

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM S-8  
REGISTRATION STATEMENT**  
*UNDER*  
**THE SECURITIES ACT OF 1933**

**CRONOS GROUP INC.**  
(Exact name of Registrant as specified in its charter)

**Ontario, Canada**  
(State or other jurisdiction of  
incorporation or organization)

**Not applicable**  
(IRS Employer  
Identification No.)

**720 King Street W., Suite 320  
Toronto, Ontario  
M5V 2T3**  
(Address, including zip code, of Registrant's principal executive offices)

**2015 Option Plan  
2018 Option Plan**  
(Full titles of the plans)

**CT Corporation  
111 Eighth Avenue  
New York, New York 10011**  
(Name and address of agent for service)

**(212) 590-9070**  
(Telephone number, including area code, of agent for service)

**COPIES TO:**

**Xiuming Shum  
Cronos Group Inc.  
720 King Street West, Suite 320  
Toronto, Ontario  
Canada, M5V 2T3  
Tel: (416) 504-0004**

**Adam M. Givertz  
Paul, Weiss, Rifkind,  
Wharton & Garrison LLP  
Toronto-Dominion Centre  
77 King Street West, Suite 3100  
Toronto, Ontario  
Canada, M5K 1J3  
Tel: (416) 504-0520**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company.) Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee

Common Shares (no par value) issuable pursuant to options outstanding under the 2015 Option Plan	12,696,366 shares (2)	US\$6.93	US\$87,985,816	US\$10,954.2
Common Shares (no par value) issuable pursuant to options outstanding under the 2018 Option Plan	18,575,225 shares (2)	US\$6.93	US\$128,726,309	US\$16,026.4

- (1) Pursuant to Rule 416 promulgated under the Securities Act of 1933, as amended (the “Securities Act”), this registration statement (the “Registration Statement”) also covers an indeterminate number of additional common shares of Cronos Group Inc. (the “Registrant”), no par value (the “Common Shares”), that may be offered or issued by reason of certain corporate transactions or events, including any stock dividend, stock split or any other similar transaction effected which results in an increase in the number of Common Shares.
- (2) Estimated for the purpose of calculating the registration fee in accordance with Rule 457(c) and 457(h) of the Securities Act, based on the average of the high and low prices of the Common Shares reported on the NASDAQ Global Market on July 5, 2018, which was US\$6.93 per share.

**PART I**

**INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

**Item 1. Plan Information.**

The documents containing the information specified in Part I of Form S-8 will be sent or given to participants in the amended and restated stock option plan dated May 26, 2015 (the “2015 Option Plan”) of Cronos Group Inc. (the “Registrant”) and the Registrant’s 2018 Stock Option Plan, dated as of June 28, 2018 (the “2018 Option Plan”) respectively, as specified by Rule 428(b)(1) under the Securities Act of 1933, as amended (the “Securities Act”). In accordance with the rules and regulations of the U.S. Securities and Exchange Commission (the “Commission”) and the instructions to Form S-8, such documents are not being filed with the Commission, but each such document constitutes, along with the documents incorporated by reference into this Registration Statement, a prospectus that meets the requirements of Section 10(a) of the Securities Act.

**Item 2. Registrant Information and Employee Plan Annual Information.**

The Registrant will furnish without charge to each person to whom a prospectus is delivered, upon the written or oral request of such person, a copy of any and all of the documents incorporated by reference in Item 3 of Part II of this Registration Statement, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference to the information that is incorporated). Those documents are incorporated by reference in each Section 10(a) prospectus. The Registrant will also furnish without charge to any person to whom a prospectus is delivered, upon written or oral request, all other documents required to be delivered pursuant to Rule 428(b) under the Securities Act. Requests should be directed to the Corporate Secretary of Cronos Group Inc. at 720 King Street West, Suite 320, Toronto, Ontario, Canada, M5V 2T3, telephone: (416) 504-0004.

**PART II**

**INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

**Item 3.      *Incorporation of Documents by Reference***

The following documents filed with or furnished to the Commission are incorporated herein by reference:

1. The Registrant's Annual Report on Form 40-F for the fiscal year ended December 31, 2017, filed with the Commission on April 30, 2018;
2. All reports filed by the Registrant pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") since December 31, 2017; and
3. A description of the common shares of the Registrant included in Exhibit 99.1 to the Registrant's Registration Statement on Form 40-F, filed with the Commission on February 22, 2018.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part thereof from the date of filing of such documents. Also, the Registrant may incorporate by reference its future reports on Form 6-K by stating in those Form 6-K's that they are being incorporated by reference into this Registration Statement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in this Registration Statement, or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Registration Statement, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

**Item 4.      *Description of Securities***

Not Applicable.

**Item 5.      *Interests of Named Experts and Counsel***

Not Applicable.

**Item 6.      *Indemnification of Directors and Officers***

Under the *Business Corporations Act* (Ontario), the Registrant may indemnify a director or officer of the Registrant, a former director or officer of the Registrant or another individual who acts or acted at the Registrant's request as a director or officer, or an individual acting in a similar capacity, of another entity (each of the foregoing, an "individual"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Registrant or other entity, on the condition that (i) such individual acted honestly and in good faith with a view to the best interests of the Registrant or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Registrant's request; and (ii) if the matter is a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Registrant shall not indemnify the individual unless the individual had reasonable grounds for believing that their conduct was lawful.

Further, the Registrant may, with the approval of a court, indemnify an individual in respect of an action by or on behalf of the Registrant or other entity to obtain a judgment in its favor, to which the individual is made a party because of the individual's association with the Registrant or other entity as a director or officer, a former director or officer, an individual who acts or acted at the Registrant's request as a director or officer, or an individual acting in a similar capacity, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions in (i) and (ii) of the paragraph immediately above. Such individuals are entitled to indemnification from the Registrant in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Registrant or other entity as described above, provided the individual seeking an indemnity: (A) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and (B) fulfills the conditions in (i) and (ii) of the paragraph immediately above.

The by-laws of the Registrant provide that, to the fullest extent permitted by law, the Registrant shall indemnify a director or officer of the Registrant, a former director or officer of the Registrant, or another individual who acts or has acted at the Registrant's request as a director or officer (or an individual acting in a similar capacity) of another entity (each an "Indemnified Person") against all liability, costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such Indemnified Person in respect of any civil, criminal, administrative, investigative or other proceeding in which the Indemnified Person is involved because of that association with the Corporation or other entity; provided that, (i) such Indemnified Person acted honestly and in good faith with a view to the best interests of the Registrant or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Registrant's request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such Indemnified Person had reasonable grounds for believing that their conduct was lawful.

The by-laws of the Registrant also provide that the Registrant shall advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding described in the paragraph immediately above. That individual shall repay the monies if they do not fulfill the conditions the condition in (i) and (ii) of the paragraph immediately above.

The by-laws of the Registrant further provide that the Registrant shall also indemnify an Indemnified Person in such other circumstances as the *Business Corporations Act* (Ontario) or the law permits or requires.

The Registrant maintains directors' and officers' liability insurance which insures directors and officers for losses as a result of claims against the directors and officers of the Registrant in their capacity as directors and officers and also reimburses the Registrant for payments made pursuant to the indemnity provisions under the by-laws of the Registrant and the *Business Corporations Act* (Ontario).

**Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.**

**Item 7. Exemption from Registration Claimed**

Not Applicable.

**Item 8. Exhibits**

The exhibits listed under the caption "Exhibits Index" of this Registration Statement are incorporated by reference herein.

**Item 9. Undertakings**

The Registrant hereby undertakes:

- (a)(1) To file during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
- (i) to include any prospectus required by Section 10(a)(3) of the Securities Act;
  - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
  - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- provided, however, that, paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement;*
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered hereby which remain unsold at the termination of the offering.
- (b) The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering hereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## INDEX TO EXHIBITS

- 4.1\* [Certificate of Incorporation and Articles of Amendment of Cronos Group Inc.](#)
- 4.2\* [By-law No. 5 of Cronos Group Inc.](#)
- 4.3\* [2015 Option Plan of Cronos Group Inc., dated as of May 26, 2015.](#)
- 4.4\* [2018 Option Plan of Cronos Group Inc., dated as of June 28, 2018.](#)
- 5.1\* [Opinion of Blake, Cassels & Graydon LLP as to legality of the Common Shares.](#)
- 23.1\* [Consent of Blake, Cassels & Graydon LLP \(included in Exhibit 5.1 to this Registration Statement\).](#)
- 23.2\* [Consent of MNP LLP.](#)
- 24.1\* [Powers of Attorney \(included on signature pages of this Part II\).](#)

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\* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Ontario, Country of Canada, on the 11<sup>th</sup> day of July, 2018.

**CRONOS GROUP INC.**

By: /s/ Michael Gorenstein

Name: Michael Gorenstein

Title: President and Chief Executive Officer

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael Gorenstein, Xiuming Shum and William Hilson, or any of them, his or her true and lawful attorneys-in-fact and agents, each of whom may act alone, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments to this Registration Statement and registration statements filed pursuant to Rule 429 under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents and in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, and hereby ratifies and confirms all his or her said attorneys-in-fact and agents or any of them or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together shall constitute one instrument.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities indicated on July 11th, 2018.

<u>Signature</u>	<u>Title</u>
<u>/s/ Michael Gorenstein</u> Michael Gorenstein	Chairman, President and Chief Executive Officer (Principal executive officer)
<u>/s/ William Hilson</u> William Hilson	Chief Financial Officer (Principal financial officer and principal accounting officer)
<u>/s/ Jason Adler</u> Jason Adler	Director
<u>/s/ Alan Friedman</u> Alan Friedman	Director
<u>/s/ Michael Coates</u> Michael Coates	Director
<u>/s/ Jim Rudyk</u> Jim Rudyk	Director

**AUTHORIZED REPRESENTATIVE**

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, as amended, the undersigned has signed this Registration Statement, solely in the capacity of the duly authorized representative of Cronos Group Inc. in the United States, on the 11<sup>th</sup> day of July, 2018.

**PUGLISI & ASSOCIATES**

**By:** /s/ Donald J. Puglisi  
Name: Donald J. Puglisi  
Title: Managing Director

Request ID: 014538608  
Demande n°:  
Transaction ID: 048505649  
Transaction n°:  
Category ID: CT  
Catégorie:

Province of Ontario  
Province de l'Ontario  
Ministry of Government Services  
Ministère des Services gouvernementaux

Date Report Produced: 2012/08/21  
Document produit le:  
Time Report Produced: 09:45:44  
Imprimé à:

## Certificate of Incorporation Certificat de constitution

This is to certify that

Ceci certifie que

**2339498 ONTARIO INC.**

Ontario Corporation No.

Numéro matricule de la personne morale en  
Ontario

**002339498**

is a corporation incorporated,  
under the laws of the Province of Ontario.

est une société constituée aux termes  
des lois de la province de l'Ontario.

These articles of incorporation  
are effective on

Les présents statuts constitutifs  
entrent en vigueur le

**AUGUST 21 AOÛT, 2012**

Director/Directrice

Business Corporations Act/Loi sur les sociétés par actions

Request ID / Demande n°  
14538608

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2339498

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

/

LOI SUR LES SOCIÉTÉS PAR ACTIONS

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*  
2339498 ONTARIO INC.
2. The address of the registered office is: *Adresse du siège social:*  
120 ADELAIDE STREET WEST Suite 1204  
*(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)*  
*(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)*  
TORONTO ONTARIO  
CANADA M5H 1T1  
*(Name of Municipality or Post Office)* *(Postal Code/Code postal)*  
*(Nom de la municipalité ou du bureau de poste)*
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*  
Minimum 1 Maximum 10
4. The first director(s) is/are: *Premier(s) administrateur(s):*  
First name, initials and surname *Resident Canadian State Yes or No*  
*Prénom, initiales et nom de famille Résident Canadien Oui/Non*  
Address for service, giving Street & No. *Domicile élu, y compris la rue et le*  
*or R.R. No., Municipality and Postal Code numéro, le numéro de la R.R., ou le nom*  
*de la municipalité et le code postal*
- \* ALAN YES  
FRIEDMAN  
7 COULSON AVENUE  
TORONTO ONTARIO  
CANADA M4V 1Y3

Request ID / Demande n°  
14538608

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2339498

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4. The first director(s) is/are:	Premier(s) administrateur(s):
First name, initials and surname <i>Prénom, initiales et nom de famille</i>	Resident Canadian    State Yes or No <i>Résident Canadien    Oui/Non</i>
Address for service, giving Street & No. or R.R. No., Municipality and Postal Code	Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal
* ALAN ROOTENBERG  230 BALLIOL STREET  TORONTO ONTARIO CANADA M4S 1C5	YES
* MATTHEW LERNER  534 CASTLEFIELD AVENUE  TORONTO ONTARIO CANADA M5N 1L6	YES

Request ID / Demande n°  
14538608

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Numéro de la compagnie en Ontario  
2339498

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5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
*Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.*

None

6. The classes and any maximum number of shares that the corporation is authorized to issue:  
*Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:*

An unlimited number of one class of shares to be designated as Common Shares.

