

Approved by Board
October 27, 2021



HEXO CORP.

Whistle Blower Policy

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Effective November 1, 2021

Introduction

HEXO Corp. and all of its subsidiaries (collectively, the “**Corporation**”) are committed to the highest standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with who have serious concerns about any aspect of the Corporation’s activities and operations to come forward and voice those concerns.

Employees are often the first to realize that there may be something seriously wrong within the Corporation. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Corporation. They may also fear recrimination, harassment or victimization. In these circumstances, they may feel it would be easier to ignore the concern rather than report what may just be a suspicion of wrongdoing.

This policy document makes it clear that employees can report wrongdoings or suspected wrongdoings without fear of victimization, retaliation, reprisal, subsequent discrimination or disadvantage. This Whistle Blower Policy (the “**Policy**”) is intended to encourage and enable employees to raise serious concerns within the Corporation rather than overlooking a problem or seeking a resolution of the problem outside the Corporation.

This Policy applies to all employees and those contractors working for the Corporation. It is also intended to provide a method for other stakeholders, that is any person, group, or organization directly or indirectly affected by an issue related to or caused by any of the Corporation’s operations or practices worldwide, to voice their concerns regarding the Corporation’s business conduct. Such other stakeholders may include, but is not limited to, suppliers, contractors or customers (or any of their respective employees), non-governmental organizations (NGOs), and/or members of the communities where the Corporation operates.

This Policy is also intended as a clear statement that if any wrongdoing by the Corporation or any of its employees or by any of its contractors or suppliers is identified and reported to the Corporation, it will be dealt with expeditiously and thoroughly investigated and remedied. The Corporation will further examine and implement the means of ensuring that such wrongdoing can be prevented in future.

A whistleblowing or reporting mechanism invites all employees and other stakeholders to act responsibly to uphold the reputation of their organization and maintain public confidence. Encouraging a culture of openness within the organization will also help this process. This Policy aims to ensure that serious concerns are properly raised and addressed within the Corporation.

1 What is Whistleblowing?

Employees are usually the first to know when something is going seriously wrong. A culture of turning a “blind eye” to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices, otherwise known as wrongdoing.

2 What is wrongdoing?

Wrongdoing involves any unlawful, illegal or otherwise improper behavior and can include:

- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved policy of the Corporation, including the internal financial controls approved by the Corporation;
- Knowingly breaching federal or provincial laws or regulations;
- Breaches of confidentiality;
- Unprofessional conduct or conduct that is not consistent with recognized, established standards of practice;
- Conflicts on interests;
- Questionable accounting or auditing practices, including, without limitation, fraud, deliberate error, gross negligence, gross fault or recklessness in the preparation, evaluation, review or audit of any financial statement of the Corporation or in the recording and maintaining of financial records of the Corporation.
- Misuse, misappropriation or diversion of the Corporation's assets or resources;
- Dangerous practice likely to cause physical harm / damage to any person/property;
- Failure to rectify or to take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Corporation;
- Knowingly directing or counselling a person to commit a wrongdoing;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination in the course of employment or provision of services; and
- Violation of human rights practices, community involvement or environmental matters.

This list is not exhaustive, but is intended to give an indication of the kind of conduct which might be considered as "wrongdoing".

3 Who is protected?

This Policy is set in the context of the regulatory provisions of the Canadian Securities Association (CSA) National Instrument 52-110 - *Audit Committees*. Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:

- Discloses the information in good faith;
- Believes it to be substantially true;

- Does not act maliciously or make knowingly false allegations; and
- Does not seek any personal or financial gain.

4 Who should you contact?

Anyone with a complaint or concern about the Corporation should try to contact their supervisor or manager responsible for the group which provides the relevant service. This depends however, on the seriousness and sensitivity of the issues involved and who is suspected of malpractice.

As an alternative, reports can be submitted anonymously to ClearView Strategic Partners Inc. (“ClearView”) by:

- Telephone: 1-866-791-9214
- Online: <http://www.clearviewconnects.com/>
- Confidential Mail: ClearView Connects
P.O. Box 11017
Toronto, Ontario
M1E 1N0
Canada

Anyone choosing to include personal information in a report to ClearView consents to the collection of that personal information by HEXO Corp.

5 How the Corporation will respond

The Corporation will respond positively to your concerns. Where appropriate, the matters raised may:

- (a) be investigated by management, the Board of Directors, internal audit (when implemented), or through the disciplinary process;
- (b) be referred to the police;
- (c) be referred to the external auditor or external legal counsel; and
- (d) form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

Within ten working days of a concern being raised, the responsible officer will write to you:

- (a) acknowledging that the concern has been received;
- (b) indicating how he/she proposes to deal with the matter;

- (c) giving an estimate of how long it will take to provide a response;
- (d) telling you whether any initial enquiries have been made; and
- (e) telling you whether further investigations will take place and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Corporation will seek further information from you.

The Corporation will take steps to minimize any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Corporation will arrange for you to receive advice about the procedure.

The Corporation accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

6 Time Frames

Concerns will be investigated as quickly as possible. It should be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint may have an impact on the time taken to investigate a matter. A designated person will indicate at the outset the anticipated time frame for investigating the complaint.

7 Policy of Non-Retaliation

It is the Corporation's policy to comply with all applicable laws that protect all of our employees. The Corporation will not tolerate an attempt on the part of anyone to apply any sanction or take any action to the detriment to any person who has reported to the Corporation a serious and genuine concern that they may have about an apparent wrongdoing.

If any employee believes he or she has been subjected to any recrimination, harassment, threat, demotion, discharge, discrimination or retaliation by the Corporation or its agents for reporting complaints regarding an apparent wrongdoing in accordance with this Policy, he or she may file a complaint with Guillaume Jouët (Chief People & Culture Officer) at Guillaume.Jouet@hexo.com, Rose Marie Gage (Chair of ESG Committee) at rgcanadali@gmail.com or through ClearView. If it is determined that an employee has experienced any improper employment action in violation of this Policy, the Corporation shall endeavor to promptly take appropriate corrective action.

8 Confidentiality and Anonymity

The Corporation will respect the confidentiality of any whistle blowing complaint received by the Corporation where the complainant requests that confidentiality. Information concerning a complaint and information obtained during an investigation will be kept confidential and will not be disclosed to others, to the extent reasonably possible, except on a "need to know" basis or as required by applicable law.

The Whistleblower hotline is designed to protect employee and external stakeholder confidentiality and employee or external stakeholder complaints made through the Whistleblower hotline will remain anonymous. Employees or external stakeholders who use the service will be assigned an

identification number registered with the complaint subject, together with a scheduled call back time, so that subsequent communications can be conducted in a confidential and timely manner.

Nothing in this Policy is intended to prohibit an employee or external stakeholder from exercising his or her option to report questionable accounting practices, internal accounting controls or auditing matters anonymously.

9 False and Malicious Allegations

The Corporation is proud of its reputation with the highest standards of honesty. It will therefore ensure that substantial and adequate resources are put into investigating any complaint which it receives. However, the Corporation will regard the making of any deliberately false or malicious allegations by any employee of the Corporation as a serious disciplinary offence which may result in disciplinary action, up to and including dismissal for cause.