

**VIREO HEALTH INTERNATIONAL, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “**Board**”) of **VIREO HEALTH INTERNATIONAL, INC.** (the “**Company**”) has established the following guidelines (“**Governance Guidelines**”) for the conduct and operation of the Board. While the Company’s senior management is responsible day-to-day management, the Board plays a critical role in overseeing the strategy of the Company, the selection and retention of appropriately qualified members of the Board (“**Directors**”) and members of senior management, monitoring the performance of the Company and members of senior management, and providing counsel and guidance on important issues to the Company’s senior management. The Board will, to the best of its ability, meet all applicable legal, regulatory and listing requirements including, without limitation, those of any stock exchange on which the Company’s shares are listed and the *Business Corporations Act* (British Columbia).

## **1. BOARD COMPOSITION AND SELECTION**

### **1.1 Size and Classes of the Board**

The number of Directors shall be established by the Board in accordance with the Articles of the Company. The Board periodically reviews the appropriate size of the Board, which may vary to accommodate the availability of suitable candidates and the needs of the Company. The Board comprises a single class of Director, each elected annually.

### **1.2 Independence of Directors**

It is the policy of the Company that the Board be composed of not less than a majority of independent Directors, subject to any exceptions permitted by the Canadian Securities Exchange (“**CSE**”) rules and the rules of any other stock exchange where the Company’s securities are listed for trading. In determining independence, the Board will consider the definition of independence set forth in the CSE listing rules, as well as other factors that will contribute to effective oversight and decision-making by the Board.

### **1.3 Management Directors**

The Board anticipates that the Company’s Chief Executive Officer will be nominated to serve on the Board. The Board also may appoint or nominate other members of the Company’s management whose experience and role at the Company are expected to assist the Board in fulfilling its responsibilities.

### **1.4 Selection of Chief Executive Officer and Chair of the Board**

The Board will select the Company’s Chief Executive Officer and Chair of the Board (“**Chair**”) in the manner that it determines to be in the best interests of the Company’s shareholders. It is the policy of the Company that the positions of Chief Executive Officer and Chair may be held by the same person or by two different people, at the discretion of the Board.

### **1.5 Selection of Directors**

The Board will be responsible for nominating members for election to the Board by the Company’s shareholders at the annual meeting of shareholders. The Board is also responsible for filling vacancies on the Board that may occur between annual meetings of shareholders. The Nominating and Corporate Governance Committee is responsible for identifying, reviewing and evaluating and recommending to the Board candidates to serve as Directors of the Company, in accordance with its charter and consistent with the criteria set by the Board in Section 1.6 below. The invitation to join the Board should be extended by the Chair.

## **1.6 Directorship Criteria**

The Board will determine the appropriate characteristics, skills and experience for the Board as a whole and for its individual members. The Board considers recommendations for nominees from the Nominating and Corporate Governance Committee. In selecting candidates and existing Directors for service on the Board, the minimum general criteria set forth below will be considered; specific additional criteria may be added with respect to specific searches. An acceptable candidate may not fully satisfy all of the criteria but is expected to satisfy many of them. The Board believes that candidates for Director should have certain minimum qualifications, including being able to read and understand financial statements and having the highest personal integrity and ethics. In considering candidates recommended by the Nominating and Corporate Governance Committee, the Board intends to consider such factors as:

- Possessing relevant expertise upon which to be able to offer advice and guidance to management
- Sufficient time to devote to the affairs of the Company
- Demonstrated excellence in his or her field
- A track record of exercising sound business judgment
- Commitment to rigorously represent the long-term interests of the Company's shareholders
- Ability to work collegially with other Directors and the Company's senior management team
- Diversity of viewpoint, work and life experience, education, skills, race and ethnicity, sex, age, and industry
- Such other factors as the Board deems appropriate

Candidates for Director are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of shareholders. In the case of new Director candidates, the Board also determines whether the nominee must be independent for CSE and other applicable stock exchange purposes.

The Nominating and Corporate Governance Committee of the Board will conduct annual reviews of the Board's performance and the performance of each of the committees, as well as each Director's overall service to the Company during the year, including the number of meetings attended, level of participation, preparation for meetings, quality of performance, and any relationships and transactions that might impair such Directors' independence. The Board may engage a third party to assist with some or all of these reviews.

## **1.7 Changes in Director Criteria**

The Board and the Company intend to maintain a Board composed of members who can productively contribute to the success of the Company. From time to time, the Board may change the criteria for Directorship to maximize the opportunity to achieve this success. When this occurs, existing members will be evaluated according to the new criteria. A Director who no longer meets the complete criteria for Directorship may be asked to adjust his or her committee assignments or resign from the Board.

## **1.8 No Term Limits**

The Board does not believe it should limit the number of terms for which an individual may serve as a Director. Directors who have served on the Board for an extended period of time are able to provide continuity and valuable insight into the Company, its operations and prospects based on their experience with, and understanding of, the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new ideas and viewpoints through the Director nomination process described in these Governance Guidelines.