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14538608

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Numéro de la compagnie en Ontario  
2339498

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

These Articles of Incorporation do not attach any additional rights, privileges, restrictions or conditions to the common shares or to directors' authority with respect to any class of shares which may be issued in series.

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14538608

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Numéro de la compagnie en Ontario  
2339498

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:  
*L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:*

No shares may be transferred without either:

(a) the approval of the directors of the Corporation expressed by a resolution passed by the board of directors of the Corporation at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors; or

(b) the approval of the holders of a majority of the voting shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of shareholders or by an instrument or instruments in writing signed by the holders of a majority of such shares.

Request ID / Demande n°  
14538608

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2339498

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9. Other provisions, (if any, are):  
*Autres dispositions, s'il y a lieu:*

The number of shareholders of the Corporation exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation were, while in that employment, shareholders of the Corporation, is limited to not more than fifty (50), provided that:

(a) two or more persons who are the joint registered holders of one or more securities of the Corporation are counted as one beneficial owner of those securities; and

(b) a corporation, partnership, trust or other entity is counted as one beneficial owner of securities of the Corporation unless the entity has been created or is being used primarily for the purpose of acquiring or holding securities of the Corporation, in which event each beneficial owner of an equity interest in the entity or each beneficiary of the entity, as the case may be, is counted as a separate beneficial owner of those securities of the Corporation.

Request ID / Demande n°  
14538608

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2339498

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10. The names and addresses of the incorporators are  
*Nom et adresse des fondateurs*

First name, initials and last name or corporate name	<i>Prénom, initiale et nom de famille ou dénomination sociale</i>
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Full address for service or address of registered office or of principal place of business  
giving street & No. or R.R. No., municipality and postal code  
*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris  
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

\* ALAN FRIEDMAN  
7 COULSON AVENUE

TORONTO ONTARIO  
CANADA M4V 1Y3

\* ALAN ROOTENBERG  
230 BALLIOL STREET

TORONTO ONTARIO  
CANADA M4S 1C5

\* MATTHEW LERNER  
534 CASTLEFIELD AVENUE

TORONTO ONTARIO  
CANADA M5N 1L6



**Ontario  
CERTIFICATE**

This is to certify that these articles  
are effective on

**CERTIFICAT**

Ceci certifie que les présents statuts  
entrent en vigueur le

002339498

**OCTOBER 1 8 OCTOBRE, 2012**

Director / Directrice  
Business Corporations Act / Loi sur les sociétés par actions

Form 3  
Business  
Corporations  
Act

Formule 3  
Loi sur les  
sociétés par  
actions

**ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION**

- The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)  
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

2 3 3 9 4 9 8 O N T A R I O I N C .

- The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)  
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT):

S E A R C H T E C H V E N T U R E S I N C .

- Date of incorporation/amalgamation:  
Date de la constitution ou de la fusion:

2012/08/21

(Year, Month, Day)  
(année, mois, jour)

- Complete only if there is a change in the number of directors or the minimum / maximum number of directors.  
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.**

Number of directors is/are: minimum and maximum number of directors is/are:  
Nombre d'administrateurs: nombres minimum et maximum d'administrateurs:

Number minimum and maximum  
Nombre minimum et maximum

or  
ou

- The articles of the corporation are amended as follows:  
Les statuts de la société sont modifiés de la façon suivante:

by changing the name of the Corporation to SEARCHTECH VENTURES INC.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2012/10/16

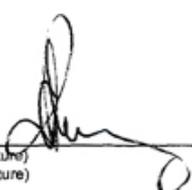
(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

2339498 ONTARIO INC.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

  
\_\_\_\_\_  
(Signature)  
(Signature)

Director

\_\_\_\_\_  
(Description of Office)  
(Fonction)



6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2014/05/30

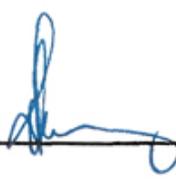
(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

**SEARCHTECH VENTURES INC.**

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

  
\_\_\_\_\_  
(Signature)  
(Signature)

**Alan Rootenberg, Chief Executive Officer**

\_\_\_\_\_  
(Description of Office)  
(Fonction)



6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2014/10/03

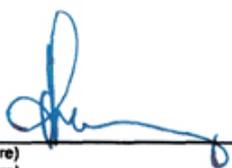
(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

SEARCHTECH VENTURES INC.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

  
\_\_\_\_\_  
(Signature)  
(Signature)

Alan Rootenberg, Chief Executive Officer  
(Description of Office)  
(Fonction)



**CERTIFICATE**

This is to certify that these articles  
are effective on

**CERTIFICAT**

Ceci certifie que les présents statuts  
entrent en vigueur le

002339498

**OCTOBER 1 8 OCTOBRE, 2012**

Director / Directrice  
Business Corporations Act / Loi sur les sociétés par actions

Form 3  
Business  
Corporations  
Act

Formule 3  
Loi sur les  
sociétés par  
actions

**ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION**

- The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)  
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT) :

2 3 3 9 4 9 8 O N T A R I O I N C .

- The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)  
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

S E A R C H T E C H V E N T U R E S I N C .

- Date of incorporation/amalgamation:  
Date de la constitution ou de la fusion :

2012/08/21

(Year, Month, Day)  
(année, mois, jour)

- Complete only if there is a change in the number of directors or the minimum / maximum number of directors.  
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:  
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum  
Nombre minimum et maximum

or   
ou

- The articles of the corporation are amended as follows:  
Les statuts de la société sont modifiés de la façon suivante :

by changing the name of the Corporation to SEARCHTECH VENTURES INC.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2012/10/16

(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

2339498 ONTARIO INC.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

(Signature)  
(Signature)

Director

(Description of Office)  
(Fonction)



6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2014/05/30

(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

SEARCHTECH VENTURES INC.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

(Signature)  
(Signature)



Alan Rootenberg, Chief Executive Officer

(Description of Office)  
(Fonction)



**Ontario**  
**CERTIFICATE**  
This is to certify that these  
articles are effective on

Ministère des  
Services gouvernementaux

**CERTIFICAT**  
Ceci certifie que les présents  
statuts entrent en vigueur le

002339498

**DECEMBER 10 DÉCEMBRE, 2014**

  
Director / Directeur 17  
Business Corporations Act / Loi sur les sociétés par actions

Form 3  
Business  
Corporations  
Act

Formule 3  
Loi sur les  
sociétés par  
actions

**ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)  
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

S	E	A	R	C	H	T	E	C	H	V	E	N	T	U	R	E	S	I	N	C	.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)  
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT):

P	H	A	R	M	A	C	A	N	C	A	P	I	T	A	L	C	O	R	P	.	

3. Date of incorporation/amalgamation:  
Date de la constitution ou de la fusion:

2012/08/21  
(Year, Month, Day)  
(année, mois, jour)

4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.  
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:  
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum  
Nombre minimum et maximum

or

5. The articles of the corporation are amended as follows:  
Les statuts de la société sont modifiés de la façon suivante :

(i) by changing the name of the corporation to PharmaCan Capital Corp.; and

(ii) by consolidating the common shares of the corporation on the basis of one post-consolidation common share for every seven pre-consolidation shares. There will be no rounding up of shares on the consolidation.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2014/10/03

(Year, Month, Day)  
(année, mois, jour)

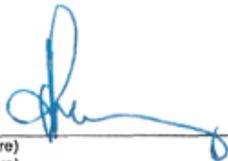
These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

SEARCHTECH VENTURES INC.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par

(Signature)  
(Signature)



Alan Rootenberg, Chief Executive Officer

(Description of Office)  
(Fonction)



6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2014/05/30

(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

**SEARCHTECH VENTURES INC.**

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

(Signature)  
(Signature)

Alan Rootenberg, Chief Executive Officer  
(Description of Office)  
(Fonction)



6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2012/10/16

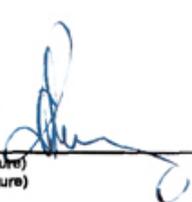
(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

2339498 ONTARIO INC.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une)

By/  
Par :

  
\_\_\_\_\_  
(Signature)  
(Signature)

Director  
\_\_\_\_\_  
(Description of Office)  
(Fonction)



6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.  
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on  
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2017/02/24

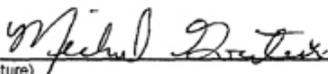
(Year, Month, Day)  
(année, mois, jour)

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

PHARMACAN CAPITAL CORP.

(Print name of corporation from Article 1 on page 1)  
(Veuillez écrire le nom de la société de l'article un à la page une).

By/  
Par :

  
(Signature)  
(Signature)

PRESIDENT

(Description of Office)  
(Fonction)

**BY-LAW NO. 5**

(repealing and replacing By-Law No. 3 and By-Law No. 4)

A by-law relating generally to the conduct of the affairs of

**CRONOS GROUP INC.**

(hereinafter called the “**Corporation**”)

**BE IT ENACTED** and it is hereby enacted as a by-law of the Corporation as follows:

**ARTICLE 1**  
**INTERPRETATION****1.1**      **Definitions**

In this by-law of the Corporation, unless the context otherwise requires:

“**Act**” means the *Business Corporations Act* (Ontario) or any statute which may be substituted therefor, including the regulations made thereunder as amended from time to time;

“**Applicable Securities Laws**” means the applicable securities legislation in Canada, the United States and any other relevant jurisdiction, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority;

“**appoint**” includes “elect” and vice versa;

“**Articles**” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, arrangement or revival of the Corporation;

“**Board**” means the board of directors of the Corporation;

“**By-laws**” means this by-law and all other by-laws of the Corporation in force and effect from time to time, and any amendments which may be made to such by-laws from time to time;

“**Director**” means a member of the Board;

“**entity**” means a body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization;

“**meeting of shareholders**” or “**Shareholders Meeting**” means an annual meeting of shareholders and a special meeting of shareholders;

“**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006* (Ontario);

“**person**” includes any individual, body corporate, partnership, trust, joint venture or unincorporated organization or association;

“**recorded address**” means:

- (a) in the case of a shareholder, his or her address as recorded in the securities register of the Corporation;
- (b) in the case of joint shareholders, the address appearing in the securities register of the Corporation in respect of the joint holding or the first address so appearing if there is more than one;
- (c) in the case of an officer, auditor or member of a committee of the Board, his or her latest address as recorded in the records of the Corporation; and
- (d) in the case of a Director, his or her latest address as recorded in the most recent notice filed under the *Corporations Information Act* (Ontario),

“**special meeting**” includes a meeting of any class or classes of shareholders, and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders.

## 1.2 **Interpretation**

(a) Unless otherwise defined herein, the defined terms set out in the Act have the same meanings when used in this By-law.

(b) For the purposes of this By-law:

- (i) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (ii) the word “or” is not exclusive;
- (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this By-law as a whole;
- (iv) whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate; and
- (v) whenever the masculine is used herein, the same shall include the feminine, and whenever the feminine is used herein, the same shall include the masculine, where appropriate.

(c) Unless the context otherwise requires, references herein:

- (i) to sections mean the sections of this By-law;
- (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and
- (iii) to a statute, including the Act, means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

**ARTICLE 2**  
**MEETINGS OF SHAREHOLDERS**

**2.1 Place of Meetings**

All meetings of the shareholders shall be held at such place in or outside Ontario as the Board determines or, in the absence of such a determination, at the place stated in the notice of meeting, or, if no place is stated in the notice of meeting, at the registered office of the Corporation.

**2.2 Annual Meetings**

The annual meeting of the shareholders for the election of Directors, consideration of the financial statements, the reappointment of the incumbent auditor, if any, and for the transaction of ordinary business or special business as may properly come before the meeting shall be held at such date, time and place, if any, as shall be determined by the Board and stated in the notice of the meeting.

