

# COMPENSATION COMMITTEE CHARTER

(AS AMENDED MARCH 22, 2022)

## CRESO LABS INC.

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Cresco Labs Inc. (“**Cresco**” or the “**Company**”).

### 1. Purpose

The purpose of the Committee is to oversee Cresco’s overall compensation structure, philosophy, policies, and programs, establish appropriate incentives and to assist the Board in fulfilling its oversight responsibilities with respect to: (a) the administration of the Company’s executive compensation plans, including both the cash and equity-based programs of the Company, (b) the performance evaluation and compensation of the Company’s senior executives, including determining the compensation of the Company’s Chief Executive Officer (“CEO”) and its Executive Chairman (“Executive Chairman”), (c) the development of succession planning systems and processes relating to the CEO and Executive Chairman; (d) the recruitment, appointment, development and retention of the CEO and Executive Chairman; (e) compensation of directors of the Board; and (f) executive compensation as it relates to any of our changing business conditions resulting from or in connection with M&A and similar activities. The Committee shall prepare the compensation committee report required by any applicable securities listing or regulatory authorities.

In the performance of its duties, the Committee is expected to be focused on offering competitive compensation to attract, motivate and retain the most qualified executives for Cresco to meet its goals, while acting in the best interest of Cresco and its shareholders.

### 2. Composition and Membership

- (a) The Board will appoint the members of the Committee (the “**Members**”). The Members will be appointed to hold office until the next annual general meeting of shareholders of Cresco or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors.
- (c) The Board will appoint one of the Members to act as the chair of the Committee (the “**Chair**”). The Chair may appoint an individual to act as the secretary at any Committee meeting. The secretary of the Committee meeting will maintain minutes of the meetings and deliberations of the Committee. The secretary need not be a Member in order to act as the secretary of a Committee meeting.

### **3. Meetings**

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine. Two (2) business days advance notice of each meeting will be given to each Member orally, by telephone, or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the Chairman of the Board, the Chief Executive Officer or the Chief Financial Officer of Cresco or any Member, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of the members to act as Chair of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will cast a deciding vote in the case of a deadlock of votes. Powers of the Committee may also be exercised by written consent signed by all Members.
- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in executive session without members of management in attendance for a portion of each meeting of the Committee as may be determined by the Chair of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chair, with the assistance of the secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Cresco to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.
- (g) All Board members will have a standing invitation to participate in the Committee's discussions, even if they are not on the Committee; provided that only Committee members will vote on proposals under consideration by the Committee. Management team attendees will be expected to contribute their ideas and proposals for consideration by the Committee and will be expected to recuse themselves from the voting portion of meetings where they might have a self-interest.

### **4. Duties and Responsibilities**

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

- (a) having regard to, among other things, competitive position and individual performance, annually review and recommend to the Board the remuneration and benefits of the Chief Executive Officer;
- (b) having regard to, among other things, competitive position and individual performance, annually review and approve the remuneration and benefits of the Chief Financial Officer and any other senior executives of Cresco as may be specified by the Board;

- (c) to review the Chief Executive Officer's goals and objectives, including corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and set the Chief Executive Officer's compensation level based on this evaluation, subject to the approval of the Board;
- (d) to review with the Chief Executive Officer the goals and objectives of other senior executives, including corporate goals and objectives relevant to the compensation of such senior executives, evaluate the performance of senior executives in light of those goals and objectives, and set such senior executives' compensation level based on this evaluation;
- (e) to make recommendations annually regarding the Chief Executive Officer's and senior executives' entitlement to be paid a bonus under any employee bonus plan;
- (f) to review, in conjunction with the Corporate Governance and Nominating Committee, the corporate succession and development plans for Cresco at the executive officer level;
- (g) to review executive compensation disclosure before Cresco publicly discloses this information in its public filings;
- (h) to keep abreast of current developments in executive compensation in companies engaged in similar industries;
- (i) to review and approve employment offers and agreements, severance arrangements and change of control arrangements for any senior executive other than the Chief Executive Officer, or any offer that contains special terms including, but not limited to, any retiring or other allowance agreements, equity-based compensation and any proposed change of control provisions and to review and recommend to the Board such similar arrangements for a Chief Executive Officer;
- (j) at its discretion, to propose to the Board the engagement of, and manage and supervise, compensation consultants to assist in the evaluation of the compensation of the senior executives' and directors', including the fees and other terms of the retention;
- (k) to review and recommend to the Board for its approval the remuneration of directors. The Committee should consider such compensation and benefits in relation to the responsibilities and risks involved in being a director of Cresco and seek to align the interests of the directors with the best interests of Cresco and its shareholders;
- (l) to review on an annual basis the remuneration policies of Cresco, including the total remuneration and the main components thereof for the directors and senior executives, and to compare such remuneration policies with the remuneration practices of peer companies. The Committee may employ independent experts periodically as determined necessary to review remuneration policies for directors and senior executives;
- (m) to review periodically the structure and implementation of bonus plans and all share compensation plans and consider these in light of new trends and practices of peers in the same industry;
- (n) to review and recommend to the Board for its approval the disclosure required in any management information circular of Cresco in respect of meetings of the shareholders of

Cresco relating to executive compensation as may be required pursuant to any applicable securities regulations, rules and policies and to review and finalize the report on executive compensation required in any management information circular of Cresco, including the report on executive compensation, the statement of officers compensation, employment agreements, stock option plans, and options and any other equity incentives granted during the most recently completed financial year;

- (o) to establish and periodically review policies for the administration of executive compensation programs (including all share-based plans) subject to the powers of the Board, shareholder approval of all share-based compensation plans and receipt of all necessary regulatory approvals, to determine those directors, officers, employees and consultants of Cresco who will participate in long term incentive plans; to determine the number and type of shares of Cresco allocated to each participant under such plan; to determine the time or times when ownership of such shares will vest for each participant; and to administer all matters relating to any long term incentive plan and any employee bonus plan to which the Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board and to make recommendations to the Board with respect to incentive compensation plans and share-based plans generally;
- (p) report regularly to the Board in relation to any matters arising from its review of compensation practices of Cresco;
- (q) to periodically review Cresco's diversity and inclusion initiatives and programs including through updates provided by management regarding Cresco's talent management and development programs as well as succession planning beyond the executive level;
- (r) to periodically review such other Human Capital initiatives as recommended by the Chief Human Resources Officer of Cresco;
- (s) review and assess its mandate and recommend any proposed changes to the Board on an annual basis; and
- (t) periodically evaluate the function of the Committee by performing self-assessment and performance evaluations and report to the Board on the results of such evaluation.

## **5. Reporting**

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

## **6. Access to Information and Authority**

The Committee will be granted unrestricted access to all information regarding Cresco that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the Committee. The Committee has the authority to retain, at Cresco's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board.

**7. Review of Charter**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.