

CANNTRUST HOLDINGS INC.
CODE OF ETHICS AND BUSINESS CONDUCT

1. INTRODUCTION

CannTrust Holdings Inc. (the "**Corporation**") is committed to conducting its business and affairs with honesty, integrity and in accordance with high ethical and legal standards. This Code of Ethics and Business Conduct (the "**Code**") provides a set of ethical standards to guide each director, officer, employee and representative of the Corporation and its subsidiaries worldwide (referred to herein as "**Employees**") in the conduct of their business and constitutes conditions of employment with the Corporation. This Code provides an overview of the Corporation's expectations for its Employees and is supplemented by other current policies adopted by the Corporation and those other policies that may be adopted by the Corporation from time to time. This Code is designed to promote integrity and to deter wrongdoing.

2. COMPLIANCE WITH LAWS

The Corporation expects its Employees to comply with all applicable laws, rules and regulations, including (but by no means limited to) those regarding labour and employment practices, privacy, human rights, consumer protection, advertising, environment, health and safety, financial disclosure, tax, securities, insider trading, stock exchange rules, competition and trade, political contributions, government contracting, corruption of public officials, and intellectual property.

3. INSIDER TRADING

The Corporation encourages all Employees to become shareholders on a long-term investment basis. However, Employees and others who are in a "special relationship" with the Corporation from time to time, may become aware of corporate developments or plans which may affect the value of the Corporation's shares (inside information) before these developments or plans are made public. In order to avoid civil and criminal insider trading violations, the Corporation has established a Timely Disclosure, Confidentiality and Insider Trading Policy.

4. ETHICAL RELATIONSHIPS WITH OTHERS

Employees should treat their colleagues, the Corporation's shareholders, customers, suppliers, competitors, the governments and the communities in which they operate fairly and respectfully, lawfully and ethically, with honesty and integrity, in a manner consistent with long-term relationships. The Corporation prohibits abusive or harassing conduct by Employees toward others (including other Employees), such as violence, unwelcome sexual advances, discriminatory comments based on ethnicity, religion or race, inappropriate language, or other non-business, personal comments or conduct that make others uncomfortable in their employment with the Corporation. The Corporation encourages and expects Employees to report harassment or other inappropriate conduct as soon as it occurs.

5. PRIVACY

The Corporation, and companies and individuals authorized by the Corporation, collect and maintain personal information that relates to Employees, including compensation, medical and benefit information. The Corporation follows procedures to protect information wherever it is stored or processed, and access to Employees' personal information is restricted. Employees' personal information will only be released to outside parties in accordance with the Corporation's policies and applicable legal requirements. Employees who have access to personal information must ensure that personal information is not disclosed in violation of the Corporation's policies or practices.

6. GOOD AMBASSADORSHIP

All Employees are ambassadors of the Corporation in both their business and personal lives. While the Corporation supports the freedom of the individual to pursue life in his or her own way outside of business hours, Employees are encouraged to act in a manner which upholds their good reputation and that of the Corporation. Employees shall represent the Corporation in a professional manner at all times. Neither the reputation nor the image of the Corporation shall be jeopardized at any time. The behaviour of all Employees is seen to reflect that of the Corporation, so all actions must reflect the policies of the Corporation.

7. CORRUPT PRACTICES

Employees cannot accept (or conduct) a bribe, kickback or facilitate direct payment to themselves (or others). This includes giving or receiving cash, cash equivalents or anything of value that is provided in return for favourable action. No money, goods or services shall be provided, directly or indirectly, to a person in a position of trust, such as a government or corporate official, to induce him to violate his duty or to obtain favourable treatment for the Corporation. This applies to transactions with a foreign or domestic government official, agent, associate, Corporation or contractor.

8. ACCEPTANCE OF GIFTS

Employees should not receive gifts, favours, meals or entertainment from current or potential Corporation suppliers or customers if these might improperly influence the Employee's judgment, or even appear to do so. As a general guideline, an Employee may accept infrequent meals or entertainment which are not excessive, and for proper business purposes and not personal purposes, or inexpensive gifts having a value of less than \$100 so long as they do not create the appearance of impropriety. Loans or gifts of money are never acceptable. In some departments or business units, more restrictive standards concerning gifts, favours, meals or entertainment may apply. Employees must not accept any gift, favour, meal or entertainment that violates those standards.

9. COMMUNICATIONS WITH THE MEDIA

The Corporation's credibility and reputation in the community are vital to its business success. The Corporation is committed to providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities laws. The goal of the Corporation's Timely Disclosure, Confidentiality and Insider Trading Policy is to raise awareness of the Corporation's approach to disclosure among its Employees, including those authorized to speak on behalf of the Corporation.