**2.3 Special Meetings**

Special meetings of shareholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by shareholders in accordance with the Act. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

**2.4 Fixing the Record Date**

In order that the Corporation may determine the shareholders entitled to notice of any meeting of shareholders or any adjournment thereof, the Board may fix a record date, which date shall be not more than 60 nor less than 30 days before the date of such meeting, and notice of any record date shall be given not less than seven days before the record date, by newspaper advertisement in the manner provided by the Act and as required by any relevant stock exchange. If no record date is fixed by the Board, the record date for determining shareholders entitled to notice of a meeting of shareholders shall be at the close of business on the day before the date on which the notice is given, or, if no notice is given, shall be the day on which the meeting is held. A determination of shareholders entitled to notice of a meeting of shareholders shall apply to any

adjournment of the meeting; provided however, that the Board may fix a new record date for the determination of shareholders entitled to vote at the adjourned meeting, and, in such case, it shall comply with the Act and this By-law in setting such date.

In order that the Corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of shares, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 50 days before such action. If no record date is fixed, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board passes the resolution relating thereto.

## **2.5 Adjournments**

The chair presiding at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting from time to time and from place to place subject to this Section 2.5. Any meeting of the shareholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any. If the adjournment is for less than 30 days, the Corporation need not give notice of the adjourned meeting other than by announcement at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each shareholder entitled to vote at the meeting using the same process for an original notice of meeting. If after the adjournment a new record date is fixed for shareholders entitled to vote at the adjourned meeting, the Board shall give notice of the new record date and notice of the adjourned meeting to each shareholder entitled to vote at the adjourned meeting in accordance with the Act and this By-law. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

## **2.6 Notice of Meetings**

Notice of the place, if any, date, hour, and means of remote communication, if any, of every meeting of shareholders shall be given by the Corporation not less than 21 days, and not more than 50 days before the meeting to every shareholder entitled to vote at the meeting as of the record date, to each Director, and to the Corporation's auditor, if any. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called in sufficient detail to permit the shareholder to form a reasoned judgment on special business, and include the text of any special resolution or by-law to be submitted at the meeting. Except as otherwise provided herein or permitted by applicable law, notice to shareholders shall be in writing and delivered personally or mailed to the shareholders at their recorded address. Without limiting the manner by which notice otherwise may be given effectively to shareholders, notice of meetings may be given to shareholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any shareholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the shareholder attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is unlawfully called. Any shareholder so waiving

notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

## **2.7 Quorum**

Quorum for any meeting of shareholders shall be shareholders, personally present or represented by proxy, holding no less than 33 1/3% of the outstanding shares of the applicable class of shares. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provision of this by-law with regard to notice shall apply to such adjournment.

## **2.8 Conduct of Meetings**

At every meeting of shareholders, the chair of the Board, or in his or her absence or inability to act, the vice-chair of the Board, or, in his or her absence or inability to act, the individual whom the Chief Executive Officer appoints, shall act as chairperson of, and preside at, the meeting. The secretary or, in his or her absence or inability to act, the individual whom the meeting's chairperson appoints as secretary of the meeting, shall act as secretary and keep the meeting's minutes. The chairperson of any shareholders' meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include: (a) establishing an agenda or order of business for the meeting; (b) determining when the polls shall open and close for any given matter to be voted on at the meeting; (c) establishing rules and procedures for maintaining order at the meeting and the safety of those present; (d) limiting attendance at or participation in the meeting to registered shareholders of the corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (e) restricting entry to the meeting after the time fixed for the commencement thereof; and (f) limiting the time allotted for participants' questions or comments.

## **2.9 Voting; Proxies**

Unless otherwise required by law, the election of Directors shall be by show of hands unless a ballot is demanded in which case such election shall be by ballot. Unless otherwise required by law, the Articles, or this By-law, any matter, other than the election of Directors, brought before any meeting of shareholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. In the case of an equality of votes on a show of hands, a ballot or the results of telephonic or electronic voting, the chairperson of the meeting shall not have a second or casting vote in addition to an original vote as a shareholder. Voting at meetings of shareholders need not be by written ballot, except where a ballot is demanded by a shareholder or proxy holder entitled to vote at the meeting. Each shareholder entitled to vote at a meeting of shareholders or to express approval of any resolution in writing may authorize another person or persons to act for such shareholder by proxy, but no such proxy shall be voted or acted upon

except at the meeting in respect of which it is given or any adjournment thereof. A proxy may be revoked before the meeting. A shareholder may revoke any proxy by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. The board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than 48 hours exclusive of any part of a non-business day, before which time proxies to be used at such meeting must be deposited.

### **2.10 Omissions and Errors**

The accidental omission to give any notice to any shareholder, Director, officer, member of a committee of the Board or auditor, the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-laws, or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

## **ARTICLE 3** **DIRECTORS**

### **3.1 Powers of the Board**

The Board shall manage, or supervise the management of, the business and affairs of the Corporation.

### **3.2 Fees and Expenses**

The remuneration to be paid to the Directors shall be such as the Board shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the Board. The Directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The Directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation. Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving remuneration therefore.

### **3.3 Place of Board Meetings**

All meetings of the Board may be held at any place within or outside Ontario. In any financial year of the Corporation, a majority of the meetings of the Board need not be held within Canada.

### **3.4 Regular Meetings**

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after

being passed, and no further notice shall be required for any such regular meeting except where the act requires the purpose thereof or the business to be transacted thereat to be specified.

**3.5 Calling of Meetings**

Meetings of the Board shall be held from time to time at such place, on such day and at such time as the Board, the chairperson of the Board or any two Directors may determine. Meetings are called by the chairperson of the Board or by the secretary upon being asked to call such a meeting.

**3.6 Notice of Meetings**

Except as set out in Section 3.4, the notice stating the time and place of a meeting of the Board and the general nature of any business to be transacted at the meeting shall be given to each Director at least 48 hours before the meeting is to occur.

**3.7 Telephone Meetings.**

Board meetings or meetings of any committees of the Board may be held by means of telephonic, electronic or other communication facility that permits all participants to communicate with each other simultaneously and instantaneously, and such participation by a Director or a member of a committee in a meeting shall constitute presence in person at such meeting.

**3.8 Adjourned Meetings.**

A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director, whether or not present at the time of the adjournment. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

**3.9 Notices**

Unless otherwise stated in these By-laws, whenever notice is required to be given to any Director by applicable law, the Articles or this By-law, such notice shall be deemed to be given effectively if given in person, by telephone, by facsimile, e-mail or by other means of electronic transmission or by overnight courier to the Director's recorded address.

**3.10 Waiver of Notice**

Whenever notice to Directors is required by applicable law, the Articles or this By-law, a waiver thereof, in writing signed by the Director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was unlawfully called. Neither the business to be transacted at, nor the purpose of,

any regular or ad hoc meeting of the Board or committee of the Board need be specified in any waiver of notice.

**3.11 Organization**

At each meeting of the Board, the chair of the Board or, in his or her absence, another Director selected by the Board shall preside. The secretary shall act as secretary at each meeting of the Board. If the secretary is absent from any meeting of the Board, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the secretary and all assistant secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

**3.12 Quorum of Directors**

A majority of the number of Directors shall constitute a quorum for the transaction of business at any Board meeting. If the Board has fewer than three Directors, all Directors must be present to constitute a quorum.

**3.13 Majority Vote**

Except as otherwise expressly required by this By-law, the Articles or the Act, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. In the case of an equality of votes, the chairperson of the meeting shall not have a second or casting vote in addition to his or her original vote as a Director.

**3.14 Resolution in Writing of Board**

Unless otherwise restricted by the Articles or this By-law, any resolution required or permitted to be passed at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or committee members, as the case may be, entitled to vote thereon consent thereto in writing, and the writings are filed with the minutes of proceedings of the Board or committee in accordance with the Act.

**3.15 Committees of the Board**

The Board may designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting shall vote on any matter. Any such committee shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent authorized by the Board and subject to the limitations in the Act.

**3.16 Duties of Directors and Officers**

Every Director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests

of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**3.17 Limitation of Liability**

Subject to the Act, no Director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto. Nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

**3.18 Indemnity**

(a) To the fullest extent permitted by law, the Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity, against all liability, costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

(b) The Corporation shall advance monies to a Director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 3.18(a). The individual shall repay the monies if he or she does not fulfill the conditions of Section 3.18(c).

(c) The Corporation shall not indemnify an individual under Section 3.18(a) unless he or she (i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the Corporation's request and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

(d) The Corporation shall also indemnify the individual referred to in Section 3.18(a) in such other circumstances as the Act or the law permits or requires.

(e) Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law, including under contract, insurance, applicable law or otherwise.

**ARTICLE 4**  
**ADVANCE NOTICE FOR NOMINATION OF DIRECTORS**

**4.1 Limitation on Nominations of Directors**

Subject only to the Act and the Articles, only individuals who are nominated in accordance with the procedures set out in this ARTICLE 4 and who, at the discretion of the Board, satisfy the qualifications of a Director as set out in the Act shall be eligible for election as Directors of the Corporation.

**4.2 Nomination Procedures**

Nominations of individuals for election to the Board may be made at any annual Shareholders Meeting or at any special Shareholders Meeting if one of the purposes for which the special Shareholders Meeting was called was the election of directors. Such nominations may be made in the following manner:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting, including, for clarity, any nominees of a shareholder who are proposed by the Board for election in the notice of meeting, whether pursuant to an agreement with such shareholder or otherwise;
- (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or
- (c) by any person (a "**Nominating Shareholder**"):
  - (i) who, at the close of business on the date of the giving of the notice provided below in Section 4.3 and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
  - (ii) who complies with the notice procedures set forth below in this Section 4.3.

**4.3 Nominations by a Nominating Shareholder**

(a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation. To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made:

- (i) in the case of an annual Shareholders Meeting, not less than 30 nor more than 65 days prior to the date of the annual Shareholders Meeting;

provided, however, that in the event that the annual Shareholders Meeting is to be held on a date that is less than 50 days after the date on which the first public announcement by the Corporation by press release (the “**Notice Date**”) of the date of the annual Shareholders Meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and

- (ii) in the case of a special Shareholders Meeting (which is not also an annual Shareholders Meeting) called for the purpose of electing Directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement by the Corporation by press release of the date of the special Shareholders Meeting was made.

(b) In no event shall any adjournment or postponement of a Shareholder Meeting or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

(c) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation must set forth:

- (i) the identity of the Nominating Shareholder and the number of voting securities held by the Nominating Shareholder;
- (ii) if the Nominating Shareholder is not the beneficial owner of all of those voting securities, the identity of the beneficial owner and the number of voting securities beneficially owned by that beneficial owner;
- (iii) with respect to the Nominating Shareholder and, if applicable, any beneficial owner, the following:
  - (A) the class or series and number of any securities in the capital of the Corporation which are controlled, or over which control or direction is exercised, directly or indirectly, by the Nominating Shareholder or beneficial owner, and each person acting jointly or in concert with any of them (and for each such person any options or other rights to acquire shares in the capital of the Corporation, any derivatives or other securities, instruments or arrangements for which the price or value or delivery, payment or settlement obligations are derived from, referenced to, or based on any such shares, and any hedging transactions, short positions and borrowing or lending arrangements relating to such shares) as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (B) any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which the Nominating Shareholder or

beneficial owner has a right to vote any shares in the capital of the Corporation on the election of directors;

- (C) in the case of a special Shareholders Meeting called for the purpose of electing Directors, a statement as to whether the Nominating Shareholder or beneficial owner intends to send an information circular and form of proxy to any shareholders of the Corporation in connection with the individual's nomination; and
- (D) any other information relating to the Nominating Shareholder or beneficial owner that would be required to be disclosed in a dissident's proxy circular or other filings to be made in connection with solicitations of proxies for election of Directors pursuant to the Act and Applicable Securities Laws; and
- (E) as to each individual whom the Nominating Shareholder proposes to nominate for election as a Director:
  - (I) the name, age, business address and residential address of the individual;
  - (II) the principal occupation or employment of the individual;
  - (III) the class or series and number of securities in the capital of the Corporation which are beneficially owned, or over which control or direction is exercised, directly or indirectly, by such individual as of the record date for the Shareholders Meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
  - (IV) any other information relating to the individual that would be required to be disclosed in a dissident's proxy circular or other filings to be made in connection with solicitations of proxies for election of Directors pursuant to the Act and Applicable Securities Laws.

