

CODE OF BUSINESS CONDUCT AND ETHICS

GENERAL POLICY STATEMENT

The board of directors (the “**Board**”) of Aleafia Health Inc. (the “**Company**”) has adopted this Code of Business Conduct and Ethics (the “**Code**”), which is designed to provide guidance on the conduct of the Company’s business in accordance with high ethical standards. The Company must not only conduct, but must also be seen to conduct, its business in accordance with such high ethical standards. The Code constitutes written standards that are reasonably designed to promote integrity and deter wrongdoing.

SCOPE

The Code applies to all directors, officers and employees of the Company and its subsidiaries (who are referred to collectively as “**Company Personnel**”), wherever they may be situated. For purposes of this Code as referred below, “**senior management**” includes the Chief Executive Officer (the “**CEO**”), the Chief Financial Officer, Chief Medical Officer, Chief Operating Officer, General Counsel, Vice Presidents and Director level management.

MANAGEMENT PRACTICE

General Conduct

It is the Company’s goal to develop and maintain an environment in which Company Personnel enjoy their work and are treated in a fair and respectful manner. All Company Personnel are expected to contribute to maintaining a healthy work atmosphere by:

- i) showing courtesy and consideration to customers, patients, fellow employees, visitors and suppliers;
- ii) treating fellow employees and their supervisor in a fair and respectful way;
- iii) acting in an honest, trustworthy, reliable, dependable and punctual manner;
- v) complying with all Company policies, procedures and guidelines;
- vi) never knowingly misrepresenting themselves or the Company or lying to a customer or patient; and
- vii) reporting any wrongdoing by other Company Personnel as per this Code.

Compliance with Laws, Regulations, Rules and Policies

All Company Personnel are expected to show a duty of loyalty and faithfulness to the Company and to take actions to prevent damage to the Company’s interests or reputation. All Company Personnel, in discharging their duties, must comply with applicable laws and regulations, the rules of the stock exchange(s) on which the Company is listed and the Company’s policies.

Company Personnel must ensure that they conduct their business activities in compliance with the laws, regulations, rules and Company policies applicable to their area of operation and keep up-to-date on issues that may affect their area of operation. In particular, all Company Personnel must comply with all health and safety laws and the Company’s Stock Trading Policy.

If Company Personnel are ordered to take any action that is illegal or contrary to applicable laws, regulations, rules or Company policies, this must be reported to the CEO and General Counsel, or if that is not possible, to the Chair of the Governance Committee and Lead Independent Director.

Conflicts of Interest

Company Personnel must act honestly and in good faith, with a view to the best interests of the Company. Company Personnel must take all reasonable steps to avoid situations involving a conflict or the potential for a conflict between their personal interests and the interests of the Company. Directors and officers of the Company have a statutory obligation to disclose all actual or potential conflicts of interest and directors must refrain from voting on matters in which the director has a conflict of interest. Further, a conflicted director cannot attend the portion of the Board meeting discussing the substance of the conflict of interest. When Company Personnel become aware of a conflict, they must notify the CEO (or Chair of the Governance Committee, as applicable) immediately, and handle in an ethical manner any direct or indirect conflict of interest.

It is the Company Personnel's responsibility to identify and to report any actual or apparent conflict of interest, regardless of whether or not the Company Personnel and/or any immediate family member derives benefits. Company Personnel must obtain specific clarification from their supervisor who will, as the circumstance requires, seek direction and guidance from senior management. Company Personnel may be requested to declare in writing any actual or apparent conflict of interest.

(a) Outside Business Interests or Employment

Company Personnel, other than senior management, are free to take on employment and other business activities outside of their work responsibilities with the Company. However, in doing so, Company Personnel must ensure that any "outside" activities do not present a real or perceived conflict with the interests of the Company or with their duties as Company Personnel.

A real or perceived conflict of interest would include situations where the employment or business interest:

- i) is with one of the Company's competitors or suppliers or with a subsidiary company of either a competitor or supplier;
- ii) is performed in such a way as to appear to be an official act, or to represent the Company's opinion or policy; or
- iii) unduly interferes through telephone calls, or otherwise, with the Company Personnel's regular duties.

Unauthorized use of the Company's time, premises, supplies, equipment, or any other proprietary information or assets of the Company for business activities unrelated to the Company, or the undertaking of any projects relating to the Company Personnel's actual or potential outside employment, is prohibited and considered a conflict of interest.

Company Personnel who occupy senior management positions with the Company may not take on other employment or business activities (excluding charitable, professional, educational or social activities) without prior authorization of the CEO (or Chair of the Governance Committee, as applicable).

The Company designates a limited number of spokespersons responsible for communication with the investment community, regulators or the media. The Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Medical Officer and Vice-President Public Affairs are authorized to respond to specific inquiries.

(b) Outside Directorships

Company Personnel may only take on directorships with the prior approval of the CEO, not to be unreasonably withheld. Company Personnel must be aware of any potential for conflicts with the interests of the Company in connection with such approved directorships. All senior management who take on directorships, other than directorships of charitable, educational, professional or social organizations, must have those directorships approved in advance by the Chair of the Governance Committee.