## **1.9 Limits on Directorships**

Directors should advise the Chair and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board or committee of another company. The Board

recommends that Directors serve on no more than three (3) other public company boards and on no more than two (2) other public company audit committees (the recommended limits are one (1) and one (1), respectively, for a Director who is the CEO or CFO of a public company or substantial private company). Deviation from this recommendation will be considered when deciding whether to renominate a Director for continued service at the next annual meeting of shareholders. The Board recognizes that the critical consideration is the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on the boards or board committees of other companies. Service on boards and board committees of other companies should be consistent with the Company's conflict-of-interest policies.

### **1.10 No Retirement Age**

The Board does not believe that a fixed retirement age for Directors is appropriate.

### **1.11 Director Who Changes Jobs**

A Director who retires from his or her present employment or who materially changes his or her employment should promptly notify the Board and the Nominating and Corporate Governance Committee and offer to resign. The Board does not believe any Director who retires from his or her present employment, or who materially changes his or her position, should necessarily leave the Board; however, there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Directorship under these circumstances.

## **2. ROLE OF THE BOARD OF DIRECTORS**

The core responsibility of a Director is to fulfill his or her fiduciary duties of care and loyalty and otherwise to exercise his or her business judgment in the best interests of the Company and its shareholders. Service on the Board requires significant time and attention on the part of Directors. More specifically, the Board has responsibilities to review, approve and monitor fundamental financial and business strategies and major corporate actions, assess major risks facing the Company and consider ways to address those risks, select and oversee the Executive Officers and determine what executive roles are required to manage the Company's affairs from time to time, and oversee the establishment and maintenance of processes and conditions to maintain the integrity of the Company. Directors must participate in Board meetings, review relevant materials, serve on committees and prepare for meetings and discussions with management. Directors are expected to maintain an attitude of constructive involvement and oversight; they are expected to ask relevant, incisive and probing questions and require honest and accurate answers. Directors must act with integrity and are expected to demonstrate a commitment to the Company, its values and its businesses, and to the creation of shareholder value.

Directors should also provide oversight and guidance to Company senior management regarding good corporate governance and the interests of other stakeholders, including employees, the communities in which the Company conducts business, and the environment.

## **3. DIRECTOR ORIENTATION AND EDUCATION**

The Nominating and Corporate Governance Committee may implement an orientation process for Directors that includes background material on the Company's policies and procedures, a public company primer identifying directorship requirements under the stock exchanges on which the Company's shares are listed for trading and the *Business Corporations Act* (British Columbia), an industry primer, meetings with senior management and visits to Company facilities. The Company may, from time to time, offer continuing education programs to assist the Directors in maintaining the level of expertise to perform his or her duties as a Director.

#### **4. DIRECTOR COMPENSATION**

The form and amount of Director compensation for Board and committee service for non-management Directors shall be reviewed by the Nominating and Corporate Governance Committee in accordance with the principles set forth in its charter and applicable legal and regulatory guidelines and recommended to the Board for approval. The amount of compensation for non-management Directors and committee members should be consistent with market practices of peer companies. In determining compensation, the Nominating and Corporate Governance Committee and the Board will consider the impact on the Director's independence and objectivity.

#### **5. BOARD MEETINGS**

##### **5.1 Number of Meetings.**

The Board expects to have at least four regular meetings each year. Any Director may call a special meeting at any time upon appropriate advance notice.

##### **5.2 Attendance.**

Directors are expected to attend all meetings of the Board and committees on which they serve. Directors must notify the Chair of circumstances preventing attendance at a meeting. Directors are required to attend the Company's annual meeting of shareholders, either in person or telephonically, unless an urgent event intervenes.

##### **5.3 Preparation and Commitment.**

The Company will provide Directors with appropriate preparatory materials in advance of a meeting, but in any event not later than three (3) days prior to the meeting, except in unusual circumstances. Each Director is expected to ensure that other existing and planned future commitments do not materially interfere with his or her service as Director.

##### **5.4 Agenda.**

The Chair, in conjunction with the corporate secretary, will establish a schedule of subjects to be discussed during the year (to the extent this can be foreseen) and an agenda for each Board meeting. Each Director is encouraged to suggest the inclusion of items on the agenda at any time. Subject to the agreement of the Chair presiding over the meeting, each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

##### **5.5 Executive Session.**

The independent Directors of the Board will meet periodically in executive session but no less than four times per year or such greater number as required by the CSE listing rules and the rules of any other stock exchange on which the Company's shares are listed for trading. Executive session discussions may include such topics as the independent Directors determine. The Directors generally shall not take formal action at these sessions but may make recommendations for consideration by the full Board. The Directors are permitted to meet with any members of management during executive session.

##### **5.6 Committee Reports**

At each regular Board meeting, each committee that held a meeting subsequent to the last Board meeting or prior to the current Board meeting will present a brief summary of its committee meeting to the Board, including the principal subjects discussed and the conclusions, recommendations and actions of the committee. In general, the chair of the appropriate committee will present such report.

##### **5.7 Operating and Capital Expenditure Plans**

Every year the Board will review and approve operating and capital expenditure plans for the Company.