(d) A Nominating Shareholders' notice to the Secretary of the Corporation must also state:

- (i) whether, in the opinion of the Nominating Shareholder and the proposed nominee, the proposed nominee would qualify to be an independent Director of the Corporation under sections 1.4 and 1.5 of National Instrument 52-110 –*Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”), sections 5605(a)(2) and 5605(c)(2) of the Nasdaq Listing Rules and the commentary relating thereto and Rule 10A-3(b) under the Securities and Exchange Act of 1934, as well as any other

applicable independence criterion of a stock exchange or regulatory authority that may be applicable to the Corporation; and

- (ii) whether, with respect to the Corporation, the proposed nominee has a “material relationship” as defined in NI 52-110 or one or more of the relationships described in sections 1.4(3) or 1.5 of NI 52-110, sections 5605(a)(2) and 5605(c)(2) of the Nasdaq Listing Rules and the commentary relating thereto and Rule 10A-3(b) under the Securities and Exchange Act of 1934, as well as any other applicable independence criterion of a stock exchange or regulatory authority that may be applicable to the Corporation.

(e) The Corporation may require any proposed Director nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed Director nominee to serve as an independent Director of the Corporation or that could be material to a reasonable shareholder of the Corporation’s understanding of the independence, or lack thereof, of such proposed Director nominee.

(f) In addition to the provisions of this ARTICLE 4, a Nominating Shareholder and any individual nominated by the Nominating Shareholder shall also comply with all of the applicable requirements of the Act, Applicable Securities Laws and applicable stock exchange rules regarding the matters set forth herein.

(g) Except as otherwise provided by the special rights or restrictions attached to the shares of any class or series of the Corporation, no individual shall be eligible for election as a Director of the Corporation unless nominated in accordance with the provisions of this ARTICLE 4; provided, however, that nothing in this ARTICLE 4 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of Directors) at a Shareholders Meeting of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded. A duly appointed proxyholder of a Nominating Shareholder shall be entitled to nominate at a Shareholders Meeting the Directors nominated by the Nominating Shareholder, provided that all of the requirements of this ARTICLE 4 have been satisfied. If the Nominating Shareholder or its duly appointed proxyholder does not attend at the Shareholders Meeting to present the nomination, the nomination shall be disregarded notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(h) In addition to the provisions of this ARTICLE 4, a Nominating Shareholder and any individual nominated by the Nominating Shareholder shall also comply with all of the applicable requirements of the Act, Applicable Securities Laws and applicable stock exchange rules regarding the matters set forth herein.

(i) Notwithstanding any other provision of this ARTICLE 4, notice given to the secretary of the Corporation may only be given by personal delivery, and shall be deemed to have been given and made only at the time it is served by personal delivery to the secretary of

the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery shall be deemed to have been made on the subsequent day that is a business day.

(j) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this ARTICLE 4.

(k) For greater certainty, nothing in this ARTICLE 4 shall limit the right of the Directors to fill a vacancy among the Directors in accordance with these By-laws.

## **ARTICLE 5** **OFFICERS**

### **5.1 Positions and Election**

The powers and duties of the officers of the Corporation shall be as provided from time to time by resolution of the Board. In the absence of such resolution, the respective officers shall have the powers and shall discharge the duties customarily and usually held and performed by like officers of corporations similar in organization and business purposes to the Corporation, subject to the control of the Board.

### **5.2 Term**

Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board may be removed by the Board at any time with or without cause by resolution of the Board. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board.

### **5.3 Duties of Officers May be Delegated**

In case any officer is absent or for any other reason that the Board may deem sufficient, the president or the Board may delegate for the time being the powers or duties of such officer to any other officer or to any Director.

**ARTICLE 6**  
**SHARES, SHARE CERTIFICATES AND THEIR TRANSFER**

**6.1        Issuance of Shares**

Subject to the Act, shares in the capital of the Corporation may be allotted and issued by resolution of the Board at such time and on such terms and conditions and to such persons or class or classes of persons as the Board determines provided that no share shall be issued until it is fully paid as provided by the Act.

**6.2        Certificates Representing Shares**

(a) The shares of the Corporation shall be represented by certificates except where the Board provides by resolution or resolutions that some or all of any class or series shall be uncertificated shares. Share certificates, if any, shall be in the form, other than bearer form, approved by the Board.

(b) Where applicable, certificates representing shares of each class or series shall be signed in the name of the Corporation by: (i) the chair of the Board, any vice-chair, the president or any vice-president; and (ii) the secretary, any assistant secretary, the treasurer or any assistant treasurer. Any or all such signatures may be electronic signatures. Although any officer, transfer agent or registrar whose manual or electronic signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

**6.3        Transfers of Securities**

(a) Securities of the Corporation shall be transferable in the manner prescribed by law and in this By-law. Transfers of securities shall be made on the books of the Corporation only by the registered holder thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated securities, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of securities shall be valid as against the Corporation for any purpose until it shall have been entered in the securities register of the Corporation by an entry showing from and to whom transferred.

(b) Subject to the Act, the Corporation may treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Company's records or on the share certificate.

(c) Subject to the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. By way of enforcement of such lien the Directors may refuse to permit the registration of a transfer of such share.

(d) If two or more persons are registered as joint holders of any share, the Company shall not be bound to issue more than one certificate, or in the case of an uncertificated security more than one notice, in respect thereof, and delivery of such certificate or notice to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate or notice issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.

(e) In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agent.

**6.4 Transfer Agents and Registrars**

The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

**6.5 Lost, Stolen or Destroyed Certificates**

The Board may direct a new certificate or uncertificated security to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of a statutory declaration of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated security, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation an indemnity bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated security and to charge a reasonable fee for such replacement.

**ARTICLE 7  
GENERAL PROVISIONS**

**7.1 Information Available to Shareholders**

(a) Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Company's business which in the opinion of the Directors it would be inexpedient in the interests of the Company to communicate to the public.

(b) The Directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Company or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Company except as conferred statute or authorized by the Board or by a resolution of the shareholders.

**7.2 Seal**

The Corporation may, but need not, have a corporate seal. The seal of the Corporation (if any) shall be in such form as shall be approved by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board.

**7.3 Execution of Documents**

All contracts of the Corporation shall be executed on behalf of the Corporation by: (a) the president or any vice-president; (b) such other officer or employee of the Corporation authorized in writing by the president, with such limitations or restrictions on such authority as he or she deems appropriate; or (c) such other person as may be authorized by the Board, and, if required, the seal of the Corporation shall be thereto affixed and attested by the secretary or an assistant secretary.

**7.4 Banking Arrangements**

The banking business of the Corporation, or any part or division of the Corporation, shall be transacted with such bank, trust Corporation or other firm or body corporate as the Board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers of the Corporation or other individuals as the Board may designate, direct or authorize from time to time and to the extent thereby provided.

**7.5 Voting Rights in Other Bodies Corporate**

Any officer or director of the Corporation may execute and deliver proxies and take any other steps as in the officer's or director's opinion may be necessary or desirable to permit the exercise on behalf of the Corporation of voting rights attaching to any securities held by the Corporation. In addition, the Board may from time to time direct the manner in which and the individuals by whom any particular voting rights or class of voting rights may or shall be exercised.

**7.6 Conflict with Applicable Law or Articles**

This By-law is enacted subject to any applicable law and the Articles. Whenever this By-law may conflict with any applicable law or the Articles, such conflict shall be resolved in favour of such law or Articles.

**7.7 Amendment and Repeal**

Subject to the Articles, the Board may, by resolution, make, amend or repeal any By-law. Any such By-law, amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of shareholders where it may be confirmed, rejected or amended by the shareholders by ordinary resolution. If the By-law, amendment or repeal is confirmed or confirmed as amended by the shareholders, it remains effective in the form in which it was confirmed. Such By-law, amendment or repeal ceases to have effect if it is not

submitted to the shareholders at the next meeting of shareholders or if it is rejected by the shareholders at the meeting.

All previous By-laws of the Corporation are repealed as of the coming into force of this By-law. The repeal shall not affect the previous operation of any By-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made under, or the validity of any Articles or predecessor charter documents of the Corporation obtained under, any such By-law before its repeal. All officers and persons acting under the provisions of this By-law, and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed By-laws shall continue to be good and valid except to the extent inconsistent with this By-law and until amended or repealed.

MADE by resolution of the Directors of the Corporation as of the 31 of January, 2018.

CONFIRMED by the shareholders of the Corporation as of the 28<sup>th</sup> of June, 2018.

CRONOS GROUP INC.AMENDED AND RESTATED STOCK OPTION PLAN

1. **INTERPRETATION:** for the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“affiliated entity”** means, for the Company, a person or company that controlled by the Company or that is controlled by the same person or company that controls the Company;
- (b) **“associate”** when used to indicate a relationship with a person or company, means
  - (i) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling the person or company to more than 10% the voting rights attached to outstanding voting securities of the issuer,
  - (ii) any partner of the person or company
  - (iii) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which the person or company serves a trustee or in a similar capacity
  - (iv) in the case of a person, a relative of that person, including
    - (i) a spouse of that person, or
    - (ii) a relative of that person’s spouse if the relative has the same home as that person;
- (c) **“Board”** means the board of directors of the Company;
- (d) **“Company”** means Cronos Group Inc.;
- (e) **“Consultant”** means, for the Company, a person or company, other than an employee, senior officer, or director of the Company that
  - (i) is engaged to provide services to the Company or an affiliated entity of the Company, other than services provided in relation to a distribution,
  - (ii) provides the services under written contract with the Company or an affiliated entity of the Company, and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliated entity of the Company

and includes, for an individual consultant, a company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (f) **“Discounted Market Price”** means, the Market Price less a discount, which shall not exceed the amount set forth below, subject to a minimum price of \$0.05 for share issuances and a minimum exercise price of \$0.10 for Warrants and incentive stock options:

<u>Closing Price</u>	<u>Discount</u>
Up to \$0.50	25%
Up to \$0.51 to \$2.00	20%
Above \$2.00	15%

- (g) **“Eligible Person”** means,

(i) an employee, senior officer, director or Consultant of the Company or of an affiliated entity of the Company;

- (h) **“Exchange”** means the TSX Venture Exchange;

- (i) **“Insider”** is used in relation to the Company, mean

(i) a director or senior officer of the Company

(ii) every director or senior officer of a company that is itself an insider or subsidiary of the Company,

(iii) any person or company who beneficially owns , directly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attaching to all voting securities to the Company for the time being outstanding other than voting securities held by the person or company as an underwriter in the course of a distribution, or

(iv) the Company itself if it holds any of its own securities;

- (j) **“Investor Relations Activities”** means any activities or communications, by or on behalf of the issuer or a security holder of the issuer, that promote or could reasonably be expected to promote the purchase or sale of securities of the issuer, but does not include

(i) the dissemination of information or preparation of records in the ordinary course of the business of the issuer:

(i) to promote the sale of products or services of the issuer, or

(ii) to raise public awareness of the issuer

that cannot reasonably be considered to promote the purchase or sale of securities of the issuer, or

- (ii) activities or communications necessary to comply with the requirements of:
  - (i) securities legislation or securities directions of any jurisdiction of Canada or the securities laws of any foreign jurisdiction governing the issuer, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer.
  - (ii) any exchange or market on which the issuer's securities trade, the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the issuer; or
- (iii) communications by a publisher of, or writer for, a newspaper, a magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchase of it, if:
  - (i) the communication is only through the newspaper, magazine, or publication, and
  - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or;
- (iv) activities or communications that may be otherwise specified by the Exchange.
- (k) **"Market Price"** shall have the meaning ascribed to such term in Section 7(a);
- (l) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (m) **"Participant"** means Eligible Persons to whom Options have been granted;
- (n) **"Plan"** means this Stock Option Plan of the Company;
- (o) **"Related Person"** for the Company, means:
  - (i) a director or senior officer of the Company or of an affiliated entity of the Company,
  - (ii) an associate of a director or senior officer of the Company or of an affiliated entity of the Company,
  - (iii) a permitted assign of a director or senior officer of the Company or of an affiliated entity of the Company;
- (p) **"Resulting Issuer"** means the Company as it may exist upon completion of its Qualifying Transaction and issuance of the Final Exchange Bulletin;

- (q) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company;
- (r) **“Senior officer”** means,
  - (i) a chair or vice-chair of the board of directors, the president, a vice president, the secretary, the treasurer or the general manager of a company or any other individual who performs functions for the Company similar to those normally performed by an individual occupying any such office, and
  - (ii) each of the five highest paid employees of the Company, including any individual referred to in clause (i);
- (s) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise;
- (t) **“Shares”** means the common shares of the Company;
- (u) **“Subsidiary”** a company is a subsidiary of another company if,
  - (i) it is controlled by,
    - (i) that other, or
    - (ii) that other and one or more companies each of which is controlled by that other, or
    - (iii) two or more companies each of which is controlled by that other, or
  - (ii) it is subsidiary of a company that is that other’s subsidiary;

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matter which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

2. **PURPOSE:** The purpose of this Plan is to encourage ownership of the Shares by employees, directors, senior officers and Consultants of the Company and its Subsidiaries, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its Subsidiaries to attract and retain valued employees, directors, senior officers, and Consultants.

