

**AUDIT COMMITTEE CHARTER  
OF  
CRONOS GROUP INC.  
(the “Corporation”)**

As approved by the Board of Directors of the Corporation as of April 23, 2024.

**ARTICLE 1  
PURPOSE AND SCOPE**

**1.1 Functions of the Audit Committee**

The primary functions of the Audit Committee (the “**Committee**”) of the Board of Directors of the Corporation (the “**Board**”) are to exercise the responsibilities and duties set forth below, including:

- (a) assist the Board in fulfilling its responsibilities by reviewing:
  - (i) the Corporation’s quarterly and annual financial statements and the auditor’s report, if any, prepared in relation to those financial statements, management’s discussion and analysis of the Corporation’s financial condition and results of operations (“**MD&A**”) contained in its Quarterly Report on Form 10-Q and Annual Report on Form 10-K filings, and annual and interim profit or loss press releases; and
  - (ii) the Corporation’s internal control over financial reporting;
- (b) be responsible, in the Committee’s capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the selection and appointment of the independent external auditors for the purpose of preparing or issuing an auditor’s report;
- (c) recommend to the Board the appointment of any external auditor performing other audit, review or attest services for the issuer;
- (d) be responsible, in the Committee’s capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for fixing the compensation of the independent external auditor;
- (e) oversee the work performed by any independent external audit firm, including their conduct of the annual audit and engagement for any other services, and review their qualifications and independence;
- (f) establish and monitor procedures designed to facilitate:
  - (i) the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters; and
  - (ii) the receipt of confidential or anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;

- (g) engage advisors as necessary;
- (h) prepare an audit committee report as required by the U.S. Securities and Exchange Commission (the “SEC”) for inclusion in the Corporation’s annual proxy statement;
- (i) oversee the Corporation’s cybersecurity program;
- (j) determine the relevant funding required by the Corporation for the payment of the independent audit firm, any advisors engaged by the Committee and ordinary administrative expenses of the Committee; and
- (k) oversee the Corporation’s internal audit function, including by:
  - (i) periodically reviewing the budget and staffing of the internal audit department; and
  - (ii) reviewing the appointment and replacement of the head of the internal audit department and periodically receiving from the head of the internal audit department summaries of the significant reports to management prepared by the internal audit department and management’s responses thereto (and copies of those reports, as appropriate).

**ARTICLE 2**  
**COMPOSITION AND MEETINGS**

**2.1 Composition**

- (a) The Committee shall be comprised of a minimum of three directors of the Board as appointed by the Board, each of whom:
  - (i) meets the applicable independence and/or audit committee composition requirements set forth in:
    - (A) National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, to the extent applicable;
    - (B) Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”);
    - (C) the NASDAQ Listing Standards or TSX Company Manual, as applicable, or the rules of any other applicable stock exchange;
    - (D) the Business Corporations Act (British Columbia); and
    - (E) any other applicable law, rule or regulation of any Canadian or U.S. securities regulatory authority or self regulatory organization, including the Ontario Securities Commission and the SEC, any

stock exchange and any other governmental or regulatory authority exercising authority over the Corporation (each a “**Regulatory Authority**”),

as in effect from time to time (collectively, the “**Applicable Requirements**”); and

- (ii) has not participated in the preparation of financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

(b) All members of the Committee shall be “financially literate”, which is defined as having a basic understanding of finance and accounting and having the ability to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

(c) At least one member of the Committee shall have employment experience in finance or accounting, requisite professional certification in accounting, or 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. Further, at least one member of the Committee shall qualify as an “audit committee financial expert” (as such term is defined in Item 407(d)(5)(ii) of Regulation S-K).

(d) Committee members may enhance their familiarity with finance and accounting by participating in education programs conducted by the Corporation or an outside consultant at the Corporation’s expense.

(e) Independence and financial literacy are to be determined by the Board in accordance with applicable laws, rules and regulations of the Regulatory Authorities.

## **2.2 Appointment**

(a) The members of the Committee shall be appointed by the Board at the meeting of the Board following each annual meeting of shareholders and shall serve until their successors shall be duly elected and qualified or until their earlier death, resignation or removal.

(b) The Board may fill a vacancy in the membership of the Committee and remove a member of the Committee at any time for any reason (with or without cause).