(c) Financial Interests in Suppliers, Contractors or Competitors

Any financial interest of Company Personnel in a supplier to, contractor of or competitor of the Company, excluding a passive interest of 5% or less in a reporting issuer, must be disclosed to the CEO (or Chair of the Governance Committee, as applicable). Any Company Personnel with such an interest shall not participate in any decision of the Company to do business with such supplier or contractor and shall not attempt to influence any other Company Personnel in a position to decide on behalf of the Company to do business with such entity.

(d) Obtaining a Personal Loan or Guarantee from the Company

Company Personnel should not accept, whether directly or indirectly, any loan or guarantee of obligations from the Company unless approved in writing by the CEO (or Chair of the Governance Committee, as applicable), or in the case of the CEO or Chair of the Governance Committee, unless approved in writing by the Board.

(e) Diversion of Sales

Purposefully diverting a potential customer to the competition or dissuading a customer from engaging in a transaction with the Company is considered a conflict of interest. Failure by Company Personnel to recommend to customers the Company's other services resulting in a loss of business to the Company may also be viewed as a conflict of interest.

(f) Hiring Relatives of Current Company Personnel

It is prohibited to hire a relative of any Company Personnel without prior authorization of the Chairman of the Board, Chair of the Governance Committee or the Lead Independent Director, as may be appropriate. The direct supervision of one family member by another should be avoided where possible. However, where direct supervision of a family member is undertaken, the Company shall ensure that appropriate controls and reviews are in place.

Protection and Proper Use of Corporate Assets and Opportunities

All Company Personnel must handle the physical and intangible assets of the Company with integrity and with due regard to the interests of the Company. Company Personnel are deemed to hold Company property in trust for the benefit of the Company. Any misuse or misappropriation

of Company property can lead to disciplinary action. Company Personnel must return all Company property under their control when leaving their employment with the Company.

Company Personnel cannot appropriate a corporate opportunity or corporate property, arising out of their relationship with the Company, for their own personal benefit or the benefit of a family member.

Company Personnel must have authorization to enter into business transactions on behalf of the Company. All corporate transactions must be accounted for in the Company's books. Records must not be manipulated or destroyed for the purpose of impeding or obstructing any investigation or potential investigation undertaken by the Company or a governmental body.

No action shall be taken to fraudulently influence or mislead anyone engaged in the performance of an audit of the Company's financial statements.

Email and Internet systems are provided primarily for business use and are Company property. Personal use of these resources should be kept to a minimum. Company Personnel must exercise caution and etiquette when sending email correspondence.

Confidentiality and Release of Information

Confidential information is any information that is not known to the general public and includes business research, market plans, proprietary pricing information, strategic objectives, unpublished financial information, customer, patient, supplier and personnel lists, employment related information and all intellectual property, including trade secrets, software, trademarks, copyrights and patents.

Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Company or to Company Personnel who have no need for such information. Company Personnel are prohibited from discussing, disclosing or using any confidential information for their own personal purposes without prior consent of the CEO (or Chair of the Governance Committee, as applicable). In addition, confidential information should only be disclosed to other Company Personnel on a "need to know" basis.

As per the Company's Stock Trading Policy, Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Company where the person trading is in possession of material non-public information.

Personal information, as it relates to Company Personnel, including medical and benefits information, is only to be released to non-Company individuals after receiving prior permission from the affected Company Personnel, except where the information will be used to verify employment or to satisfy legitimate legal requirements.

Gifts and Favours from Suppliers, Vendors, Contractors

Company Personnel are required to carry out their duties with a view to the best interests of the Company. Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or customer in exchange for any decision, act or omission by any Company Personnel in the course of carrying out their functions, unless:

- i) it is not a cash gift;
- ii) it is consistent with customary business practices;
- iii) it is not excessive in value, giving regard to the circumstances (generally speaking a gift in excess of \$500 in value is likely excessive in value unless it is included in the list of acceptable gifts set out below);
- iv) it does not violate any laws that the Company is subject to;
- v) it does not violate any other internal Company policy; and
- vi) would cause embarrassment or reflect negatively on the Company's reputation.

Similarly, Company Personnel should not try to influence the decisions of a supplier or customer by giving gifts.

Examples of acceptable gifts, both to give and receive, include:

- i) gifts that are promotional in nature (e.g. pens, golf shirts);
- ii) gifts that are widely distributed to other Company Personnel, customers or suppliers;
- iii) meals;
- iv) local sporting or theatrical events; and
- v) holiday gatherings and other celebrations.

Company Personnel must divulge all entertainment and/or gifts to their direct supervisor. It is advisable to seek advance approval from a direct supervisor for any gift or entertainment that has been offered should the gift or entertainment be of value beyond a nominal amount.

The relationship between Company Personnel and a supplier or potential supplier cannot be such that negotiations by the Company with the supplier are undermined, interfered with or negatively impacted in any way.