3. **ADMINISTRATION:** The Plan shall be administered by the Board. Subject to the limitations of the Plan, the Board shall have the authority:

- (a) to grant options to purchase Shares to Eligible Persons;
- (b) to determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable, and
- (d) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

4. **SHARES SUBJECT TO THE PLAN:** The maximum number of Shares which may be reserved and set aside for issue under this Plan shall not exceed ten percent (10%) of the number of issued and outstanding shares, from time to time, provided that the Board shall have the right, from time to time, to increase such maximum number subject to the approval of the shareholders of the Company.

Any Shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Plan. No fractional Shares shall be issued, and the Board may determine the manner in which fractional share value shall be treated.

5. **PARTICIPATION:** Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board and shall be subject to the approval of such regulatory authorities as may have jurisdiction.

6. **LIMITS WITH RESPECT TO RELATED PERSONS AND OTHERS:**

- (a) The maximum number of Shares which may be reserved for issuance to Related Persons under the Plan shall not exceed 10% of the Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Shares reserved for issuance to Related Persons under any other Share Compensation Arrangement, unless the Company obtained the requisite disinterested shareholder approval and Exchange approval.
- (b) The maximum number of Shares which may be issued to Related Persons under the Plan within a twelve month period shall not exceed 10% of the Shares outstanding at the time of the issuance (on a non-diluted basis), unless the Company obtained the requisite disinterested shareholder approval.
- (c) The maximum number of Shares which may be reserved for issuance to any one Related Person under the Plan shall not exceed 5% of the Shares outstanding at the time of the grant

(on a non-diluted basis) less the aggregate number of Shares reserved for issuance to the Related Person under any other Share Compensation Arrangement, unless the Company obtained the requisite disinterested shareholder approval.

- (d) The maximum number of Shares which may be issued to any one Individual under the Plan within a twelve month period shall not exceed 5% of the Shares outstanding at the time of the issuance (on a non-diluted basis), unless the Company obtained the requisite disinterested shareholder approval.
- (e) The maximum number of Shares which may be issued to any one Consultant under the Plan within a twelve month period shall not exceed 2% of the Shares outstanding at the time of issuance (on a non-diluted basis).
- (f) The aggregate maximum number of Shares which may be issued to all employees and consultants conducting Investors Relations Activities under the Plan within a twelve month period shall not exceed in the aggregate 2% of the Shares outstanding at the time of the issuance (on a non-diluted basis).

7. **TERMS AND CONDITIONS OF OPTIONS:** The terms and conditions of each option granted under the Plan (an "Option") shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement entered into between the Company and a Participant:

- (a) *Option Price:* The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board but shall be not less than the Discounted Market Price of the Shares at the time the Option is granted. For the purpose of this subparagraph 7(a), "Market Price" shall be deemed to be the closing price as reported by the TSX Venture Exchange upon which the Shares are listed or other published market upon which the Shares are quoted or traded, on the day immediately preceding the day upon which the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day immediately preceding the day upon which the Option is granted. In the resolution allocating any Option, the Board may determine that the date or dates of the vesting of the Option shall be a future date or dates determined in the manner specified in such resolution. The Board may also determine that the option price per share may escalate at a specified rate dependent upon the date on which any Option may be exercised by the Participant.
- (b) *Payment:* The full purchase price of Shares purchased under an Option shall be paid in cash or certified funds upon the exercise thereof, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a shareholder until the Shares are issued to him.
- (c) *Term of Option:* Options may be granted under this Plan exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in subparagraph 7(e).

- (d) *Exercise of Option:* Subject to the provisions contained in subparagraph 7(e), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the Company. Absence on leave approved by an officer of the Company or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the transfer agent of the Company at Toronto of written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased.
- (e) *Termination of Options:* Any Option granted pursuant hereto, to the extent not validly exercised, will terminate on the earlier of the following dates:
- (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than five (5) years after the date upon which the Option was granted;
  - (ii) ninety (90) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
  - (ii) one hundred and eighty (180) days after the date of the death of the Participant during which period the Option may be exercised by the Participant's legal representative or the person or persons to whom the deceased Participant's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death;
  - (iii) thirty (30) days after the Participant who is involved in Investor Relations Activities ceases to be employed to provide Investor Relations Activities, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
  - (iv) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety (90) day period the Participant may exercise the

Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the persons described in clause 7(e)(iii) hereof and only to the extent therein set forth; and

- (v) notwithstanding clauses 7(e)(ii), (iii), (iv), and (v), in respect of a Participant who is an Eligible Person immediately prior to completion by the Company of its Qualifying Transaction, the later of (i) 12 months after the completion of the Qualifying Transaction; and (ii) the earlier of, the applicable date set out in clauses 7(e)(i), (ii), (iii), (iv) and (v), as the case may be.
- (f) *Nontransferability of Stock Option:* No Option shall be transferable and assignable by the Participant other than by will or the laws of descent and distribution and such Option shall be exercisable during his lifetime only by the Participant.
- (g) *Bona Fide Grant:* The Company shall make all necessary representations to the applicable regulatory authority and to any stock exchanges on which the Shares are listed that, any Options granted under this Plan shall be to a bona fide Eligible Person.
- (g) *Applicable Laws or Regulations:* The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Shares are listed for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

#### **8. ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN:**

- (a) *Subdivisions and Redivisions:* In the event of any subdivision or redivision or subdivisions or redivisions of the Shares at any time while any Option is outstanding into a greater number of Shares, the Company shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision or subdivisions or redivisions had such Option been exercised before such subdivision or redivision or subdivisions or redivisions without the Participant making any additional

payment or giving any other consideration therefor.

- (b) *Consolidations*: In the event of any consolidation or consolidations of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Company shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation or consolidations had such Option been exercised before such consolidation or consolidations.
- (c) *Reclassifications/Changes*: In the event of any reclassification or change or reclassifications or changes of the Shares at any time while any Option is outstanding, the Company shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Company of the appropriate class or classes resulting from said reclassification or change or reclassifications or changes as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change or reclassifications or changes.
- (d) *Other Capital Reorganizations*: In the event of any capital reorganization of the Company at any time while any Option is outstanding, not otherwise covered in this section 8 or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as or substantially as an entirety to any other entity, the Participant if he has not exercised his Option prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property or of the entity resulting from such merger, amalgamation or consolidation or to which such sale may be made, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, he had been the registered holder of the number of Shares so subscribed for.
- (e) *Stock Dividends*: If the Company at any time while any Option is outstanding shall pay any stock dividend or stock dividends upon the Shares, the Company will thereafter deliver at the time of exercise of any Option in addition to the number of Shares in respect of which such Option is then being exercised, such additional number of securities of the appropriate class as would have been payable on the Shares so purchased if such Shares had been outstanding on the record date for the payment of such stock dividend or dividends.
- (f) *No Fractional Shares*: The Company shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.
- (g) *Rights Offerings*: If at any time the Company grants to its shareholders the right to subscribe for and purchase *pro rata* additional securities or of any other corporation or entity, there shall be no adjustments made to the number of Shares or other securities subject to the

Options in consequence thereof and the Options shall remain unaffected.

- (h) *Adjustments Cumulative*: The adjustment in the number of Shares issuable pursuant to Options provided for in this section 8 shall be cumulative.
- (i) *Plan Deemed Amended*: On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, *ipso facto*, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Options (and the Plan) and the exercise price thereof.
- (j) No Option granted may be exercised before Completion of the Qualifying Transaction unless the Participant agrees in writing to deposit the Shares acquired into escrow until the issuance of the Final Exchange Bulletin.

**9. AMENDMENT AND TERMINATION OF PLAN AND OPTIONS:** Subject in all cases to the approval of all stock exchanges and regulatory authorities having jurisdiction over the affairs of the Company, the Board may from time to time amend or revise the terms of the Plan (or any Option granted thereunder) or may terminate the Plan (or any Option granted thereunder) at any time provided however that no such action shall, without the consent of the Participant, in any manner adversely affect a Participant's rights under any Option theretofore granted under the Plan. In the event the Shares are listed on the TSX Venture Exchange, the approval of the disinterested shareholders of the Company must be obtained for any reduction in the exercise price of Options granted under the Plan, if the Participant is an Insider of the Company at the time of the proposed amendment.

**10. EFFECTIVE DATE AND DURATION OF PLAN:** The Plan becomes effective on the date of its adoption by the Board and Options may be granted immediately thereafter. The Plan shall remain in full force and effect until such time as the Board shall terminate the Plan, and for so long thereafter as Options remain outstanding in favour of any Participant.

**11. DATES:**

- (a) Date of adoption by the Board: May 26, 2015
- (b) Date of shareholder approval: June 28, 2017

## SCHEDULE A

Notwithstanding anything to the contrary in the 2015 Option Plan the following terms shall apply to all outstanding grants of options granted thereunder:

1. For the purposes of this Schedule A, the following terms shall have the following meanings:

“**Affiliate**” has the meaning given to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as such instrument may be amended, supplemented or replaced from time to time, subject to the term “issuer” in such instrument being ascribed the same meaning as the term “person” in such instrument.

“**Change of Control**” means:

- i. the consummation of any transaction or series of transactions including any reorganization, recapitalization, statutory share exchange, consolidation, amalgamation, arrangement, merger or issue of voting shares in the capital of the Company, the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction or series of transactions becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities in the capital of the entity resulting from such transaction or series of transactions or the entity that acquired all or substantially all of the business or assets of the Company in a transaction or series of transactions described in paragraph (ii) below (in each case, the “**Surviving Company**”) or the ultimate parent entity that has beneficial ownership of sufficient voting power to elect a majority of the board of directors (or analogous governing body) of the Surviving Company (the “**Parent Company**”), measured by voting power of the outstanding voting securities eligible to elect members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) rather than number of securities (but shall not include the creation of a holding company or other transaction that does not involve any substantial change in the proportion of direct or indirect beneficial ownership of the voting securities of the Company prior to the consummation of the transaction or series of transactions);
- ii. the direct or indirect sale, transfer or other disposition, in one or a series of related transactions, of all or substantially all of the business or assets of the Company, taken as a whole, to any person or group of persons acting jointly or in concert for purposes of such transaction (other than to any Affiliates of the Company); or
- iii. Incumbent Directors during any consecutive 12-month period ceasing to constitute a majority of the Board (for the purposes of this paragraph, an “Incumbent Director” shall mean any member of the Board who is a

member of the Board immediately prior to the occurrence of a contested election of directors of the Company).

“**Code**” means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

“**Fair Market Value**” means, with respect to a particular date, (i) if the Shares are traded on the TSX-V or Toronto Stock Exchange, the closing price as reported by the TSX-V or Toronto Stock Exchange on the immediately preceding trading day and (ii) if the Shares are not traded on the TSX-V or Toronto Stock Exchange, the value as determined by the Board in good faith taking into account applicable legal and tax requirements.

“**Termination Date**” means the first date on which a Participant is no longer employed by the Company or any of its Affiliates (or in the case of a Participant who was not an employee, the first date on which such Participant is no longer acting as a director of, or service provider to, the Company or any of its Affiliates) for any reason; provided that, for the purposes of the 2015 Option Plan, an employee’s termination of employment with the Company or its Affiliates shall occur on the earlier of (i) the date on which the employee ceases to render services to the Company and its Affiliates and (ii) the date on which the Company or its Affiliate delivers notice of the termination of the employee’s employment to him/her, whether such termination is lawful or otherwise, without giving effect to any period of notice or compensation in lieu of notice (except to the extent specifically required by applicable employment standards legislation), but, for greater certainty, (x) an employee’s absence from active work during a period of vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of disability and (y) an employee’s transfer of employment within the group of companies comprising the Company and its Affiliates, shall not be considered to be a termination of employment under the 2015 Option Plan.

