



AUDIT COMMITTEE CHARTER

Purpose

The board of directors (the “**Board**”) of MedMen Enterprises Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the audit committee (the “**Committee**”). For the purpose of this Charter, the term “Corporation” will include the Corporation and its subsidiaries.

The Committee will be directly responsible for overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation. In addition, the Committee will be directly responsible for overseeing the work of any registered external auditor employed by the Corporation (including the resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. In so doing, the Committee will comply with all applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

Members

1. The Committee will be comprised of a minimum of three (3) directors. Each Committee member will satisfy the independence, financial literacy and experience requirements of applicable Canadian corporate and securities laws and any applicable stock exchange requirements. In particular, a majority of the members will not be executive officers, employees or control persons of the Company. In addition, a majority of the members will be financially literate, subject to a minimum of three financially literate members.
2. Members of the Committee and the chairperson of the Committee (the “**Chair**”) will be appointed annually by the Board, on the recommendation of the Corporate Governance and Nominating Committee, at the first meeting of the Board *after* the annual general meeting of shareholders at which he or she is elected. Any member of the Committee may be removed or replaced at any time by the Board and will serve until such member’s successor is appointed, unless that member resigns or otherwise ceases to be a director of the Corporation. The Board will immediately fill any vacancy if the membership of the Committee is less than three (3) directors. If and whenever a vacancy will exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings

3. Meetings of the Committee will be held from time-to-time as the Committee or the Chair will determine as necessary to perform the duties described herein.
4. A majority of members of the Committee present either in person, by teleconference or by video-conference, will constitute a quorum. Any member of the Committee participating by teleconference or video-conference will be deemed, for the purposes hereof, to be present in person at the meeting.
5. Any matters to be determined by the Committee will be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee in as many counterparts as may be necessary, and such actions will be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

6. The Committee may invite such officers, directors, employees or advisors of the Corporation, any of its subsidiaries, or such other persons as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the affairs of the Committee.
7. The Committee will submit the minutes of all meetings to the Board, and when requested, will discuss the matters discussed at each Committee meeting with the Board.
8. Following the meetings of the Committee, the Committee, through its Chair, will report to the Board on the matters considered by the Committee.

Committee Authority and Responsibilities

9. The Committee will have the power and authority of the Board to perform the following duties and fulfill the following responsibilities and such other duties as are required by applicable law or rule or as may be delegated by the Board.

General

The overall duties of the Committee will be to:

- (i) assist the Board in the discharge of its duties relating to the Corporation's financial reporting, including the audits of the Corporation's financial statements and the integrity of the Corporation's financial statements and internal controls;
- (ii) establish and maintain a direct line of communication with the Corporation's external auditor and assess their performance and independence;
- (iii) oversee the work of the external auditor engaged to prepare or issue an auditor's report or to prepare other audit, review or attest services for the Corporation, including resolution of disagreements between management and the external auditor regarding financial reporting;
- (iv) ensure that management has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;
- (v) monitor the credibility and objectivity of the Corporation's financial reports;
- (vi) report regularly to the Board on the fulfillment of the Committee's duties, including any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the external auditor or the internal audit function;
- (vii) assist, with the assistance of the Corporation's legal counsel, the Board in discharging its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (viii) assist the Board in discharging its duties relating to risk assessment and risk management.

External Auditor

The external auditor will report directly to the Committee and the Committee should have a clear understanding with the external auditor that such auditor must maintain an open and transparent relationship with the Committee and that ultimate accountability of the auditor is to the shareholders of the Corporation. The duties of the Committee as they relate to the external auditor will be to:

- (i) review management's recommendations for the appointment of the external auditor, and in particular their qualifications and independence, and recommend to the Board a firm of external auditors to be engaged and the compensation of such external auditor;
- (ii) review the performance of the external auditor, including the fee, scope and timing of the audit, and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (iii) review, where there is to be a change of external auditor, all issues related to the change and the planned steps for an orderly transition;
- (iv) review all reportable events, including disagreements, unresolved issues and consultations, on a routine basis, whether or not there is to be a change of external auditor;
- (v) ensure the rotation of partners on the audit engagement team of the external auditor in accordance with applicable law, standards and rules;
- (vi) review and pre-approve non-audit services to be provided to the Corporation by the external auditor;
- (vii) review and approve the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (viii) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the external auditor's independence in carrying out the audit function;
- (ix) meet with the external auditor, as the Committee may deem appropriate, to consider any matter which the Committee or external auditor believes should be brought to the attention of the Board or shareholders of the Corporation;
- (x) obtain on an annual basis a formal written statement from the external auditor delineating all relationships between the independent auditor and the Corporation and review and discuss with the external auditor any disclosed relationships or services that may impact the external auditor's objectivity and independence; and
- (xi) obtain and review a report from the external auditor at least annually regarding: (i) the external auditor's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years relating to one or more independent auditors carried by the firm; and (iii) any steps taken to deal with any such issues.

