

GLASS HOUSE BRANDS INC.

CHARTER OF THE BOARD OF DIRECTORS

1. GENERAL

The Board of Directors (the “**Board**”) is responsible for the stewardship of Glass House Brands Inc. (the “**Corporation**”), for the general supervision of the management of the business and affairs of the Corporation, and for acting in the best interests of the Corporation and its shareholders. Directors shall exercise their business judgment in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board discharges its responsibility for supervising the management of the business and affairs of the Corporation by delegating the day-to-day management of the Corporation to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Corporation and its operations.

The Board discharges its responsibilities directly and through the delegation to its committees, currently consisting of the Audit Committee and the Compensation, Nomination and Corporate Governance Committee. In addition, the Board may from time to time, appoint such additional committees, or reconstitute the current committees, as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own charter. The Board shall meet as frequently as the Board considers necessary, but not less than once each quarter, to review the business operations, corporate governance and financial results of the Corporation. Meetings of the Board will also include in camera meetings of the independent members of the Board without management being present.

2. COMPOSITION

The Board shall be constituted at all times of a majority of “independent directors” in accordance with applicable legal requirements, the guidelines under National Policy 58-201 *Corporate Governance Guidelines* and the Listing Manual of the Aequitas Neo Exchange, as such rules and policies are amended or replaced from time to time.

In addition, at least three of the directors shall be “independent” in accordance with applicable legal requirements for service on an Audit Committee, pursuant to National instrument 52-110 *Audit Committees*.

3. RESPONSIBILITIES

The Board’s responsibilities shall include:

- Succession planning including the selection, training, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- Identifying the risks of the Corporation’s business and ensuring that appropriate systems are in place to manage these risks.

- The adoption of a strategic planning process, approval at least annually of a strategic plan that takes into account business opportunities and business risks identified by the Board and/or the Audit Committee and monitoring performance against such plans.
- Overseeing the fair reporting of the Corporation's financial performance to shareholders on a timely and regular basis and taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation including reviewing and approving all annual and interim financial statements and related footnotes, management's discussion and analysis, the annual information form and the management information circular.
- Enhancing congruence between shareholder expectations, Corporation plans and management performance.
- Reviewing with senior management material transactions outside the ordinary course of business and such other major corporate matters which require Board approval including but not limited to, the payment of dividends, the issue, purchase and redemption of securities, acquisitions and dispositions of material assets and material capital expenditures and approving such decisions as they arise.
- Satisfying itself as to the integrity of the Chairman and Chief Executive Officer (the "CEO") and other officers and that such officers create a culture of integrity throughout the organization.
- The review and approval of corporate objectives and goals applicable to the Corporation's senior management.
- Ensuring that this Charter is disclosed on an annual basis to the shareholders in the Corporation's management information circular prepared for the annual and general meeting of shareholders or other disclosure document or on the Corporation's website.
- Obtaining periodic reports from management on the Corporation's operations.
- Performing such other functions as prescribed by law or assigned to the Board in the Corporation's constating documents.
- The assignment to the various committees of the Board the general responsibility for developing the Corporation's approach to, without limitation: (i) corporate governance and nomination of directors; (ii) financial reporting and internal controls; and (iii) compensation of officers and senior employees.
- With the assistance of the Compensation, Nomination and Corporate Governance Committee:
 - Developing the Corporation's approach to corporate governance.
 - Reviewing the composition of the Board and ensuring it respects its independence criteria.
 - The assessment, at least annually, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate size of the Board.

- Reviewing and approving annual disclosure of the Corporation's corporate governance policies.
- Ensuring that an appropriate review selection process for new nominees to the Board is in place and identifying and recommending candidates to the Board who meet the selection criteria.
- Overseeing (a) the development and implementation of orientation programs for new directors; and (b) continuing education for all directors.
- Approving and revising periodically the Corporation's Code of Business Conduct and Ethics (the "**Code**") and other corporate governance policies ("**Policies**"), ensure management has established a system to enforce the Code and Policies and monitor compliance with each.
- Reviewing and approving corporate goals and objectives relevant to the CEO's compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and recommending to the Board with respect to the CEO's compensation level based on this evaluation.
- Reviewing and approving named executive officer and director compensation, incentive-compensation plans and equity-based plans.
- Reviewing executive compensation disclosure before the Corporation publicly discloses such information.
- With the assistance of the Audit Committee:
 - Ensuring the integrity of the Corporation's internal controls and management information systems.
 - Ensuring the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents.
 - Identifying the financial risks of the Corporation's business and ensuring that appropriate systems are in place to manage these risks.
 - Reviewing the Corporation's insurance program to ensure adequacy of coverage.
 - Reviewing and approving significant accounting and financial matters and the provision of direction to management on these matters.
 - Selecting, appointing, determining the remuneration of and, if necessary, replacing the independent auditors.
 - Assessing the independence of the auditors.

4. MISCELLANEOUS

The members of the Board are expected to attend all meetings of the Board of Directors unless prior notification of absence is provided.

The members of the Board are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting.

Effective Date: June 29, 2021