“**US Taxpayer**” means a Participant who is a citizen or permanent resident of the United States for purposes of the Code or a Participant for whom the compensation under the 2015 Option Plan would otherwise be subject to income tax under the Code.

Terms not otherwise defined herein shall have the meanings ascribed thereto under the 2015 Option Plan.

2. Exercise Term. If at any time the end of the term of an Option (the “**Exercise Term**”) should be determined to occur either during a period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including a Participant (a “**Blackout Period**”) or within ten business days following a Blackout Period, the end of the term shall be deemed to be extended to the date that is the tenth business day following the date of expiry of such Blackout Period. Notwithstanding the foregoing sentence or otherwise, in no event, including as a result of any Blackout Period, shall the date of expiry of any Option granted to a Participant who is a US Taxpayer be extended beyond the original expiration of the Exercise Term if such Option has an exercise price that is less than the Fair Market Value of the Shares on the date of the proposed extension.

3. Death. In the event of the death of a Participant, each Option granted to that Participant that has not then vested shall, subject to the discretion of the Board, immediately terminate and, notwithstanding Section 7(f) of the 2015 Option Plan, all Options which have vested may be exercised by the Participant's estate at any time within six months from the date of death, or for such longer period of time as the Board may determine but in no event later than the expiration of the original Exercise Term of such Option.
4. Termination of Employment for Other than Death. Where a Participant's employment with the Company or an Affiliate of the Company terminates for any reason other than as contemplated in Section 3 above, or in the event a director is not re-elected to the Board, each Option granted to that Participant that has not then vested shall, subject to the discretion of the Board, immediately terminate as at the Termination Date. In such cases, all Options granted to such Participants that have vested as at the Termination Date may be exercised by the Participant at any time within six months of the Termination Date, or for such longer period of time as the Board may determine but in no event later than the expiration of the original Exercise Term of such Option.
5. Change of Control. Subject to Section 6, below, if the Company proposes to undertake a Change of Control, the Board may, in its discretion, accelerate the vesting of all outstanding Options to provide that, notwithstanding the vesting provisions of such Options or any written agreement evidencing the terms and conditions upon which a Option is granted under the 2015 Option Plan (an "**Option Certificate**"), each such outstanding Option shall be fully vested and either (as determined by the Board in its discretion) (i) may be conditionally exercisable for Shares or (ii) may be conditionally surrendered for a cash payment equal to the difference between the per Share consideration receivable by shareholders of the Company in connection with the transaction resulting in the Change of Control and the exercise price under the particular Option multiplied by the number of Shares that may be acquired under the particular Option, upon (or where permitted by the Board, prior to) the completion of the Change of Control, provided that the Board shall not, in any case, authorize the exercise or surrender of Options pursuant to this paragraph beyond the expiration of the original Exercise Term of the Options. Where the Board elects to exercise its discretion to accelerate vesting of Options, the Company shall give written notice of any proposed Change of Control to each Participant at least 14 days prior to the expected date of the Change of Control. Upon the giving of any such notice, the Participants shall be entitled to exercise or surrender all or any portion of their outstanding Options, as applicable, at any time within the period specified in the notice and conditional upon completion of the Change of Control (subject to such extension of such specified period as the Board may determine in its sole discretion, not to exceed the expiration of the Option). Unless the Board determines otherwise (in its discretion), upon the expiration of the notice period referred to above, all rights of the Participants to exercise or surrender any outstanding Options, whether vested or unvested, shall terminate and all such Options shall immediately expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control.
6. Termination of Employment following Change of Control. If, in connection with a Change of Control, the Board does not accelerate the vesting of Options in accordance with Section 5 above, and the Options continue, or are assumed, or rights equivalent to the Options are

substituted for the Options, by the acquiring or succeeding corporation (or an Affiliate thereof) and subject to the terms of the Option Certificate in respect of the Options and any written employment agreement between the Participant and the Company or a successor thereto or an Affiliate of the Company or a successor thereto, in the event a Participant's employment is terminated by the Company or a successor thereto or an Affiliate of the Company or a successor thereto without cause in the twenty-four (24) month period following the Change of Control, all unvested Options or substituted rights outstanding on the Participant's Termination Date shall immediately vest, and the Participant may exercise such vested Options or substituted rights until the earlier of the expiration of the original Exercise Term of such Option (or the Option for which the right was substituted) and twelve (12) months following the Participant's Termination Date, following which any unexercised Options or substituted rights shall terminate and cease to be exercisable.

7. Share Appreciation Rights. Each Participant is hereby granted, in respect of each Option awarded to the Participant, a number of rights (each a "**Share Appreciation Right**") equal to the number of Shares then underlying the Option, subject to adjustment pursuant to the 2015 Option Plan on the same basis as the number of Shares underlying the Option. The grant of a Share Appreciation Right shall be subject to the terms of the 2015 Option Plan and the terms and conditions of the Option in respect of which it is granted (except as the context or the 2015 Option Plan otherwise require) and such other terms and conditions as the Board may prescribe. Each Share Appreciation Right shall entitle the Participant to surrender to the Company, unexercised, the right to subscribe for Shares pursuant to the related Option and to receive from the Company that number of Shares, rounded down to the next whole Share, with a Fair Market Value on the date of exercise of each such Share Appreciation Right that is equal to the difference between such Fair Market Value and the exercise price under the related Option, multiplied by the number of Shares that cease to be available under the Option as a result of the exercise of the Share Appreciation Right, subject to satisfaction of applicable withholding taxes and other source deductions. Upon the exercise of a Share Appreciation Right in respect of a Share covered by an Option such Option shall be cancelled and shall be of no further force or effect in respect of such Share. Share Appreciation Rights shall be exercisable by a Participant or his or her legal representative only to the extent that the related Option is exercisable. Unexercised Share Appreciation Rights shall terminate when the related Option is exercised or the Option terminates in accordance with this Plan and the applicable Option Certificate.

2018 Stock Option PlanARTICLE 1DEFINITIONS

1.1 When used herein, the following terms shall have the following meanings:

“**Affiliate**” has the meaning given to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as such instrument may be amended, supplemented or replaced from time to time, subject to the term “issuer” in such instrument being ascribed the same meaning as the term “person” in such instrument.

“**Blackout Period**” means a period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of an Option.

“**Board**” means the Board of Directors of Cronos Group Inc.

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of Ontario.

“**Change of Control**” means:

- (i) the consummation of any transaction or series of transactions including any reorganization, recapitalization, statutory share exchange, consolidation, amalgamation, arrangement, merger or issue of voting shares in the capital of the Company, the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction or series of transactions becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities in the capital of the entity resulting from such transaction or series of transactions or the entity that acquired all or substantially all of the business or assets of the Company in a transaction or series of transactions described in paragraph (ii) below (in each case, the “**Surviving Company**”) or the ultimate parent entity that has beneficial ownership of sufficient voting power to elect a majority of the board of directors (or analogous governing body) of the Surviving Company (the “**Parent Company**”), measured by voting power of the outstanding voting securities eligible to elect members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) rather than number of securities (but shall not include the creation of a holding company or other transaction that does not involve any substantial change in the proportion of direct or indirect beneficial ownership of the voting securities of the Company prior to the consummation of the transaction or series of transactions);
- (ii) the direct or indirect sale, transfer or other disposition, in one or a series of transactions, of all or substantially all of the business or assets of the Company, taken as a whole, to any Person or group of Persons acting jointly or in concert for purposes of such transaction or series of transactions (other than to any Affiliates of the Company); or
- (iii) Incumbent Directors during any consecutive 12-month period ceasing to constitute a majority of the Board of the Company (for the purposes of this paragraph, an “Incumbent Director” shall mean any member of the Board who is a member of the Board immediately prior to the occurrence of a contested election of directors of the Company).

“**Code**” means the United States *Internal Revenue Code of 1986*, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

“**Committee**” means the Compensation Committee of the Board, or such other committee of the Board as is designated by the Board, by way of resolution, adoption of a policy or committee mandate, or otherwise, to administer the Plan from time to time.

“**Company**” means Cronos Group Inc. and includes any successor corporation thereto.

“**Exercise Notice**” means a notice in writing, substantially in the form attached hereto as Schedule B, signed by the Participant stating the Participant’s intention to exercise a particular Option or a Share Appreciation Right.

“**Exercise Price**” means the price at which a Share may be purchased pursuant to the exercise of an Option.

“**Exercise Term**” means the period of time during which an Option may be exercised.

“**Exchange**” means the Toronto Stock Exchange, the NASDAQ Global Market or any other stock exchange on which the Shares are listed and posted for trading or quoted.

“**Fair Market Value**” means, with respect to a particular date, (i) if the Shares are traded on the Toronto Stock Exchange, the closing price as reported by the Toronto Stock Exchange on the immediately preceding trading day and (ii) if the Shares are not traded on the Toronto Stock Exchange, the value as determined by the Board in good faith taking into account applicable legal and tax requirements.

“**Insider**” has the meaning given to the term “reporting insiders” in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*, as such instrument may be amended, supplemented or replaced from time to time.

“**Non-Executive Director**” means any director of the Company who is neither (i) an employee or officer of the Company nor (ii) a service provider (including a consultant) of the Company (other than in the capacity of a director of the Company).

“**Option**” means a right which may be granted to a Participant pursuant to the terms of this Plan which allows the Participant to purchase Shares at a set price during a future period.

“**Option Certificate**” means a signed written agreement evidencing the terms and conditions upon which an Option is granted under this Plan.

“**Participants**” means those directors, officers, key employees and service providers of the Company and its Affiliates whose selection to participate in the Plan is approved by the Board, the Committee or an officer of the Company.

“**Plan**” means this Stock Option Plan, as it may be amended from time to time.

“**Security Based Compensation Arrangements**” means a stock option, stock appreciation right, stock option plan, employee stock purchase plan, share unit plan, deferred share unit plan or any other compensation or incentive mechanism, in each case, involving the issuance or potential issuance of Shares to any employee or Insider of the Company or its Affiliates, or one or more service providers, including a share purchase from treasury which is financially assisted by the Company or any of its Affiliates by way of a loan, guaranty or otherwise.

“**Share Appreciation Right**” shall have the meaning ascribed thereto in Section 3.1(b).

“**Shares**” means the common shares of Cronos Group Inc.

“**Termination Date**” means the first date on which a Participant is no longer employed by the Company or any of its Affiliates (or in the case of a Participant who was not an employee, the first date on which such

Participant is no longer acting as a director of, or service provider to, the Company or any of its Affiliates) for any reason; provided that, for the purposes of the Plan, an employee's termination of employment with the Company or its Affiliates shall occur on the earlier of (i) the date on which the employee ceases to render services to the Company and its Affiliates and (ii) the date on which the Company or its Affiliate delivers notice of the termination of the employee's employment to him/her, whether such termination is lawful or otherwise, without giving effect to any period of notice or compensation in lieu of notice (except to the extent specifically required by applicable employment standards legislation), but, for greater certainty, (x) an employee's absence from active work during a period of vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of disability and (y) an employee's transfer of employment within the group of companies comprising the Company and its Affiliates, shall not be considered to be a termination of employment under the Plan.

**"US Taxpayer"** means a Participant who is a citizen or permanent resident of the United States for purposes of the Code or a Participant for whom the compensation under this Plan would otherwise be subject to income tax under the Code.

**"Value of Option"** means, on any date, the amount of the expense associated with the grant of an Option, as determined in accordance with generally accepted accounting principles.

## ARTICLE 2

### GENERAL

2.1 Purpose: The principal purposes of the Plan are to:

- (a) allow Participants to participate in the growth and development of the Company by providing them with the opportunity to acquire Shares;
- (b) promote the long-term alignment of interests between Participants and present and/or future holders of Shares; and
- (c) assist the Company to attract, retain and incent eligible persons with the knowledge, experience and expertise required to act as employees, officers and directors of, and consultants providing services to, the Company.