(c) The members of the Committee shall designate a chairperson of the Committee (“Chair”) by majority vote of the full Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute Chair from among its members.

## **2.3 Meetings**

(a) The Committee shall meet on a regularly-scheduled basis at least four times per year or more frequently as circumstances dictate.

(b) At the invitation of the Committee, members of the Corporation's management, senior personnel of the Corporation's internal audit function and others may attend Committee meetings as the Committee considers necessary or desirable.

(c) Representatives of the Corporation's independent external audit firm shall be given reasonable notice of, and are entitled to attend and be heard at each Committee meeting.

(d) At the request of the Corporation's independent external audit firm, the Chair of the Committee shall convene a meeting of the Committee to consider any matter that the Corporation's independent external audit firm believes should be brought to the attention of the directors or shareholders.

(e) The Committee shall be given reasonable notice of, and hold executive sessions without management present at each Committee meeting.

(f) All independent board members may attend Committee meetings, provided that board members who are not members of the Committee shall not be entitled to vote, nor shall their attendance be counted as part of the quorum of the Committee.

(g) The Chair of the Committee or any member of the Committee may call a meeting by providing reasonable notice to the members of the Committee. Ordinarily, meetings of the Committee should be convened with no less than 48 hours' notice having been given, but less notice may be reasonable depending on the circumstances. The requirement for notice to a Committee member can be waived in writing by that Committee member or with the consent of no less than the number of Committee members that constitutes a quorum of the Committee, whether before or after such notice is required. Attendance by a Committee member constitutes waiver of notice to such Committee member of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(h) The Committee shall report its actions to the Board and the Corporate Secretary of the Corporation and keep written minutes of its meetings, which shall be recorded and filed with the books and records of the Corporation. Minutes of each meeting will be made available to members of the Board and the Secretary of the Corporation.

## **2.4 Quorum**

A majority of the members of the Committee who are not officers or employees of the Corporation or of an affiliate of the Corporation shall constitute a quorum at any meeting of the Committee, but in no case shall a quorum be comprised of less than two members of the Committee, and the action of a majority of those present, after determining a quorum, shall be the act of the Committee.

## **ARTICLE 3 RESPONSIBILITIES AND DUTIES**

### **3.1 Document Review**

(a) The Committee shall review and assess the adequacy of this Charter periodically as conditions dictate, but at least annually (and recommend changes to the Board for its approval, if and when appropriate).

(b) The Committee shall review the Corporation's audited annual financial statements (including the related notes), the auditors' report thereon and the related financial disclosures, including the MD&A, prior to their filing with any Regulatory Authority, including:

- (i) reports by management and the independent external auditor with respect to management's assessment of internal control over financial reporting;
- (ii) the qualitative judgments of the independent external audit firm about the appropriateness of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation;
- (iii) the selection and application of the Corporation's critical accounting policies;
- (iv) the methods used to account for significant unusual transactions;
- (v) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- (vi) management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- (vii) significant recorded and unrecorded audit adjustments;
- (viii) any material accounting issues among management and the independent external audit firm; and
- (ix) other matters required to be communicated to the Committee under applicable auditing standards by independent auditors.

After such review, the Committee shall recommend to the Board whether such audited annual financial statements and related MD&A should be included in the Corporation's Annual Report on Form 10-K and whether such Form 10-K shall be filed with the applicable Regulatory Authorities, and to produce the Committee report required to be included in the Corporation's proxy statement for its annual shareholder meeting.

(c) The Committee shall review the Corporation's quarterly financial statements and the related MD&A to be included in the Corporation's Quarterly Report on Form 10-Q before the Form 10-Q is filed with the applicable Regulatory Authorities. After such review, the Committee shall recommend to the Board whether such financial statements and related MD&A should be filed with the applicable Regulatory Authorities. If any Regulatory Authority requires that the independent external audit firm review the Corporation's interim financial statements prior to their filing with the Regulatory Authority, the Committee shall take steps designed to ensure that such review has been completed.

(d) The Committee shall review any other financial reports and filings as may be deemed appropriate by the Committee or required by any other Regulatory Authority (including financial disclosure in a registration statement, prospectus or other securities offering document of the Corporation, press releases disclosing, or based upon, financial results of the Corporation including earnings releases and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated) and shall recommend to the Board whether such other financial reports or filings should be included in any external filing.