Audits and Financial Reporting

The duties of the Committee as they relate to audits and financial reporting will be to:

- (i) review the audit plan with the external auditor and management;
- (ii) review with the external auditor and management all critical accounting policies and practices of the Corporation (including any proposed changes in accounting policies), the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management (such as any management letter or schedule of unadjusted differences), and key estimates and judgments of management that may in any such case be material to financial reporting;

- (iii) review the contents of the audit report;
- (iv) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (v) review the scope and quality of the audit work performed;
- (vi) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (vii) review the appointments of the Chief Financial Officer of the Corporation, the head of the internal audit department and any key financial executives involved in the financial reporting process;
- (viii) assist the internal audit department with the development of the annual internal audit plan;
- (ix) review the internal audit plan and evaluate the internal controls. Particular emphasis will be given to the adequacy of internal controls to prevent or detect any payments, transactions or procedures that might be deemed illegal or otherwise improper;
- (x) generally monitor and examine the organization and performance of the internal audit function; and
- (xi) review with management and the external auditor the Corporation's interim unaudited financial statements, annual audited financial statements and accompanying management's discussion and analysis in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before recommending approval by the Board and the release thereof to the public.

Accounting and Disclosure Policies

The duties of the Committee as they relate to accounting and disclosure policies and practices will be to:

- (i) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants or any successor thereto, which would have a significant impact on the Corporation's financial reporting as reported to the Committee by management and the external auditor;
- (ii) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (iii) review the status of material contingent liabilities as reported to the Committee by management;
- (iv) review the status of income tax returns and potentially significant tax issues or positions as reported to the Committee by management;
- (v) review any errors or omissions in the current or prior years' financial statements;
- (vi) review and recommend approval by the Board before their release of all public disclosure documents containing audited or unaudited financial results, including all press releases containing financial results, offering documents, annual reports, annual information forms and management's discussion and analysis containing such results; and
- (vii) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial

statements other than the public disclosure referred to in clause (vi) above, and periodically assess the adequacy of these procedures.

Risk Management

The duties of the Committee as they relate to risk management will be to:

- (i) review the design and effectiveness of the Corporation's risk management systems and policies (including with respect to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the Company and its shareholders) and, if considered appropriate, recommend such systems or policies to the Board for approval;
- (ii) review and consider with management the Corporation's risk capacity, risk taking philosophy and approach to determining an appropriate balance between risk and reward;
- (iii) review and evaluate the Corporation's significant financial risk exposures, including currency, interest rate, credit, and market risks and the steps management has taken or has proposed to take to monitor and manage such risk exposures;
- (iv) review and discuss with management the Corporation's significant non-financial risk exposures, including strategic, reputational, operational, regulatory, business and cybersecurity risks, and the steps management has taken or proposes to take to monitor and control such risk exposures in compliance with applicable policies;
- (v) review with management the Corporation's compliance programs and receive regular reports from management and/or legal counsel on any significant compliance or ethics incidents, findings or recommendations;
- (vi) review the Corporation's insurance coverage and deductible levels;
- (vii) review and approve all related party transactions and review and evaluate any significant or unusual transactions;
- (viii) review, with legal counsel where required, such litigation, claims, tax assessments and other tax-related matters, transactions, material inquiries from regulators and governmental agencies or other contingencies which may have a material impact on financial results, the Corporation's reputation or which may otherwise adversely affect the financial well-being of the Corporation;
- (ix) review and evaluate the Corporation's susceptibility to fraud and corruption and management's processes for identifying and managing the risks of fraud and corruption;
- (x) review complaints or concerns submitted to the Chair with respect to questionable treatment or alleged violations of financial reporting and other risk related matters in accordance with the Corporation's Whistleblower Policy; and
- (xi) consider other matters of a risk management nature as directed by the Board.

Other

The other duties of the Committee will include:

- (i) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;

- (ii) reviewing annual operating and capital budgets;
- (iii) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (iv) establishing procedures for the receipt, retention and review of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and the confidential or anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (v) reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
- (vi) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (vii) at the request of the Board, investigating and reporting on such other matters as it considers necessary or appropriate in the circumstances.

General

10. In discharging its responsibilities, the Committee will have full access to any relevant records of the Corporation.
11. The Committee has the authority to engage outside advisors as it determines necessary to carry out its duties.
12. The Corporation will provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of: (i) compensation to any advisors engaged by the Committee; and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
13. The Committee will undertake on behalf of the Board, such other functions relating to accounting, financial reporting and risk management as the Committee deems appropriate.
14. Notwithstanding the foregoing and subject to applicable laws, nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulations.
15. Notwithstanding the foregoing and subject to applicable laws, the Committee may delegate authority to one or more members or subcommittees when deemed appropriate, provided that the actions of any such members or subcommittees must be reported to the full Committee no later than at its next scheduled meeting.

Currency of this Charter

This Charter of the Committee was initially adopted by the Board on April 2, 2019.