10. ACCOUNTING AND DISCLOSURE PRACTICES

The Corporation requires full, fair, accurate, timely and understandable recording and reporting of financial information in accordance with applicable accounting requirements. No undisclosed or unrecorded amount or fund shall be established for any purpose. No false, misleading entries or improper accounting practices shall be made in the Corporation's books or records for any reason. No disbursement of Corporation funds or property shall be made without adequate supporting documentation and approvals. No transaction or payment shall be made with the intention that the transaction or payment be other than as documented.

The Corporation's public disclosures of business information and periodic reports and filings with government regulators shall be full, fair, accurate, timely and understandable, with no material omissions.

As a public Corporation, the Corporation is required to maintain effective "disclosure controls and procedures" so that financial and non-financial information is reported timely and accurately both to senior management and in the Corporation's filings. Employees are expected, within the scope of their duties, to support the effectiveness of the Corporation's disclosure controls and procedures. As a public Corporation, the Corporation is also required to record and publicly report all internal and external financial records in compliance with International Financial Reporting Standards. Therefore, Employees are responsible for ensuring the accuracy of all books and records within their control and complying with all Corporation policies and internal controls.

11. CORPORATE OPPORTUNITIES

The benefit of any business venture, opportunity or potential opportunity resulting from each Employee's employment with the Corporation should not be appropriated for any improper personal advantage. As Employees, a duty is owed to the Corporation to advance the Corporation's legitimate interests when the opportunity to do so arises.

12. USE OF ASSETS FOR ILLEGAL OR UNETHICAL PURPOSES

The funds or assets of the Corporation shall never be used for any purpose that violates an applicable law or regulation. It is the Corporation's policy to protect its assets and promote their efficient use for legitimate business purposes. The Corporation's assets should not be wasted

through carelessness or neglect nor appropriated for improper use. Proper discretion and restraint should always govern the personal use of the Corporation's assets.

13. TELECOMMUNICATIONS

Telecommunications facilities of the Corporation such as telephone, cellular phones, facsimile, internet and email are Corporation property. Use of these facilities imposes certain responsibilities and obligations on all Employees. Usage must be ethical and honest with a view to preservation of and due respect for Corporation's intellectual property, security systems, personal privacy, and freedom of others from intimidation, harassment, or unwanted annoyance.

14. CONFLICTS OF INTEREST

The Corporation's best interests must be paramount in all of its dealings with customers, suppliers, competitors, existing and potential business partners and other representatives. Employees should not engage in any activity, practice or act which conflicts with the interests of the Corporation. A conflict of interest occurs when an Employee places or finds himself/herself in a position where his/her private interests conflict with the interests of the Corporation or have an adverse effect on the employee's motivation or the proper performance of their job. Examples of such conflicts could include, but are not limited to:

- accepting outside employment with, or accepting personal payments from, any organization which does business with the Corporation or is a competitor of the Corporation;
- accepting or giving gifts of more than modest value to or from vendors or clients of the Corporation;
- competing with the Corporation for the purchase or sale of property, services or other interests or taking personal advantage of an opportunity in which the Corporation has an interest;
- personally having immediate family members who have a financial interest in a firm which does business with the Corporation; and
- having an interest in a transaction involving the Corporation or a customer, business partner or supplier (not including routine investments in publicly traded companies) or having an interest in a competitor of the Corporation.

Employees shall disclose to the General Counsel:

- any personal interest or financial investment in a customer, business partner or supplier, including a material interest or investment of a member of the Employee's family;
- all outside employment; and

- any other activities or relationships that might appear to reduce their ability to give the Corporation impartial service.

If the Corporation determines that an Employee's outside work interferes with performance or the ability to meet the requirements of the Corporation, as they are modified from time to time, the Employee may be asked to terminate the outside employment if he or she wishes to remain employed by the Corporation.

Members of the Board of Directors (the "**Board**") shall disclose any conflict of interest or potential conflict of interest to the entire Board as well as any committee of the Board on which they serve. A member of the Board who has a material interest in a matter before the Board or any committee of the Board on which he or she serves is required to disclose such interest as soon as the member of the Board becomes aware of it. In situations where a member of the Board has a material interest in a matter to be considered by the Board or a committee of the Board, such member of the Board shall disclose such interest to the Board and may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place.