## **6. BOARD COMMITTEES**

### **6.1 Number of Committees; Independence of Members**

The committee structure of the Board will consist of at least (a) an Audit Committee, (b) a Compensation Committee, and (c) a Nominating and Corporate Governance Committee. The Board may form, merge or dissolve committees as it deems appropriate from time to time. The Audit Committee shall be composed of only independent Directors except to the extent allowed under applicable CSE listing rules or the rules of any other exchange on which the Company's securities are traded.

### **6.2 Committee Functions**

**Audit Committee.** The Audit Committee oversees the Company's corporate accounting and financial reporting process. For this purpose, the Audit Committee performs several functions. As specified more completely in its charter, the Audit Committee evaluates the performance of and assesses the qualifications of the independent auditors; determines and approves the scope of the engagement and compensation of the independent auditors; determines whether to retain or terminate the existing independent auditors or to appoint and engage new independent auditors; reviews and approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on the Company's audit engagement team as required by law; confers with management and the independent auditors regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; reviews the Company's financial statements; and discusses with management and the independent auditors the results of the annual audit and the results of the Company's quarterly financial statements. The Audit Committee also oversees the Company's regulatory compliance and risk management programs, including information privacy and cybersecurity, and its internal audit function.

**Compensation Committee.** As specified more completely in its charter, the Compensation Committee develops, reviews and approves the overall compensation strategy and policies for the Company. The Compensation Committee develops, reviews and recommends to the Board corporate performance goals and objectives relevant to the compensation of the Company's executive officers and other senior management; reviews and approves the compensation and other terms of employment of the Company's Chief Executive Officer and other executive officers; and administers the Company's incentive compensation plan(s), and any profit sharing plans, deferred compensation plans and other similar plans and programs.

**Nominating and Corporate Governance Committee.** As specified more completely in its charter, the Nominating and Corporate Governance Committee identifies, reviews and evaluates candidates to serve as Directors of the Company (consistent with criteria approved by the Board); reviews and evaluates incumbent Directors; recommends to the Board for selection candidates for election to the Board of Directors; makes recommendations to the Board regarding the membership of the committees of the Board; assesses the performance of the Board and committees; and develops corporate governance principles for the Company.

### **6.3 Committee Charters**

All standing committees will operate pursuant to a written charter, which sets forth the responsibilities of the committee and procedures that the committee will follow. Unless otherwise directed by the Board, new committees formed by the Board will develop a written charter delineating its responsibilities. The charters of all committees will be subject to periodic review and assessment by each committee and each committee shall recommend any proposed charter changes to the Board for its approval.

#### **6.4 Board Committee Membership**

The Nominating and Corporate Governance Committee, after due consideration of the interests, independence and experience of the individual Directors and the independence and experience requirements of CSE, the rules and regulations of any regulatory authority and applicable law, recommends to the Board annually the chairship and membership of each committee.

#### **6.5 Committee Meetings and Agenda**

The committee chair, in consultation with committee members, will determine the frequency and length of the meetings of the committee, consistent with any requirements set forth in the committee's charter, as well as meeting agendas.

### **7. BOARD ACCESS TO MANAGEMENT; USE OF OUTSIDE ADVISERS**

Directors have complete and open access to the Company's management. It is assumed that Directors will use judgment to ensure that this contact is not distracting to the operations of the Company or to the employees' duties and responsibilities and that such contact, to the extent reasonably practical or appropriate, will be coordinated with the Chief Executive Officer. Written communications to management should, whenever appropriate, be copied to the Chief Executive Officer.

The Board, upon recommendation from a committee, shall have the power to retain, at the expense of the Company, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

### **8. CHIEF EXECUTIVE OFFICER EVALUATION; SUCCESSION PLANNING**

The Board should conduct an annual review of the Chief Executive Officer's performance. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and the development of management. The evaluation will be used by the Compensation Committee in the course of its deliberations when considering the compensation of the Chief Executive Officer.

The Nominating and Corporate Governance Committee should periodically review with the Chief Executive Officer the Company's plan for succession for the offices of the Company's executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

### **9. BOARD ASSESSMENT**

The Nominating and Corporate Governance Committee will conduct from time to time a self-evaluation to determine whether the Board and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive feedback from all Directors and report annually to the

Board with an assessment. The assessment should include an evaluation of (a) the Board's and each committee's contribution as a whole and effectiveness in serving the best interests of the Company and its shareholders, including without limitation a consideration of the criteria listed in Section 1.6, (b) specific areas in which the Board and management believe that the performance of the Board and its committees could be improved, (c) and overall Board composition and makeup. The results of these evaluations should be provided to the Board for further discussion as appropriate. The Nominating and Corporate Governance Committee may engage one or more third parties to assist with these evaluations, as it deems appropriate.

## **10. REVIEW OF GOVERNANCE GUIDELINES**

The Nominating and Corporate Governance Committee will review and assess the adequacy of these Governance Guidelines at least annually and recommend any proposed changes to the Board for its approval.