

**CANNASAT THERAPEUTICS INC.**  
**(the "Corporation")**

**BOARD OF DIRECTORS CHARTER**

**ARTICLE 1 – ROLE AND OBJECTIVES**

**1.1 Role**

The Board of Directors (the "Board") of the Corporation is mandated by statute and established for the purpose of overseeing the management and operation of the Corporation including any and all committees established by it with the goal of enhancing long term shareholder value.

**1.2 Objectives**

The objectives of the Board include responsibility for:

- (a) to the extent feasible, satisfying itself as to the integrity of the executive officers of the Corporation and creating a culture of integrity throughout the Corporation;
- (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (c) identifying the principal risks of the Corporation's business, and ensuring the implementation of appropriate systems to manage these risks;
- (d) developing a succession plan for senior management;
- (e) adopting a Communications Policy for the Corporation;
- (f) adopting internal control and management information systems; and
- (g) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.

**ARTICLE 2 - BOARD COMMITTEES**

- (a) The Board shall establish standing committees to assist in exercising its duties including an Audit Committee and a Corporate Governance, Nominating and Compensation Committee. The Audit Committee and the Corporate Governance, Nominating

and Compensation Committee shall be composed entirely of “independent” directors. The Board may establish other standing committees, from time to time.

(b) Each committee shall have a written charter. At a minimum, each charter shall clearly establish the committee’s purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. Each charter shall be reviewed by the Board (or a committee thereof) on at least an annual basis.

(c) The Board is responsible for appointing directors to each of its committees, in accordance with the written charter for each committee.

### **ARTICLE 3 - DUTIES, POWERS, AND RESPONSIBILITIES**

#### **3.1 Supervising Management of the Corporation**

The Board is responsible for:

(a) designating the offices of the Corporation, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Corporation;

(b) reviewing the officers’ performance and effectiveness; and

(c) acting in a supervisory role, such that any duties and powers not delegated to the officers of the Corporation remain with the Board and its committees.

#### **3.2 Strategic Planning**

(a) The Board is responsible for adopting a strategic planning process for the Corporation. Such process shall include:

(i) the Board overseeing the Corporation’s strategic direction and major policy decisions generally;

(ii) the Board devoting one meeting to strategic planning annually; and

(iii) the Board discussing strategies and their implementation regularly at the Board meetings;

(b) On at least an annual basis, the Board shall approve the Corporation's strategic plan or an update to the Corporation's long term strategic plan, which shall take into account, among other things, the opportunities and risks of the Corporation's business. The Board shall review and approve the corporate financial goals, operating plans and actions of the Company, including significant capital allocations, expenditures and transactions that exceed thresholds set by the Board.

### **3.3 Risk Management**

(a) The Board is responsible for identifying the principal risks of the Corporation's businesses and ensuring that those risks are effectively managed. Among other things, the Board shall review the Corporation's principal risks. The Board may delegate to the Audit Committee responsibility for reviewing the Corporation's internal controls and risk management procedures related to the finance and accounting aspects of the business.

(b) The Board shall ensure that systems are in place to identify principal risks to the Corporation and its businesses and that appropriate procedures are in place to manage those risks and to address and comply with applicable regulatory, corporate, securities and other compliance matters. Specifically, the Board shall ensure that procedures are in place to comply with the law, the Corporation's by-laws, the Corporation's Code of Business Conduct and Ethics, all exemption orders issued in respect of the Corporation by applicable securities regulatory authorities and all other significant Corporation policies and procedures.

### **3.4 Succession Planning**

The Board is responsible for overseeing succession planning matters for officers and senior management, including the appointment, training and monitoring of such person, and to assist it with certain of those responsibilities, the Board has established the Corporate Governance, Nominating and Compensation Committee. The Board is also responsible for:

- (a) generally ensuring depth in senior management;
- (b) reviewing candidates for senior management positions;
- (c) considering annually the organizational structure of the Corporation; and
- (d) considering annually other succession planning matters.

### **3.5 Communications Policy**

(a) The Board is responsible for adopting a Communications Policy that ensures that the Corporation communicates effectively with its shareholders, other stakeholders, and the public in general. The Communications Policy shall:

- (i) contain measures for the Corporation to comply with its continuous and timely disclosure requirements and to avoid selective disclosure;
- (ii) address how the Corporation interacts with analysts, investors, other key stakeholders and the public; and
- (iii) address who reviews and approves major Corporation announcements.

(b) The Corporation may maintain an investor relations group contact with the responsibility of maintaining communications with the investing public in accordance with the Communications Policy.

(c) The Board shall review the Communications Policy at least annually.

### **3.6 Internal Controls**

The Board is responsible for ensuring the integrity of the Corporation's internal control and management information systems. The Board may delegate its responsibilities relating to the Corporation's internal control and management information systems to the Audit Committee

### **3.7 Corporate Governance**

(a) The Board is responsible for developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation. The Board shall monitor and evaluate the effectiveness of the system of corporate governance at the Corporation, including the information requirements for the Board, the frequency and content of meetings and the need for any special meetings, communication processes between the Board and management, the charters of the Board and its committees and policies governing size and compensation of the Board.

(b) The Board may delegate its responsibilities relating to corporate governance to the Corporate Governance, Nominating and Compensation Committee.

### **3.8 Measures for Receiving Feedback from Security Holders**

The Board shall establish procedures to ensure that the Corporation, through management, provides timely information to current and potential security holders and responds to their inquiries. The purpose of these procedures will be to ensure that every security holder inquiry receives a prompt response from an appropriate spokesperson in accordance with the Corporation's Communications Policy. The Board (or a committee thereof) shall ensure that designated persons under the Communications Policy are available to meet regularly with financial analysts and institutional investors.