15. EQUAL EMPLOYMENT OPPORTUNITY

The Corporation's employment decisions will be based on reasons related to Corporation's business, such as job performance, individual skills and talents, and other business-related factors. The Corporation policy requires adherence to all national, provincial or other local employment laws. The Corporation is also committed to providing a work environment that enables all Employees to be recruited, and to pursue their careers, free from any form of unwarranted discrimination and commits to offer equal employment opportunities without regard to any distinctions based on age, gender, sexual orientation, disability, race, religion, citizenship, marital status, family situation, country of origin or other factors, in accordance with the laws and regulations of each country in which it does business.

16. CONFIDENTIAL INFORMATION

Information is a key asset of the Corporation. The Corporation's information, written or oral, belongs to the Corporation. Employees shall keep secret and shall neither disclose to any third party nor use for non-Corporation purposes any information that the Corporation has designated as "Confidential". This applies as well to the confidential information of any other person or entity with which the Corporation does business. Confidential information includes, without limitation, employee and customer personal information, sales, financial information and strategies, marketing information and strategies, research and development activities.

17. COMPETITION

The Corporation seeks to compete with its competitors fairly and honestly. The Corporation seeks competitive advantages through superior performance, not through unethical or illegal business practices. Information about other companies and organizations, including competitors, must be gathered using appropriate methods. Illegal practices such as trespassing, burglary,

misrepresentation, wiretapping and stealing are prohibited. Each Employee should endeavour to respect the rights of, and deal fairly with, the Corporation's customers, suppliers, competitors and other Employees.

18. HEALTH AND SAFETY

The Corporation is committed to making the work environment safe, secure and healthy for its Employees and others. The Corporation expects each Employee to promote a positive working environment for all. Each Employee is expected to consult and comply with all Corporation rules regarding workplace conduct and safety. Each Employee should immediately report any unsafe or hazardous conditions or materials, injuries, and accidents connected with the Corporation's business and any activity that compromises Corporation security to the Employee's supervisor.

Employees must not work under the influence of any substances that would impair the safety of themselves or others.

19. POLITICAL ACTIVITY

Employees may, subject to applicable laws, engage in legitimate political activity, as long as it is carried out on their own time and without using the Corporation's property. Employees may seek election or other political office but must notify their supervisor to discuss the impact that such involvement may have on the Employee's duties. Employees may express their views on public or community issues of importance but it must be clear at all times that the views expressed are those of the individual and not those of the Corporation.

The Corporation and the Employees abide by all laws and regulations governing political contributions in every jurisdiction where the Corporation does business.

20. COMMUNICATION OF THIS CODE

Copies of this Code are made available to all persons bound by it, either directly or by posting of the Code on the Corporation intranet site. This Code will also be made available on SEDAR at www.sedar.com.

21. REPORTING SUSPECTED NON-COMPLIANCE

Employees who have information about non-compliant behaviour of the Corporation or of any Employee under this Code, or any governmental laws, rules or regulations have an obligation to promptly report the violation. Employees may do so orally or in writing and, if preferred, anonymously. Employees have several options for raising concerns.

1. Raise the concerns with the Employee's supervisor;
2. Raise the concerns with the Corporation's Chief Financial Officer; or
3. Raise the concern with the Nomination and Governance Committee.

Information as to suspected improper accounting or auditing matters may also be reported anonymously to any member of the Audit Committee of the Board. Employees are required to come forward with any such information, without regard to the identity or position of the suspected offender.

Because failure to report criminal activity can itself be understood to condone the crime, the Corporation emphasizes the importance of reporting. Failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report.

Employees who report will remain anonymous and will not be required to reveal their identity. The Corporation will treat the information in a confidential manner and will seek to ensure that no acts of retribution or retaliation will be taken against anyone for making a good faith report.

Retaliation in any form against an Employee who reports a violation of this Code or of law, rule or regulation, even if the report is mistaken (provided it was made in good faith), or who assists in the investigation of a reported violation, is itself a serious violation of this Code. Acts or threats of retaliation should be reported immediately and will be disciplined appropriately. If any Employee believes that he or she has been subjected to such retaliation, the Employee is encouraged to report the situation as soon as possible to one of the people noted above.

22. WAIVERS

Waiver of all part of the Code, such as for potential conflicts of interests, shall be granted only in exceptional circumstances and then only by the Board in writing. Waivers granted to directors or executive officers may only be granted by the Board and shall be publicly disclosed as required by law.

23. REVIEW OF CODE

The Compensation Committee shall review and evaluate this Code from time to time as it may determine whether this Code is effective in ensuring that the Corporation's business and affairs are conducted with honesty, integrity and in accordance with high ethical and legal standards and make recommendations to the Board.

24. NO RIGHTS CREATED

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Corporation's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any Employee, client, supplier, competitor, stockholder or any other person or entity.