Loans from Customers

No Company Personnel shall accept a loan from a customer and/or family member thereof with whom the Company has a contract or from a potential customer. A potential customer is someone whom it is reasonable to assume will enter into a contract. Also, Company Personnel may not loan money to a customer or "front" the customer's deposit on contract.

Conduct at Company Sponsored Event

When Company Personnel are off-duty and attending an event sponsored by the Company, their conduct must be appropriate. Any actions by Company Personnel which adversely affect other Company Personnel or the Company, including those involving the consumption of alcohol or cannabis, are cause for disciplinary action. When alcohol or cannabis is available at Company-sponsored events it is expected that consumption be reasonable and that Company Personnel remain in control of their actions at all times. If a person is under the influence of alcohol or cannabis it is expected that the person not operate a motor vehicle but find an alternative means home.

Political Activity

Political involvement by Company Personnel in municipal, provincial or federal levels of government is permitted on the clear understanding that Company Personnel is acting personally

and not as representatives of the Company. This section does not apply to Company Personnel involvement in Company sanctioned activities e.g., membership on industry associations, committees or boards.

Any such involvement may not interfere with the time or attention necessary to ensure proper performance of the Company Personnel's duties to the Company. An unpaid leave may be granted.

Fair Dealing

Company Personnel shall not undertake any activities that could reasonably be expected to result in an unreasonable restraint of trade, unfair trade practice or any other anticompetitive behaviour in violation of any law that the Company is subject to. However, in the normal course of business, it is not unusual for Company Personnel to acquire information about other organizations. In doing so, Company Personnel must not use illegal means to acquire a competitor's trade secrets or other confidential information.

Any Company Personnel who work in an area that requires frequent contact with competitors, customers or suppliers should be particularly sensitive to the requirements of competition laws.

The Company undertakes to deal fairly with all Company Personnel. There is a "no tolerance" policy in place for any violence against any individual and any form of discrimination or harassment against any individual, including Company Personnel, because of sex, race, ancestry, place of origin, colour, ethnic origin, citizenship, religion, creed, age, record of offences, marital status, family status, sexual orientation, physical/mental disability or any other prohibited grounds under human rights legislation.

No Company Personnel shall engage in conduct that is in violation of the *Corruption of Foreign Public Officials Act*, S.C. 1998, c. 34 or other analogous laws that the Company is subject to (collectively, "**Anti-Bribery Laws**"), including: (i) the corruption or bribery of a foreign public official; (ii) committing any act or omission for the purpose of aiding or abetting anyone to commit an offence under Anti-Bribery Laws, (iii) agreeing or conspiring to commit an offence under the Anti-Bribery Laws with any person, (iv) making any bribe, payoff, influence payment, kickback or other unlawful payment to any person; or (v) use of Company funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity.

Reporting of any Illegal or Unethical Behaviour

Company Personnel are each responsible for being aware of, understanding and complying with this Code when making business decisions. Company Personnel must promptly report any problems or concerns and any actual or potential violation of the Code, including criminal conduct, fraud, failures to comply with legal or regulatory obligations or internal policies, and health and safety violations. To do otherwise, will be viewed as condoning a violation of this Code.

There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws that the Company is subject to or the Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

Company Personnel should first raise a complaint or concern with his or her supervisor. If that is not possible for some reason or if this does not resolve the matter, Company Personnel must take

the matter up the chain of management within the Company. Ultimately, unresolved complaints and concerns should be referred to the CEO (or Chair of the Governance Committee, as applicable) who will treat all disclosures in confidence and will involve only those individuals who need to be involved in order to conduct an investigation.

All complaints regarding accounting, internal accounting or auditing matters and concerns regarding questionable accounting or auditing matters should be referred to the Chair of the Audit Committee. Anonymous reports relating thereto may be mailed directly to the Chair of the Audit Committee. Company Personnel who receive complaints from a member of the public regarding accounting, internal accounting or auditing matters, should advise the complainant to raise such complaints with the Chair of the Audit Committee.

MONITORING COMPLIANCE

The Board is responsible for monitoring compliance with the Code and has delegated authority for the supervision of compliance with the Code to the CEO (and the Chair of the Governance Committee, as applicable). The CEO and Chair of the Governance Committee shall report to the Board periodically on compliance with the Code and on any illegal or unethical behaviour reported by Company Personnel pursuant to the Code.

WAIVERS FROM THE CODE

A waiver of this Code will be granted only in exceptional circumstances. Any waivers from the Code that are granted for the benefit of the Company's directors or senior management will be granted by the Board (or the Governance Committee) only. Any waiver for employees will be granted only upon approval by the CEO (or the Chair of the Governance Committee, as applicable).

CONSEQUENCES OF VIOLATING THIS CODE

Failure to comply with this Code will be considered by this Company to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Company, up to and including termination. In addition, the Company may make claims for reimbursement of losses or damages and/or the Company may refer the matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of this Code may also be subject to disciplinary action, including termination.

Original Approval Date:	May 24, 2019
Approved by:	Board of Directors