### **3.9 Positions Description**

The Board is responsible for:

- (a) developing clear written position descriptions for the Chair of the Board and the Chair of each Board committee;
- (b) together with the Chief Executive Officer, developing a clear position description for the Chief Executive Officer, which includes delineating management's responsibilities; and
- (c) developing or approving the corporate goals and objectives that the Chief Executive Officer is responsible for meeting.

### **3.10 Orientation and Continuing Education**

The Board is responsible for:

- (a) ensuring that all new directors receive a comprehensive orientation, so that they fully understand:
  - (i) the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the Corporation expects from its directors), and
  - (ii) the nature and operation of the Corporation's business; and
- (b) providing continuing education opportunities for all directors, so that they may:

- (i) maintain or enhance their skills and abilities as directors, and
- (ii) ensure that their knowledge and understanding of the Corporation's business remains current.

### **3.11 Code of Business Conduct and Ethics**

(a) The Board is responsible for adopting a written code of business conduct and ethics (the "Code"), applicable to directors, officers and employees of the Corporation. The Code shall constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and shall address the following issues:

- (i) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
- (ii) protection and proper use of corporate assets and opportunities;
- (iii) confidentiality of corporate information;
- (iv) fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees;
- (v) compliance with laws, rules and regulations; and
- (vi) reporting of any illegal or unethical behaviour.

(b) The Board is responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of the Corporation's directors or executive officers shall be granted by the Board (or a Board committee) only.

### **3.12 Nomination of Directors**

(a) The Board is responsible for nominating or appointing individuals as directors and to assist it with this responsibility, the Board has established the Corporate Governance, Nominating and Compensation Committee.

- (b) Prior to nominating or appointing individuals as directors, the Board shall:
  - (i) consider what competencies and skills the Board, as a whole, should possess;

- (ii) assess what competencies and skills each existing director possesses (including the personality and other qualities of each director);
- (iii) consider the appropriate size of the Board, with a view to facilitating effective decision-making; and
- (iv) consider the advice and input of the Corporate Governance, Nominating and Compensation Committee.

### **3.13 Compensation Matters**

(a) The Board is responsible for overseeing compensation matters (including compensation of officers and other senior management personnel, approving the Corporation's annual compensation budget and reviewing and approving matters related to the Corporation's pension plans) and to assist it with these responsibilities, the Board has established the Corporate Governance, Nominating and Compensation Committee.

(b) More specifically, the Board is responsible for approving:

- (i) the CEO's compensation level, after consideration of the evaluation conducted by and the recommendations of the Corporate Governance, Nominating and Compensation Committee; and
- (ii) non-CEO officer and director compensation, incentive-compensation plans and equity-based plans, after consideration of the recommendations of the Corporate Governance, Nominating and Compensation Committee.

### **3.14 Regular Board Assessments**

The Board is responsible for regularly and at least annually assessing its own effectiveness and contribution, as well as the effectiveness and contribution of each Board committee and each individual director. Such assessments should consider:

- (a) in the case of the Board, this Charter;
- (b) in the case of a Board committee, the committee's charter; and
- (c) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.

### **3.15 Outside Advisors**

The Board is responsible for implementing a system which enables an individual director, the Board or a committee to engage an external advisor at the expense of the Corporation in appropriate circumstances. Unless otherwise provided in a committee charter, the engagement of the external advisor shall be subject to the approval of the Board (or a committee thereof).

## **ARTICLE 4 – COMPOSITION**

### **4.1 Composition**

Subject to the articles and by-laws of the Corporation as well as applicable statutory requirements, the Board shall be comprised of at least 3 individuals, a majority of whom shall be resident Canadians and who shall satisfy the independence requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines. In particular, a majority of the Board shall have no direct or indirect material relationship with the Corporation or any affiliate thereof which could reasonably interfere with the exercise of the member's independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Board shall be made by the full Board.

### **4.2 Election**

Members of the Board shall be elected by the shareholders of the Corporation. Each director shall serve until his/her successor is elected at the next annual shareholders' meeting. However, should he/she resign or otherwise cease to be a director of the Corporation prior to the next annual shareholder's meeting with the result of leaving the Corporation in contravention of applicable statutory requirements concerning quorum, Canadian residency or any similar requirement the Board shall fill said vacancy and remedy the contravention.

### **4.3 Chair**

The Chair of the Board is designated by vote of a majority of the non-management Board membership.

### **4.4 Access**

The Board shall have access to such officers and employees of the Corporation and all subsidiaries and to such information respecting the Corporation and the subsidiaries, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

## **ARTICLE 5 – MEETINGS**

### **5.1 Time and Location**

Subject to the articles and by-laws of the Corporation as well as applicable statutory requirements, the Board shall meet at least once annually at such times and at such locations as the Chair of the Board shall determine provided that one of the meetings shall be scheduled following preparation of the annual financial statements for the purpose of appointing the officers and establishing the committees of the Corporation. Any member of the Board may also request a meeting of the Board.

### **5.2 Quorum**

Subject to the articles and by-laws of the Corporation as well as applicable statutory requirements, the quorum for meetings shall be a majority of the members of the Board, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.

### **5.3 Agenda**

The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Board with sufficient time for study prior to the meeting.

### **5.4 Majority Vote**

Subject to the articles and by-laws of the Corporation as well as applicable statutory requirements, at all meetings of the Board, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Chairman of the Board for decision.

### **5.5 Management**

Each of the Chief Executive Officer and Chief Financial Officer of the Corporation shall be available to advise the Board, shall receive notice of all meetings of the Board and may attend meetings at the invitation of the Chair of the Board. The Chair of the Board shall hold in camera sessions of the Board, without management present, at every meeting.

**5.6 Minutes**

A member of the Board or the Secretary of the Corporation shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.