2.2 Administration:

- (a) The Plan shall be administered by the Board.
- (b) The Board shall have the sole and complete authority (i) to approve the selection of Participants, (ii) to grant Options in such form as it shall determine, (iii) to grant Share Appreciation Rights in accordance with Section 3.1(b), (iv) to impose such limitations, restrictions and conditions including, but not limited to, vesting conditions and restrictions, upon such Options as it deems appropriate, (v) to accelerate the vesting conditions attaching to any Option, (vi) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan and (vii) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan; provided, however, that no such action shall be taken without shareholder approval if such approval is required by applicable securities laws or the applicable rules of any Exchange on which the Shares are listed and posted for trading. The Board's determinations and actions within its authority under the Plan shall be conclusive and binding upon the Company and all other persons.
- (c) To the extent permitted by law, the Board may from time to time delegate to the Committee all or any of the powers conferred on the Board under the Plan. In such event, the Committee shall exercise the delegated powers in the manner and on the terms authorized by the Board. Where the

Board has so delegated any powers to the Committee, any reference under the Plan, in connection with such power, to the “Board” shall be read as to the “Committee”. The Board shall also be permitted to hire administrators, custodians or similar service providers to assist it in the administration of the Plan. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plan in this context shall be final and conclusive.

2.3 Selection for Participation: Participants shall be selected from the directors, officers, key employees and service providers (including consultants) of the Company and its Affiliates. In approving this selection, the Board shall consider such factors as it deems relevant, subject to the provisions of the Plan.

2.4 Shares Subject to the Plan:

- (a) Subject to adjustment as provided for in Sections 4.1 and 4.2 below, the maximum number of Shares that may be issued or issuable under the Plan shall be a number equal to 10% of the number of issued and outstanding Shares on a non-diluted basis at any time, provided that the number of Shares issued or issuable under all Security Based Compensation Arrangements shall not exceed 10% on a non-diluted basis.
- (b) No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, a Participant would become entitled to a fractional share, such Participant shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.
- (c) Notwithstanding any other provision of this Plan or any agreement relating to Options, no Options shall be granted under this Plan if together with any other Security Based Compensation Arrangements established or maintained by the Company or its Affiliates such grant of Options could result, at any time, in the aggregate number of Shares (i) issued to Insiders within any one- year period or (ii) issuable to Insiders at any time exceeding 10% of the issued and outstanding Shares (on a non-diluted basis); provided, however, that the number of Options or Share Appreciation Rights that may be granted to any Participant in any one calendar year shall not exceed 10% of the issued and outstanding Shares (on a non-diluted basis).
- (d) No Option shall be granted to any Non-Executive Director if such grant would, at the time of the grant, result in: (i) the aggregate number of Shares reserved for issuance to all Non-Executive Directors under the Plan and all other Security Based Compensation Arrangements exceeding 1% of the total number of Shares then issued and outstanding; (ii) the aggregate Value of Options granted to the Non-Executive Director during the Company’s fiscal year exceeding \$100,000; or (iii) the aggregate Value of Options and, in the case of Security Based Compensation Arrangements that do not provide for the granting of options (“**Full Value Awards**”), the grant date value of Shares granted to the Non-Executive Director during the Company’s fiscal year exceeding \$150,000, provided that any Full Value Award elected to be received by a Non-Executive Director, in the Non-Executive Director’s discretion, in place of the same value of foregone cash compensation from the Company shall not be counted toward the foregoing \$150,000 limit and provided further that this Section 2.4(d) shall not apply to one-time initial grants to a new director who would be a Non-Executive Director upon joining the Board as compensation for serving on the Board.
- (e) If any Options terminate, expire or, are cancelled as contemplated by the Plan without the Participant having received any benefit therefrom, the number of Shares underlying such Options so terminated, expired or cancelled shall again become available under the Plan.
- (f) Shares shall be deemed to have been used in settlement of awards whether or not they are actually delivered; provided, that if Shares issued upon exercise, vesting, or settlement of an award, including any Option, are surrendered or tendered to the Company in payment of the Exercise Price or any taxes required to be withheld in respect of an award in accordance with the terms and conditions of the Plan and any applicable Option Certificate, such surrendered or tendered Shares shall not

become available again under the Plan and the aggregate number of Shares underlying any exercised Option or Share Appreciation Right shall in no event become available again under the Plan.

- 2.5 Option Certificates: All grants of Options under the Plan shall be evidenced by an Option Certificate. Such Option Certificates shall be subject to the applicable provisions of the Plan and shall clearly set out the Exercise Term in addition to such other provisions as are required by the Plan or which the Board may direct. Any officer of the Company is authorized and empowered to execute on behalf of the Company any Option Certificates required to be delivered to the Participants from time to time as designated by the Board. In the event of irreconcilable conflict between the terms of an Option Certificate and the terms of this Plan, the terms of this Plan shall prevail and the Option Certificate shall be deemed to have been amended accordingly.
- 2.6 Non-transferability: Subject to Section 3.7, Options granted under the Plan may only be exercised by a Participant personally and no assignment or transfer of Options whether voluntary, involuntary, by operation of law or otherwise, shall vest any interest or right in such Options whatsoever in any assignee or transferee, but immediately upon any assignment or transfer, or any attempt to make the same, such Options shall terminate and be of no further effect. Notwithstanding this Section 2.6, a Participant may assign or transfer one or more Options, in compliance with such terms as the Board may determine, to a personal holding corporation wholly-owned by such Participant or to a registered retirement savings plan established for the sole benefit of such Participant, provided that upon any such permitted assignment or transfer, the transferred Options shall be deemed for purposes of the Plan to continue to be held by the Participant, and shall continue to be subject to the terms and conditions of the Plan as if the Participant remained the sole holder thereof.

### ARTICLE 3

#### SHARE OPTIONS

- 3.1 Award of Options and Share Appreciation Rights:
- (a) The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, award Options to any Participant and the Company shall enter into an Option Certificate with each Participant substantially in the form attached hereto as Schedule A or in any other form approved by the Board.
- (b) At the sole discretion of the Board, the Board may grant to a Participant in respect of an Option awarded to the Participant, either at the time of grant of the Option or at a subsequent time, a number of rights (each a “**Share Appreciation Right**”) equal to the number of Shares then underlying the Option, which number shall be fixed on the date of grant of the Share Appreciation Rights, subject to adjustment pursuant to Article 4 on the same basis as the number of Shares underlying the Option. The grant of a Share Appreciation Right shall be subject to the terms of the Plan and the terms and conditions of the Option in respect of which it is granted (except as the context or the Plan otherwise require) and such other terms and conditions as the Board may prescribe (including any acceleration of vesting pursuant to Article 4) and shall be evidenced in the Option Certificate in respect of the related Option or an amendment to such Option Certificate. Each Share Appreciation Right shall entitle the Participant to surrender to the Company, unexercised, the right to subscribe for Shares pursuant to the related Option and to receive from the Company that number of Shares, rounded down to the next whole Share, with a Fair Market Value on the date of exercise of each such Share Appreciation Right that is equal to the difference between such Fair Market Value and the Exercise Price under the related Option, multiplied by the number of Shares that cease to be available under the Option as a result of the exercise of the Share Appreciation Right, subject to satisfaction of applicable withholding taxes and other source deductions. Upon the exercise of a Share Appreciation Right in respect of a Share covered by an Option such Option shall be cancelled and shall be of no further force or effect in respect of such Share. Share Appreciation Rights shall be exercisable by a Participant or his or her legal representative only to the extent that the related Option is exercisable. Unexercised Share Appreciation Rights shall terminate when the related Option is exercised or the Option terminates in accordance with this Plan and the applicable Option Certificate.

3.2 Exercise Term:

- (a) Subject to any vesting conditions imposed by the Board in its discretion at any time and from time to time, Options granted to Participants may only be exercisable by the Participant if such conditions of vesting have been satisfied.
- (b) The maximum term during which Options may be exercised shall be determined by the Board, but in no event shall the Exercise Term of an Option exceed seven (7) years from the date of its grant; provided that if at any time the end of the Exercise Term of an Option should be determined to occur either during a Blackout Period or within ten Business Days following a Blackout Period, the end of the term shall be deemed to be extended to the date that is the tenth Business Day following the date of expiry of such Blackout Period. Notwithstanding the foregoing sentence or otherwise, in no event, including as a result of any Blackout Period, shall the date of expiry of any Option granted to a US Taxpayer be extended beyond the original expiration of the Exercise Term if such Option has an Exercise Price that is less than the Fair Market Value of the Shares on the date of the proposed extension.
- (c) Subject to Sections 3.2(a) and 3.2(b), the provisions of the Plan and the Option Certificate, Options may be exercised by means of giving an Exercise Notice addressed to the Company or its designee (including third-party administrators) in accordance with the terms of the Option and the Option Certificate accompanied by payment of the Exercise Price and any applicable required withholding taxes in accordance with Section 3.4.
- (d) All Options granted under the Plan to US Taxpayers shall be non-qualified stock options for the purposes of the Code unless the Option Certificate expressly states otherwise.

3.3 Exercise Price: The Exercise Price of any Option shall be the Fair Market Value on the date such Option is granted. For the avoidance of doubt and notwithstanding anything to the contrary, any Option issued to a US Taxpayer shall have an Exercise Price that is no less than Fair Market Value on the date of grant which in all events shall be determined in accordance with Section 409A of the Code.

3.4 Payment of Exercise Price: Subject to the terms of the Plan, no Shares shall be issued or transferred with respect to the exercise of an Option until the Participant has paid the Exercise Price to the Company in full, and an amount equal to any U.S. federal, state, non-U.S. federal, provincial, and local income and employment taxes, social contributions, and any other tax-related items required to be withheld. Unless otherwise stated in the Option Certificate, the Exercise Price and all applicable required withholding taxes shall be payable (i) by certified cheque or bank draft payable to the Company or wire transfer to an account specified by the Company or (ii) by such other method as elected by the Participant and that the Committee may permit, in its sole discretion, including without limitation: (A) in the form of other property having a Fair Market Value on the date of exercise equal to the Exercise Price and all applicable required withholding taxes; (B) if there is a public market for the Shares at such time, by means of a broker-assisted “cashless exercise” pursuant to which the Company or its designee (including third-party administrators) is delivered a copy of irrevocable instructions to a stockbroker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding taxes against delivery of the Shares to settle the applicable trade; or (C) by means of a “net exercise” procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required withholding taxes; provided that Participants who are subject to income tax under the *Income Tax Act* (Canada) with respect to their Options shall not be permitted to surrender Shares acquired under any Options in payment of the Exercise Price or withholding taxes or to exercise their Options by means of a “net exercise” procedure as described in clause (C) above. In all events of cashless or net exercise, any fractional Shares shall be settled in cash.

3.5 Share Certificates: As soon as practicable after receipt of any Exercise Notice and full payment with respect to the exercise of an Option, the Company shall issue to the eligible Participant either a certificate or certificates representing the acquired Shares or uncertificated Shares.

- 3.6 **Termination of Employment for Cause:** Where a Participant's employment with the Company or an Affiliate of the Company is terminated for cause (as such term is defined in a written employment agreement between the Participant and the Company or an Affiliate thereof (as applicable), or where no such agreement exists or such agreement does not contain a definition, as defined in law), each Option granted to that Participant that has vested as at the Termination Date and each Option granted to that Participant that has not vested as at the Termination Date shall, subject to the discretion of the Board, immediately terminate and cease to be exercisable.
- 3.7 **Death:** In the event of the death of a Participant, each Option granted to that Participant that has not then vested shall, subject to the discretion of the Board, immediately terminate and, notwithstanding Section 2.6, all Options which have vested may be exercised by the Participant's estate at any time within six months from the date of death, or for such longer period of time as the Board may determine but in no event later than the expiration of the original Exercise Term of such Option.
- 3.8 **Termination of Employment for Other than Cause or Death:** Where a Participant's employment with the Company or an Affiliate of the Company terminates for any reason other than as contemplated in Sections 3.6 or 3.7 above, or in the event a Director is not re-elected to the Board of Directors, each Option granted to that Participant that has not then vested shall, subject to the discretion of the Board, immediately terminate as at the Termination Date. In such cases, all Options granted to such Participants that have vested as at the Termination Date may be exercised by the Participant at any time within six months of the Termination Date, or for such longer period of time as the Board may determine but in no event later than the expiration of the original Exercise Term of such Option.
- 3.9 **No Compensation for Forfeiture.** For greater certainty, Participants shall have no right to receive Shares or any payment as compensation, damages or otherwise with respect to any Options or Share Appreciation Rights that expire or terminate hereunder without becoming exercisable or without being exercised.

