the internal audit function/department in total, including assessing their effectiveness according to industry standards. The Committee will discuss the adequacy of resources and scope of the annual internal audit plan with the head of the internal audit function and annually approve the internal audit budget. Also, the Committee will review and concur in the appointment, compensation, replacement, or dismissal of the head of internal audit.

7. The Committee shall review and discuss with management the Company's risk management process including risk governance, risk assessment and risk management practices and guidelines. The Committee should also meet with the General Counsel in executive session at least one time per year and review with the Company's counsel any legal or regulatory matters that could have a significant impact on the Company's financial statements or operations.

8. The Committee shall review the interim financial statements and earnings releases with management and the independent auditors prior to the filing of GTI's quarterly report on Form 10-Q and/or interim financial report and accompanying interim MD&A. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.

9. The Committee shall review with management and the independent auditors the financial statements to be included in GTI's annual report on Form 10-K and/or its annual financial statements and accompanying annual MD&A and GTI's quarterly reports on Form 10-Q and/or interim financial report and accompanying interim MD&A, and consider the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in such financial statements. Also, the Committee shall discuss the results of the annual audit, including the management letters, reports and attestations prepared by management and the independent auditors to comply with the Exchange Act and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, SEC rules and applicable Canadian securities laws.

10. The Committee shall review and approve all related party transactions consistent with the rules of any applicable public stock exchange.

11. The Committee shall establish procedures and have responsibility for, and oversight of, a confidential and anonymous process and procedures for the receipt, retention and treatment of

submissions or complaints regarding accounting, audit, internal accounting controls and enterprise risk matters. All such submissions or complaints must be reported to the Committee.

12. The Committee shall oversee complaints reported on the Company's Code of Business Conduct hotline and review management's plan for investigations.

13. The Committee shall oversee investigations of significant allegations of misconduct related to any senior officer of the Company. The Committee shall oversee investigations of any matters pertaining to the integrity of management, including conflicts of interest or issues that arise regarding the quality or integrity of the Company's financial statements.

14. The Committee shall oversee the adequacy and effectiveness of GTI's regulatory responsibilities and its subsidiaries; assess regulatory performance; and assist the Board and other committees of the Board in reviewing the regulatory plan and the overall effectiveness of regulatory functions.

15. An annual performance appraisal of the Committee is conducted among the members and the results are reviewed by the Committee.

16. The Committee shall review and assess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee consider necessary or valuable.

## **Independent Public Auditor Services**

The independent auditor is prohibited from performing any of the following services for GTI:

- bookkeeping or other services related to the accounting records or financial statements of the audit client;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management or human resources functions;
- broker or dealer, investment adviser, or investment banking services;
- legal services and expert services unrelated to the audit; and
- any other service that the PCAOB or CPAB determines, by regulation, is impermissible.

All audit and allowable non-audit services must be approved in advance by the Committee. However, the Chairman of the Committee is delegated authority to approve in advance audit and non-audit services by the independent auditor to support business development, consulting on accounting issues (subject to the prohibitions above) or tax consulting to the extent permitted by SEC rules between meetings of the Committee and the Committee is informed of such approval by the Chairman at the Committee's next meeting.