

GLASS HOUSE BRANDS INC.

CHARTER OF THE COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

1. PURPOSE AND SCOPE

The Compensation, Nominating and Corporate Governance Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Glass House Brands Inc. (the “**Company**”) shall exercise the roles set forth below in respect of compensation, nomination and corporate governance matters.

The primary mandate of the Committee shall include, but not be limited to: assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors; determining and making recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer of the Company (“**CEO**”); reviewing the CEO’s recommendations respecting compensation of the other senior executives of the Company; recommending to the Board candidates for election as directors and candidates for appointment to Board committees and advising the Board on enhancing the Company’s corporate governance through a continuing assessment of the Company’s approach to corporate governance.

In respect of corporate governance matters, the Company believes that “corporate governance” means the process and structure used to oversee the management of the business and affairs of the Company in the best interests of the Company. The process and structure define the division of power between, and establish mechanisms for achieving accountability by, the Board and senior management of the Company.

2. MEMBERSHIP

Number of Members

The Committee shall be composed of three or more members of the Board. All Committee members will have a working familiarity with corporate governance practices.

Independence of Members

A majority of the members of the Committee shall be “Independent Directors”, in accordance with section 1.4 of National Instrument 52-110 *Audit Committees*, as it may be amended and/or replaced from time to time, subject to any exemptions or relief that may be granted from such requirements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. MEETINGS

Number of Meetings

The Committee should meet as many times as required to carry out its role.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Minutes

The Committee should maintain minutes or other records of meetings and activities of the Committee.

Attendance of Non-Members

The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee should be the same as those applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

Compensation Overview

To fulfil its responsibilities and duties in developing the Company's approach to compensation issues, the Committee should:

- (a) review and approve corporate goals and objectives relevant to CEO compensation;
- (b) evaluate the CEO's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation level based on its evaluation;
- (c) determine the CEO's compensation (both cash-based and equity-based);
- (d) review the recommendations to the Committee of the CEO respecting the appointment, compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the CEO and all other officers appointed by the Board and, if advisable, approve and recommend for Board approval, with or without modifications, any such appointment, compensation and other terms of employment;

- (e) make recommendations to the Board with respect to the compensation of senior officers (other than the CEO);
- (f) review and approve incentive compensation plans and equity-based plans and determine whether security holder approval should be obtained;
- (g) administer and interpret the Company's incentive compensation plans and arrangements and its policies respecting the grant of options or other equity-based compensation or the sale of shares thereunder, and review and recommend for approval of the Board the grant of options thereunder and the terms thereof;
- (h) review the Company's pension and retirement arrangements in light of the overall compensation policies and objectives of the Company;
- (i) review employment agreements between the Company and the CEO, and between the Company and executive officers, and amendments to the terms of such agreements shall be subject to review and recommendation by the Committee and approval by the Board;
- (j) review management's policies and practices respecting the Company's compliance with applicable legal prohibitions, disclosure requirements or other requirements on making or arranging for personal loans to senior officers or directors or amending or extending any such existing personal loans or arrangements;
- (k) recommend to the Board for its approval the terms upon which directors shall be compensated, including the Chair of the Board (if applicable) and those acting as committee chairs and committee members;
- (l) review on a periodic basis the terms of and experience with the Company's executive compensation programs for the purpose of determining if they are properly coordinated and achieving the purpose for which they were designed and administered;
- (m) review executive compensation disclosure before the Company publicly discloses this information;
- (n) submit a report to the Board on human resources matters periodically; and
- (o) prepare an annual report for inclusion in the Company's management information circular to shareholders respecting the process undertaken by the Committee in its review of compensation issues and prepare a recommendation in respect of CEO compensation.

Corporate Governance Overview

To fulfil its responsibilities and duties in developing the Company's approach to corporate governance issues, the Committee should:

- (a) conduct a periodic review of the Company's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness;
- (b) review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or its committees;
- (c) review the disclosure in the Company's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance;
- (d) propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board;
- (e) conduct a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner;
- (f) review annually the Charter of the Board (if any) and the charters for each committee of the Board, together with any position descriptions, if any, of each of the Company's Chair, CEO, director and committee chairs, and where necessary, recommend changes to the Board;
- (g) review and recommend the appropriate structure, size, composition, mandate and members for the committees, and recommend for Board approval the appointment of each to Board committees;
- (h) recommend procedures to seek to ensure that the Board and each of its committees function independently of management; and
- (i) recommend procedures to permit the Board to meet on a regular basis without management or non-independent directors.

Nomination, Composition and Qualifications for the Board

To fulfil its responsibilities and duties in developing the Company's approach to nomination, composition and qualifications for the Board, the Committee should:

- (a) develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Company, and report to the Board thereon periodically;
- (b) undertake on a periodic basis an examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board;

- (c) endeavour, in consultation with the Chair of the Board (or lead director, if applicable), to seek to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board, with a view to ensuring that they are fulfilling their respective responsibilities and duties;
- (d) in consultation with the Chair of the Board (or lead director, if applicable), and the CEO, annually or as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of shareholders; and
- (e) in consultation with the Chair of the Board (or lead director, if applicable), annually or as required, recommend to the Board the individual directors to serve on the various committees.

In making its recommendations, the Committee should consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the diversity of the Board composition (including whether targets have been adopted for women, visible minorities, Aboriginal people and people with disabilities on the Board or in executive officer positions), the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Committee should also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member as well as the number of years during which nominees have served as members of the Board.

The Committee may also recommend for Board approval the removal of a director from the Board or from a Board committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

Orientation and Continuing Education of Board Members

The Committee should maintain policies and procedures to seek to ensure that sufficient orientation procedures are in place to enable new directors to operate efficiently from the beginning of their appointment. The Committee should review with each new member: (i) certain information and materials regarding the Company, including the role of the Board and its committees and the nature and operation of the Company's business; and (ii) the legal obligations of a director of the Company.

The Committee should also ensure that sufficient continuing education and development programs are in place for all members of the Board, as required.

The Committee should review, monitor and, where necessary, make recommendations regarding the Company's initial orientation and the continuing education and development program for existing directors.

Board Effectiveness

The Committee should recommend to the Board an appropriate annual or periodic process to evaluate the effectiveness and contribution of the Board and each of the committees, and the responsibilities of each of the directors individually.

Review of Breaches of the Code of Business Conduct and Ethics

The Committee should receive reports from the CEO regarding breaches of the any policies of the Company, including in respect of conflicts of interest and ethics (if applicable), and should in turn report those breaches to the Board. The Committee should review investigations and any resolutions of complaints received under any policies of the Company on conflicts of interest and ethics and report periodically to the Board thereon.

5. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS

The Committee shall have unrestricted access to management and employees of the Company, including documents and resources necessary to carry out its duties and responsibilities. In the discharge of its duties and responsibilities, the Committee shall have the authority to communicate directly with and seek information it requires from any officer or employee of the Company and such persons shall be instructed by the Board to respond to such inquiries.

The Committee shall have the authority to retain legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

6. SUB-COMMITTEE

The Committee may designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

7. CHARTER REVIEW

The Committee should review and assess the adequacy of this Charter at least annually to seek to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Charter as considered necessary or desirable.

8. NO RIGHTS CREATED

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's articles, it is not intended to establish any legally binding obligations.

9. NO AGENT OR LIABILITIES

The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's securityholders for any purpose whatsoever. 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 Company securityholders or other liability whatsoever.

Effective Date: June 29, 2021