(e) The Committee shall review any forward-looking financial information prepared by management of the Corporation that is proposed to be publicly disseminated.

### **3.2 Independent Audit Firm**

(a) Subject to the rights of shareholders and applicable law, the Committee shall have the sole authority and direct responsibility for the appointment, compensation, retention and oversight of any independent external audit firm engaged for the purpose of preparing or issuing an external audit report or performing other audit, review or attest services for the Corporation, and each such independent audit firm must report directly to the Committee. Subject to applicable law, the authority of the Committee shall include ultimate authority to approve all audit engagement fees and terms and terminate the Corporation's independent audit firm.

(b) The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the independent external audit firm in accordance with Applicable Requirements (as defined below) and adopt and implement policies and procedures for the Committee's pre-approval of such permitted services on an on-going basis.

(c) The Committee shall determine funding necessary for compensation of any independent external audit firm and notify the Corporation of anticipated funding needs of the Committee.

(d) The Committee shall resolve any disagreements between management and the independent external audit firm as to financial reporting matters.

(e) The Committee shall instruct the independent external audit firm that it should report directly to the Committee on matters pertaining to the work performed during its engagement and on matters required by the Applicable Requirements.

(f) On at least an annual basis, the Committee shall receive from the independent external audit firm a formal written statement identifying: (1) the audit firm's internal quality control procedures; (2) any material issues raised by the most recent internal quality control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more audits carried out by the audit firm, and any steps taken to deal with any such issues; and (3) (to assess the audit firm's independence) all relationships between the independent external audit firm and the Corporation, including each non-audit service provided to the Corporation, and any other matters required to be disclosed pursuant to the applicable requirements of the Public Corporation Accounting Oversight

Board (the “**PCAOB**”), the Canadian Auditing and Assurance Standards Board and/or the applicable Rules of Professional Conduct/Code of Ethics adopted by the order of chartered accountants to which it belongs and the Applicable Requirements. The Committee shall establish policies for ensuring receipt from the independent external audit firm of a formal written statement of independence prior to engagement, and then on at least an annual basis, and take appropriate action to oversee the independence of the independent external audit firm.

(g) On an annual basis, the Committee shall receive from the independent external audit firm a formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditors: (1) the audit of the Corporation’s annual financial statements and the reviews of the financial statements included in the Corporation’s Quarterly Reports on Form 10-Q or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements; (2) assurance and related services not included in clause (i) that are reasonably related to the performance of the audit or review of the Corporation’s financial statements, in the aggregate and by each service; (3) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (4) all other products and services rendered by the independent auditors, in the aggregate and by each service.

(h) On an annual basis, the Committee shall discuss with representatives of the independent external audit firm the matters required to be discussed by PCAOB Auditing Standard No. 1301, Communications with Audit Committees, as it may be modified or supplemented, or any other applicable standards or requirements of the PCAOB and the SEC.

(i) The Committee shall evaluate the qualifications and performance of the independent external audit firm and shall, at least annually, review the qualifications and performance of the lead partner(s) of the independent external audit firm.

(j) The Committee shall obtain a report from the independent external audit firm annually verifying that the engagement team collectively possesses the experience and competence to perform an appropriate audit.

(k) The Committee shall discuss with Management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself.

(l) On at least an annual basis, the Committee shall review and discuss with the Corporation’s independent audit firm: (1) the auditors’ responsibilities under U.S. generally accepted auditing standards and the responsibilities of management in the audit process; (2) the overall audit strategy; (3) the scope and timing of the annual audit; (4) any significant risks identified during the auditors’ risk assessment procedures; and (5) when completed, the results, including significant findings, of the annual audit.

(m) The Committee shall review and discuss with the independent audit firm: (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within U.S. generally accepted accounting principles (“**US GAAP**”) 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, such as any management letter or schedule of unadjusted differences.

(n) The Committee shall review and approve policies for the Corporation's hiring of partners and employees or former partners and employees of the independent audit firm.

(o) When a change of independent external audit firm is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by any Regulatory Authority.

(p) The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the Corporation's independent external audit firm, whether or not there is to be a change of independent audit firm, and receive and review all reports prepared by the independent audit firm.

