
THE FLOWR CORPORATION

Human Resources and Compensation Committee Charter

1 PURPOSE AND RESPONSIBILITIES

Purpose

The Committee's purpose is to assist Board oversight of executive and Director compensation, including with respect to:

1. reviewing compensation and human resources issues in support of the achievement of the Corporation's business strategy and making recommendations to the Board as appropriate;
2. reviewing and approving corporate goals and objectives relevant to CEO(s) compensation, evaluating CEO performance in light of these goals and objectives and recommending to the Board the CEO(s)'s compensation level based on this evaluation;
3. recommending to the Board incentive-based plans and equity-based plans;
4. reviewing compensation disclosure in public documents, and producing for inclusion in the Committee's annual report and other public documents a summary report on executive compensation, in accordance with applicable rules and regulations;
5. establishing a plan of continuity and development of senior management for the Corporation; and
6. performing any other activities consistent with this Charter.

2 DEFINITIONS AND INTERPRETATION

Definitions

In this Charter:

1. "Board" means the board of directors of the Corporation;
2. "CEO" means Chief Executive Officer(s);
3. "Chair" means the chair of the Committee;
4. "Committee" means the Human Resources and Compensation Committee of the Board;
5. "Director" means a member of the Board;
6. "Stock Exchange" means at any time, the TSX Venture Exchange, the NASDAQ Stock Market and any other stock exchange on which any securities of the Corporation are listed for trading at the applicable time; and
7. the "Corporation" means The Flowr Corporation.

Interpretation

The provisions of this Charter are subject to the provisions of the articles and by-laws and to the applicable provisions of the *Business Corporations Act* (Ontario) and any other applicable legislation or stock exchange rules.

3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE

Establishment of Compensation Committee

The Committee is hereby constituted with the constitution, function and responsibilities herein set forth.

Appointment and Removal of Members of the Committee

The Committee shall consist of three or more Directors who shall be appointed by the Board, having considered the recommendation of the Nominating and Corporate Governance Committee.

The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.

Any member of the Committee may be removed from the Committee by a resolution of the Board.

Qualification and Independence of Members

All of the members of the Committee must be "independent" within the meaning of all applicable Canadian and U.S. securities law and stock exchange requirements, subject to any exceptions permitted by all such requirements.

In determining the independence of Directors who will serve on the Committee, the Board must consider all factors specifically relevant to determining whether a Director has a relationship to the Corporation that is material to that Director's ability to be independent from management in connection with the duties of a compensation committee member, including (i) the source of the Director's compensation, including any consulting, advisory or other compensation fees paid by the Corporation; and (ii) whether the Director is affiliated with the Corporation, any subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation.

Committee Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

If the Chair of the Committee is unavailable or unable to attend a meeting of the Committee, the Chair shall ask another member to chair the meeting, failing which a member of the Committee present at the meeting shall be chosen, by a majority of members of the Committee present at such meeting, to preside over the meeting.

4. COMMITTEEMEETINGS

Quorum

A quorum of the Committee shall be a majority of Directors serving on the Committee.

Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least once per year.

Notice of the time and place of each Committee meeting may be given orally, or in writing, or by facsimile, or by electronic means to each Committee member at least 48 hours prior to the time fixed for such meeting.

A Committee member may in any manner waive notice of the meeting. Attendance of a Committee member at a meeting shall constitute waiver of notice of the meeting, except where a Committee member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

Invitees and Attendees

The Committee may invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee, except that the CEO may not be present during voting or deliberations on the CEO's compensation.

Minutes

Minutes of Committee meetings shall be sent to all Committee members. The full Board shall be kept informed of the Committee's activities by a report to the Board following each Committee meeting (which may be at the next Board meeting).

5. AUTHORITY OF COMMITTEE

Retaining and Compensating Advisors

The Committee shall have the sole authority to retain, oversee and terminate any firm engaged to assist in the evaluation of Director, CEO or senior executive compensation and to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors.

The Committee may select, or receive advice from, a compensation consultant, legal counsel

(other than in-house legal counsel) or other adviser to the Committee, only after taking into consideration the following factors:

- (i) the provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other adviser;
- (ii) the amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
- (v) any stock of the Corporation owned by the compensation consultant, legal counsel or other adviser; and
- (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Corporation.

Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee, subject to compliance with applicable legal and stock exchange requirements.

Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

6. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

7. COMPENSATION MATTERS

Specific Responsibilities

In carrying out its mandate with respect to human resources and compensation issues, the Committee is expected to:

1. Review and approve corporate goals and objectives relevant to compensation of the CEO(s), and evaluate the performance of the CEO(s) in light of these corporate goals and objectives.
2. Review corporate goals and objectives relevant to compensation of the Corporation's executive officers and other officers and employees of the Corporation who report directly to the CEO(s) (each, a "Direct Report"), as approved by the CEO(s), and receive a report from the CEO(s) annually of the performance of the Direct Reports against such goals and objectives.
3. Ensure that the Corporation's security-based compensation plans and all amendments to

such plans which require the approval of the Corporation's shareholders are approved by the Board and by shareholders, as may be required.

4. Approve and evaluate performance measures for executive incentive plans.
5. Review and monitor the status of compliance with the Corporation's share ownership guidelines, if any.
6. Review any proposed disclosure of executive compensation. Without limiting the foregoing, annually review any report on executive compensation (including any discussion or analysis thereof) and recommend to the Board that it be included in the Corporation's annual report, management information circular or other documents prepared for its annual meeting of shareholders.
7. Exercise such other authority as may be delegated to the Committee by the Board, including any authority given to the Committee pursuant to the terms of compensation plans approved by the Board.

Compensation of Chief Executive Officer(s)

The Committee shall:

1. review and approve corporate goals and objectives relevant to CEO(s) compensation;
2. oversee the design and implementation of a process for CEO(s) evaluations;
3. evaluate the CEO(s)'s performance in light of those corporate goals and objectives;
4. recommend to the Board for approval the CEO(s)'s compensation level (considering all elements of the compensation package) based on this evaluation; and
5. in determining the long-term incentive component of the CEO(s)'s compensation, consider:
 - (i) the Corporation's performance and relative shareholder return;
 - (ii) the value of similar incentive awards to CEOs at comparable companies; and
 - (iii) the awards given to the CEO(s) of the Corporation in past years.

Senior Management Compensation

The Committee shall:

1. receive and review the CEO(s)'s recommendations for total compensation for each of the Direct Reports, including salaries, short term incentive awards and long-term incentive awards, including employment agreements, if applicable, (collectively, "CEO Proposals");
2. review the corporate goals and objectives relevant to compensation of the Direct Reports, as approved by the CEO(s);
3. receive a report from the CEO(s) annually on the performance of the Direct Reports against such goals and objectives (the "CEO Report"); and
4. make recommendations to the Board with respect to the CEO Proposals based on the Committee's review of the corporate goals and objectives relevant to compensation of the Direct Reports and the CEO Report.

Further Matters

The Committee shall make recommendations to the Board with respect to:

1. appointment of corporate officers;
2. reservation of shares for the Corporation's security-based compensation plans, subject to shareholder approval, where required;
3. the adoption of new security-based compensation plans or other long-term incentive plans, subject to shareholder approval, where required;
4. amendments to the Corporation's Stock Option Plan and Long-Term Incentive Plan, and any other previously approved employee security-based compensation plan(s) or long-term incentive plan(s), subject to shareholder approval of such amendments, where required;
5. annual compensation budget for employees;
6. incentive compensation plans;
7. actions with respect to any of the Corporation's security-based compensation plans or long-term incentive plans referred to herein; and
8. succession plans in respect of the Corporation's officers.

Review of Bonuses Paid

The Committee will monitor the administration of the Corporation's executive officer incentive and other compensation related plans and shall report to the Board annually on whether incentives and bonuses awarded or paid to the CEO(s) and each of the Direct Reports have been awarded or paid in accordance with the applicable plans.

8. DISCLOSURE AND REPORTING TO THE BOARD

Executive Compensation Disclosure

The Committee shall review and recommend to the Board for approval any public disclosure of information relating to the Corporation's executive compensation, including the disclosure to be included in the Corporation's information circular.

Report of the Compensation Committee

The Committee shall prepare and recommend to the Board for approval the report of the Compensation Committee to be included in the Corporation's annual report, information circular or other public documents of the Corporation.

Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

9. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the Nominating and Corporate Governance Committee of the Board for assessing the performance and effectiveness of the Committee.

10. FUNDING

The Corporation must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.

11. CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Nominating and Corporate Governance Committee any changes it deems appropriate.

12. CONTACT US

Requests for further information should be referred to Flowr's CFO as follows:

The Flowr Corporation
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Markham, ON
L3R 6H3

Attention: Chief Financial Officer
Telephone: (905) 940-3993