

## COMPENSATION COMMITTEE CHARTER

**I. Purposes.** The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of **urban-gro, Inc.** (the “Company”) shall be appointed by the Board for the primary purpose(s) of carrying out the responsibilities delegated by the Board relating to the review and determination of executive compensation.

**II. Duties and Responsibilities.** The Committee has the following duties and responsibilities (responsibilities with respect to setting compensation of the Chief Executive Officer and principal officers of the Company elected by the Board cannot be delegated to Company management).

**A. General.**

1. To approve compensation principles that apply generally to Company employees;
2. To make recommendations to the Board with respect to incentive compensation plans and equity based plans taking into account the results of the most recent rules to provide the shareholders with an advisory vote on executive compensation, generally known as “Say on Pay Votes” (Section 951 in The Dodd-Frank Wall Street Reform and Consumer Protection Act);
3. To administer and otherwise exercise the various authorities prescribed for the Committee by the Company’s incentive compensation plans and equity-based plans;
4. To select a peer group of companies against which to benchmark/compare the Company’s compensation systems for principal officers elected by the Board;
5. To monitor compensation trends and solicit independent advice where appropriate;
6. To review shareholder proposals related to executive compensation matters and recommend to the Board how to respond to such proposals;
7. To annually review the Company’s compensation policies and practices and assess whether such policies and practices are reasonably likely to have a material adverse effect on the Company;
8. To prepare a report of the Committee on executive compensation which is to be included in the Company’s proxy statement relating to the annual meeting of shareholders or annual report filed on Form 10-K with the Securities and Exchange Commission (“SEC”), which complies with applicable rules and regulations, including disclosure of whether the Committee has reviewed and discussed with management the Compensation Discussion and Analysis section included in the Company’s proxy statement and/or annual report on Form 10-K and recommended it be included in such proxy statement or annual report;
9. To fulfill any disclosure, reporting, or other requirements imposed on or required of Compensation Committees of public companies by the SEC, NYSE or other applicable laws, rules and regulations, as the foregoing may be amended from time to time;

10. To approve and oversee the application of the Company's compensation recoupment/clawback policy;
11. To determine and oversee stock ownership guidelines and stock option holding requirements, including periodic review of compliance by principal officers and members of the Board;
12. To assist the Board in developing and evaluating principal officers and to assist the Board in the development of principal officer succession and continuity plans.
13. To maintain and update, as appropriate, this Charter, which will be published on the Company's website; and
14. To perform any other activities as the Committee deems appropriate, or as are requested by the Board, consistent with this Charter, the Company's By Laws and applicable laws and regulations.

**B. Compensation of the Chief Executive Officer.**

1. To review and approve annually the corporate goals and objectives relevant to the Chief Executive Officer's compensation;
2. To evaluate, at least annually, the performance of the Chief Executive Officer in light of the approved corporate goals and objectives;
3. To determine and approve the compensation level of the Chief Executive Officer based on such evaluation and taking into account the results of the most recent Say on Pay Vote; and
4. To set the long-term incentive component of the compensation of the Chief Executive Officer considering the Company's performance and relative shareholder return, the value of incentive awards to Chief Executive Officers at other companies, and (as appropriate) the awards given to the Company's Chief Executive Officers in past years.

**C. Compensation of Other Executive Officers.** To approve the compensation of all other executive officers. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.

**D. Director Compensation.** To regularly review and evaluate the compensation program for Directors and, as appropriate, recommend changes to the Board.

**III. Membership, Structure and Operations.**

**A. Appointment and Removal of Members.**

1. *Appointment.* The members of the Committee shall be appointed by the Board and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Committee shall consist of at least one (1) independent member and the Officers and Directors of the Company as needed who shall also serve on the Committee as non-voting members and advisors. The Board may also appoint additional members from time to time.

2. **Removal.** The Board may remove any member from the Committee at any time with or without cause; provided, however, that if removing a member or members of the Committee would cause the Committee to have fewer than one (1) member, then the Board must at the same time appoint enough additional members to the Committee so that the Committee will have at least three (3) qualified members.

**B. Member Qualifications.** To be a member of the Committee, a Board member must meet the following requirements:

1. She/he must have, or obtain within a reasonable period of time after his/her appointment to the Committee, familiarity with the key issues relevant to the work of the Committee; as a non-voting member and advisor must serve as an Officer or Director, and;
2. Each member of the Committee must (i) be independent in accordance with the requirements of Rule 10C-1(b)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), NYSE MKT LLC Company Guide and Corporate Governance Standards of the NYSE Listed Company Manual and (ii) qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code, as amended.

**C. Appointment and Removal of Chair.**

1. **Appointment.** At the time the Board appoints members of the Committee, the Board also will appoint one of the members to act as Chair of the Committee. In addition to chairing meetings of the Committee, the Chair will be the liaison to Company management and will be responsible for setting the agenda for meetings, reporting to the Board and being available to answer questions at annual meetings of shareholders. The Chair may temporarily delegate his or her responsibilities to another member of the Committee if s/he is not available to perform them.
2. **Removal.** The Chair may be removed by the Board at any time with or without cause, provided that a new Chair is appointed by the Board at the same time.

**D. Delegation.** Except where otherwise prohibited, the Committee may delegate to a subcommittee which shall consist all of its members from the Committee or to the Chair the right to hear and determine any issue (whether specific or general) on behalf of the whole Committee, and the Committee may also delegate administrative tasks to employees of the Company; provided, however, that no such delegation can alter the fundamental duties and responsibilities of the Committee. Any subcommittee created hereby must be comprised of at least two members from the Committee and meet the definition of outside directors, as defined in Section 162 of the Internal Revenue Code or non-employee directors, as defined in Rule 16b-3 of the Exchange Act.

**E. Meetings; Operations.**

1. The Committee shall meet at least four (4) times per year at such times and places as it deems necessary to fulfill its responsibilities.
2. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

3. The Committee may include in its meetings members of the Company's management, other members of the Board, or third parties; provided, however, the Committee shall meet regularly without such members present, and in all cases, The CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.
4. At the next meeting of the Board after any Committee meeting, the Chair or his/her nominee will provide the Board with a report on the matters addressed at the Committee meeting.

**IV. Authority to Retain Experts; Independence.**

- A. The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.
- B. In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the factors specified in the NYSE listing standards. The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.
- C. The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

**V. Annual Performance Evaluation of the Committee.** At least annually, the Committee will evaluate how well it has fulfilled its purpose during the previous year and report its findings to the full Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

AS ADOPTED \_\_\_\_\_, 2020.