### **3.3 Financial Reporting Processes**

(a) In consultation with the Corporation's management and the independent external audit firm, the Committee shall receive reports by Management and the external auditors annually with respect to the adequacy of the Corporation's internal control over financial reporting and consider, in particular:

- (i) the effectiveness of, or weakness or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security), the overall control environment for managing business risks, and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) disclosure relating to the Corporation's internal control over financial reporting and disclosure controls and procedures, the independent auditors' report on the effectiveness of the Corporation's internal control over financial reporting and the required management certifications to be included in or attached as exhibits to the Corporation's periodic regulatory filings;
- (iii) any issues raised by any inquiry or investigation by any Regulatory Authority;
- (iv) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other senior employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the independent

external audit firm together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

(b) The Committee shall require the Corporation's Chief Executive Officer and Chief Financial Officer to submit a report to the Committee prior to the filing of the Corporation's annual audited financial statements and quarterly unaudited interim financial statements, which is based on their evaluation of internal control over financial reporting, and which discloses:

- (i) any and all significant deficiencies and material weaknesses in the design and operation of the internal controls over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize, and report financial data;
- (ii) any significant changes in internal control over financial reporting; and
- (iii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting,

(c) The Committee shall direct the actions to be taken and/or make recommendations to the Board of actions to be taken, to the extent such report indicates the finding of any significant deficiencies in internal control over financial reporting or fraud.

(d) The Committee shall review and discuss any reports concerning material violations of law submitted to it by the Corporation's attorneys or outside counsel pursuant to the SEC attorney professional responsibility rules or otherwise.

### **3.4 Compliance**

(a) The Committee shall establish procedures in compliance with applicable law for:

- (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(b) The Committee shall investigate any allegations that any officer or director of the Corporation, or any other person acting under the direction of any such person, took any action to fraudulently influence, coerce, manipulate, or mislead any firm (including the Corporation's independent external audit firm) engaged in the performance of an audit of the financial statements of the Corporation for the purpose of rendering such financial statements materially misleading and, if such allegations prove to be correct, take or recommend to the Board of Directors appropriate disciplinary action.

### **3.5 Conflicts of Interest and Related Party Transactions**

The Committee shall review the Corporation's policies relating to the avoidance of conflicts of interest and review, approve and oversee any transaction between the Corporation and any related person (as defined in Item 404 of Regulation S-K) on an ongoing basis, in accordance with the Corporation's policies and procedures or otherwise as required by any Regulatory Authority.

### **3.6 Cybersecurity**

The Committee shall oversee the Corporation's cybersecurity program. The Committee shall receive periodic reports from management on the Corporation's cybersecurity framework, the adequacy and effectiveness of the Corporation's cybersecurity policies, procedures and framework and the conformity of the Corporation's cybersecurity program with applicable law and industry practices. Cybersecurity incidents, breaches, or other events that are reasonably likely to have a material impact on the Corporation shall be promptly reported to the Committee. The Committee shall provide oversight (but not review or specific approval) of cybersecurity-related disclosures in financial reports, regulatory filings, and other communications to stakeholders.

### **3.7 Access to Management and Independent Advice**

(a) The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation and, from time to time, may hold unscheduled or regularly scheduled meetings or portions of meetings in executive session or otherwise with the Corporation's independent external audit firm, the Chief Financial Officer, the Chief Executive Officer or the Corporate Secretary.

(b) The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Corporation, with notice to either the Chair of the Board or the Chief Executive Officer of the Corporation, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

### **3.8 Duty of the Committee**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, to establish the Corporation's accounting and financial reporting systems, or to determine that the Corporation's financial statements are complete and accurate or are in accordance with generally accepted accounting principles.

### **3.9 Delegation of Authority**

To the extent permitted by applicable law, the Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such

responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

**ARTICLE 4**  
**NO RIGHTS CREATED**

This Charter is a broad policy statement and is intended to be part of the Board's flexible governance framework. While this Charter should comply with all Applicable Requirements and the Corporation's constating documents, including articles and by-laws, this Charter does not create any legally binding obligations, or create any standard of care with respect to, on the Board, the Committee or any other committee of the Board or any director or the Corporation.