



AKANDA

AKANDA CORP.

AUDIT & RISK COMMITTEE CHARTER

I. Purpose

The purpose of the Audit & Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of Akanda Corp, (the “Company”) is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

The Committee’s responsibilities are limited to oversight. The Company’s management is responsible for establishing and maintaining accounting policies and procedures in accordance with the international financial reporting standards, the United States generally accepted accounting principles and/or other applicable reporting and disclosure standards (the “Applicable Accounting Standards”) and for preparing the Company’s financial statements. The Company’s independent auditors are responsible for auditing and reviewing those financial statements. The Audit Committee is responsible for the approval of the financial statements for issuance. Each member of the Committee is entitled to rely on the integrity of those persons within the Company and from the professionals and experts from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

II. Composition

The Committee must consist of at least three (3) directors. Each Committee member must satisfy the independence requirements of the Nasdaq Stock Market LLC (“Nasdaq”) and the more rigorous independence rules for members of the Audit Committee issued by the Securities and Exchange Commission (the “SEC”) in Rule 10A-3(b)(1) promulgated under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), subject to any available exception. Each Committee member must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, cash flow statement and the related footnote disclosures. In addition, each Audit Committee member must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, either at least one member of the Committee must be a financial expert as defined under SEC rules, or the Company must disclose the reasons why at least one

member of the Committee is not a financial expert.

The members of the Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Committee) by the Board. A Committee member may be removed or replaced at any time at the discretion of the Board. If the member is filling an independent director position, he or she will cease to be a member of the Committee on ceasing to be an independent director.

Unless a Chair is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership.

III. Meetings, Procedures and Authority

The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this Charter, the Company's governing documents, or applicable laws or regulations.

The Committee shall meet at least four times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall keep written minutes of its meetings and shall deliver a copy of such minutes to the Board and to the corporate secretary of the Company for inclusion in the Company's minute books.

The Committee may, in accordance with Nasdaq Listing Rule 5605(c)(3) and Exchange Act Rule 10A-3(b) retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate in carrying out its duties. The Company must provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the duties and responsibilities delegated to the Committee.

IV. Duties and Responsibilities

Interaction with the Independent Auditor

1. *Appointment and Oversight.* The Committee is directly responsible for the appointment, compensation, retention, oversight and termination of the work of the independent auditor (including resolution of any disagreements between Company management and the independent auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor and each such other registered public accounting firm must report directly to the Committee. The Committee, or the Chair of the Committee, must pre-approve any audit and non-audit service provided to the Company by the independent auditor or any other registered public accounting firm, unless the engagement is entered into pursuant to appropriate preapproval

policies established by the Committee or if such service falls within available exceptions under SEC rules.

2. *Annual Report on Independence.* The Committee must ensure that the independent auditor prepares and delivers, at least annually, a written statement delineating all relationships between the independent auditor and the Company. The Committee also must, at least annually, evaluate the qualifications, performance and independence of the Company's independent auditor, including an evaluation of the lead audit partner and assure the regular rotation of the lead audit partner at the independent auditor and consider regular rotation of the accounting firm serving as the Company's independent auditor. The Committee shall actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor, and, if the Committee determines that further inquiry is advisable, must take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.

3. *Accounting Policies and Principles.* The Committee must review and discuss with the Company's independent auditor (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within the Applicable Accounting Standards that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management. The Committee shall also review with management and the Company's independent auditor: any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

4. *Internal Control Over Financial Reporting.* The Committee shall confer with management and the Company's independent auditor, as appropriate, regarding the scope, adequacy and effectiveness of internal control over financial reporting including significant deficiencies or material weaknesses identified by the Company's independent auditor. To review with the management and the independent auditor any fraud, whether or not material, that includes management or other employees who have any significant role in the Company's internal control over financial reporting and any significant changes in internal controls or other factors that could significantly affect internal controls, including any corrective actions in regard to significant deficiencies or material weaknesses.

5. *Auditor Communications.* The Committee shall review and discuss with the Company's independent auditor any other matters required to be discussed by applicable requirements of the Public Company Accounting Oversight Board and the SEC.

Other Duties and Responsibilities

6. *Financial Disclosures.* The Committee shall review and discuss with management and the Company's independent auditor, as appropriate, the results of the auditors'

audit of annual financial statements or review of the Company's quarterly financial statements and approve such financial statements, and the Company's disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" (or any equivalent caption) in its periodic reports required by the SEC or any other applicable securities regulatory agency prior to public disclosure of financial information or filing of any required disclosure with the SEC or any other applicable securities regulatory agency.

7. *Committee Report.* The Committee will prepare the report required by the rule of the SEC to be included in the Company's annual proxy statement or annual report, if and as applicable.

8. *Complaint Procedures.* The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

9. *Review of Code of Ethics.* The Committee must, at least annually, consider and discuss with management and the independent auditor the Company's code of ethics and the procedures in place to enforce the code of ethics. The Committee must also consider and discuss and, as appropriate, grant requested waivers from the code of ethics brought to the attention of the Committee, though the Committee may defer any decision with respect to any waiver to the Board.

10. *Compliance.* The Committee will discuss with the Company's legal department any matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls, including corporate securities trading policies.

11. *Review of Related Person Transactions.* The Committee must review all related person transactions as defined by Item 404 of Regulation S-K on an ongoing basis and all such transactions must be approved by the Committee.

12. *Risk Management.* The Committee shall review and discuss with management the risks faced by the Company and the policies, guidelines and process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

13. *Review of this Charter.* The Committee must annually review and reassess this Charter and submit any recommended changes to the Board for its consideration.

14. *Report to the Board.* The Committee is responsible for reporting to the Board of Directors on matters required by this Charter or requested by the Board.

15. *Other Responsibilities.* The Committee shall perform other responsibilities as

given to it from time to time by the Board.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

Effective as of August 18, 2021