#### **ARTICLE 4**

##### **REORGANIZATION OF THE COMPANY AND CHANGE OF CONTROL**

- 4.1 **General:** The existence of any Options shall not affect in any way the right or power of the Company or its shareholders (i) to make or authorize any adjustment, recapitalization, reorganization or any other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company including to undertake a Change of Control, (ii) to create or issue any bonds, debentures, shares of any class or other securities of the Company or the rights and conditions attaching thereto or (iii) to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of similar character or otherwise.
- 4.2 **Reorganization of Company's Capital:** Notwithstanding any other provision of the Plan, in the event of any change in the Shares by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment shall be made to the number of Shares which may be acquired on the exercise of any outstanding Options and/or an adjustment to the Exercise Price shall be made; provided that, notwithstanding the foregoing or otherwise, any adjustment to an Option issued to a US Taxpayer shall be made in accordance with the requirements of Section 409A of the Code. Notwithstanding the foregoing, a decision of the Board in respect of any and all matters falling within the scope of this Section 4.2 shall be final and without recourse on the part of any Participant and his or her heirs or legal representatives.
- 4.3 **Change of Control:** Subject to Section 4.4, if the Company proposes to undertake a Change of Control, the Board may, in its discretion, accelerate the vesting of all outstanding Options to provide that, notwithstanding the vesting provisions of such Options or any Option Certificate, each such outstanding Option shall be fully vested and either (as determined by the Board in its discretion) (i) may be conditionally exercisable for Shares or (ii) may be conditionally surrendered for a cash payment equal to the difference between the per Share

consideration receivable by shareholders of the Company in connection with the transaction resulting in the Change of Control and the Exercise Price multiplied by the number of Shares that may be acquired under the particular Option, upon (or where permitted by the Board, prior to) the completion of the Change of Control, provided that the Board shall not, in any case, authorize the exercise or surrender of Options pursuant to this Section 4.3 beyond the expiration of the original Exercise Term of the Options. Where the Board elects to exercise its discretion to accelerate vesting of Options, the Company shall give written notice of any proposed Change of Control to each Participant at least 14 days prior to the expected date of the Change of Control. Upon the giving of any such notice, the Participants shall be entitled to exercise or surrender all or any portion of their outstanding Options, as applicable, at any time within the period specified in the notice and conditional upon completion of the Change of Control (subject to such extension of such specified period as the Board may determine in its sole discretion, not to exceed the expiration of the Option). Unless the Board determines otherwise (in its discretion), upon the expiration of the notice period referred to above, all rights of the Participants to exercise or surrender any outstanding Options, whether vested or unvested, shall terminate and all such Options shall immediately expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control.

- 4.4 Termination of Employment following Change of Control: If, in connection with a Change of Control, the Board does not accelerate the vesting of Options in accordance with Section 4.3, and the Options continue, or are assumed, or rights equivalent to the Options are substituted for the Options by the Surviving Company or Parent Company (or an Affiliate thereof), and subject to the terms of the Option Certificate in respect of the Options and any written employment agreement between the Participant and the Company, or the Surviving Company or Parent Company, or an Affiliate of the Company, or a successor thereto, in the event a Participant's employment is terminated by the Company, or the Surviving Company or Parent Company, or an Affiliate of the Company, or a successor thereto, without cause in the twenty-four (24) month period following the Change of Control, all unvested Options or substituted rights outstanding on the Participant's Termination Date shall immediately vest, and the Participant may exercise such vested Options or substituted rights until the earlier of the expiration of the original Exercise Term of such Option (or the Option for which the right was substituted) and twelve (12) months following the Participant's Termination Date, following which any unexercised Options or substituted rights shall terminate and cease to be exercisable.
- 4.5 Issue by Company of Additional Shares: Except as expressly provided in this Article 4, the issue by the Company of shares of any class, or securities convertible into shares of any class, for money, services or property either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares which may be acquired on the exercise of any outstanding Options or the Exercise Price under such Options.

## ARTICLE 5

### MISCELLANEOUS PROVISIONS

- 5.1 Legal Requirement: The Company shall not be obligated to grant any Options if the issuance or exercise thereof would constitute a violation by the Participant or the Company of any provisions of any applicable laws or regulatory requirements or the applicable rules of any Exchange on which the Shares are listed and posted for trading.
- 5.2 Rights of Participant: The Plan shall not give any employee the right to be employed by, or to continue to be employed by, the Company or any of its Affiliates. No Participant shall have any rights as a shareholder of the Company in respect of Shares issuable on the exercise of rights to acquire Shares under any Option or Shares issuable pursuant to Section 3.1(b) hereof until the allotment and issuance to the Participant of such Shares.
- 5.3 Interpretation: Whenever the Board is to exercise its discretion in the administration of terms and conditions of this Plan the term "discretion" shall mean the "sole and absolute discretion" of the Board.
- 5.4 Amendment or Discontinuance:

- (a) The Board may amend, suspend or terminate the Plan, in whole or in part, at any time, and, if suspended or terminated, the Plan shall govern the rights and obligations of the Company and the holders of Options, as applicable, with respect to all then-outstanding Options, provided that no such amendment, suspension or termination may:
- i. be made without obtaining any necessary regulatory or shareholder approvals if such approval is required by applicable securities laws or the applicable rules of any Exchange on which the Shares are listed and posted for trading; or
  - ii. materially adversely affect the rights of any Participant who holds outstanding Options at the time of any such amendment, as determined by the Board acting in good faith, without the consent of the Participant.
- (b) Notwithstanding Section 5.4(a), approval by a majority of votes cast by holders of Shares present and voting in person or by proxy at a meeting of shareholders of the Company shall be required for the following:
- i. any increase in the maximum number of Shares issuable by the Company under the Plan (other than pursuant to Section 4.1 or Section 4.2);
  - ii. any amendment that would reduce the Exercise Price at which Options may be granted below the minimum price currently provided for in Section 3.3 of the Plan;
  - iii. any amendment that would increase or delete the percentage limits on the aggregate number of Shares issuable or that could be issued to Insiders pursuant to Section 2.4(c);
  - iv. any amendment that would increase or delete the maximum term during which Options may be exercised pursuant to the Plan to be greater than 7 years, as set forth in Section 3.2(b);
  - v. subject to Section 3.2(b), any amendment that would extend the Exercise Term of any outstanding Option;
  - vi. any amendment that would reduce the Exercise Price of an outstanding Option (other than as may result from adjustments contemplated by Article 4 of the Plan) including a cancellation of an Option and re-grant of an Option to the same Participant in conjunction therewith, constituting a reduction of the Exercise Price of the Option;
  - vii. any exchange for cash or other entitlements, by the Company and a Participant, of an Option for which the Exercise Price is equal to, or less than, the Fair Market Value of a Share on the date of such exchange;
  - viii. any amendment that would permit transfers or assignments to persons not currently permitted under the Plan;
  - ix. any amendment to the definition of "Participant" or any amendment that would expand the scope of those persons eligible to participate in the Plan;
  - x. any amendment to increase the Value of Options granted, or delete the percentage limit relating to Shares issuable, in each case, to Non-Executive Directors in Section 2.4(d);
  - xi. any amendment to Section 2.4(f) that would allow the Board to reduce the aggregate number of Shares that may be issued under this Plan in respect of the exercise of a Share Appreciation Right by less than one whole Share;

xii. amend the Plan to provide for other types of compensation through equity issuance; and

xiii. amend Section 5.4(a) or this Section 5.4(b), other than as permitted by the requirements of each Exchange on which the Shares are listed and posted for trading.

(c) For greater certainty, the Board may, subject to Section 5.4(a), from time to time, by resolution, make any amendments to the Plan or any Option granted under the Plan, other than the items specified in Section 5.4(b), without shareholder approval.

- 5.5 **Indemnification:** Subject to the requirements of the *Business Corporations Act* (Ontario), every director of the Company shall at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, which such director may sustain or incur by reason of any action, suit or proceeding, proceeded or threatened against the director, otherwise than by the Company or any successor thereto, for or in respect of any act done or omitted by the director in respect of the Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgement rendered therein, provided that the act was done or omitted by the director in good faith.
- 5.6 **Effective Date:** The Plan is effective as of the date on which it has been approved by the Board and by the shareholders of the Company, as applicable and shall remain in effect through the tenth anniversary of its effective date and no further awards shall be issued under the Plan after the tenth anniversary of the effective date; provided, however, that such expiration shall not affect awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such awards.
- 5.7 **Governing Law:** The Plan and, unless otherwise explicitly so provided in the Option Certificate, all Option Certificates shall be governed and interpreted in accordance with the laws of the Province of Ontario and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of Ontario.
- 5.8 **US Taxes:** Notwithstanding any provision of the Plan to the contrary, solely with respect to US Taxpayers it is intended that any awards granted or payments made under the Plan either be exempt from or comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any subsidiary of the Company shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.
- 5.9 **Withholding:** The Company may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to Options hereunder (“**Withholding Obligations**”). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Participant or causing any Participant to sell such number of Shares issued to the Participant sufficient to fund the Withholding Obligations (after deducting any commissions payable to the broker). The Company may require a Participant, as a condition to exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations on terms and conditions determined by the Company in its sole discretion, including, without limitation, requiring the Participant to (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant under the Plan on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company.

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Adopted by the Board of Directors on May 18, 2018

Confirmed by the shareholders of the Corporation on June 28, 2018.

SCHEDULE A

CRONOS GROUP INC.

STOCK OPTION PLAN OPTION CERTIFICATE

The present Option Certificate is delivered pursuant to the provisions of the Cronos Group Inc. (the “**Company**”) Stock Option Plan, effective ●, 2018 (the “**Plan**”) and certifies that the optionee mentioned below (the “**Participant**”) has been granted Options (as defined in the Plan) to purchase common shares (the “**Shares**”) in the capital of the Company and an equal number Share Appreciation Rights (as defined in the Plan), in accordance with and subject to the following terms and conditions and the terms and conditions set out in the Plan:

Participant:	[●]
Grant Date:	[●]
Number of Options/Share Appreciation Rights:	[●]
Exercise Price:	\$(●)/Option
Vesting Schedule:	[Vesting in 16 quarterly installments, but subject to the Plan].
Expiry:	[7 years], unless terminated or expired earlier in accordance with the Plan.

The Participant may exercise these Options or Share Appreciation Rights to the extent vested in accordance with this Option Certificate and the Plan by delivering to the Company an Exercise Notice (attached hereto as Schedule “B”) accompanied by this Option Certificate and, where the Participant elects to exercise the Options, a certified cheque or bank draft payable to the Company or wire transfer to an account specified by the Company, in an amount equal to the aggregate Exercise Price or in such other manner as may be permitted by the board of directors of the Company pursuant to the Plan. If only part of these Options or Share Appreciation Rights are being exercised, the Company shall amend this Option Certificate to indicate the number of Options or Share Appreciation Rights exercised and the amended Option Certificate shall then be returned to the Participant.

This Option Certificate, as well as the Options and Share Appreciation Rights represented thereby, shall not be transferrable by the Participant otherwise by will or the laws of descent and distribution. This Option Certificate is only delivered for convenience and in the event of a dispute with respect thereto, the provisions of the Plan and the records of the Company shall be determinative and binding on the Participant.

Dated in \_\_\_\_\_, on \_\_\_\_\_, 2018.

**CRONOS GROUP INC.**

By: \_\_\_\_\_  
Authorized signatory

By signing where indicated below, the Participant acknowledges and confirms that:

1. his or her participation under the Plan is voluntary;
2. he or she has received a copy of the Plan which was applicable at the time of this grant of Options and Share Appreciation Rights and that no amendment to the Plan thereafter shall affect any right granted to him or her in respect of the Options and the Share Appreciation Rights, except if such amendment is approved by the Participant, or does not materially adversely affect the Participant's rights or is required in order to comply with changes to any relevant law or regulation applicable with respect to the Plan, the Options, the Share Appreciation Rights or the Shares; and
3. he or she has read and understands the Plan and accepts to be bound by the provisions thereof and the terms and conditions of this Option Certificate.

Signed in \_\_\_\_\_, on \_\_\_\_\_, 20 \_\_.

\_\_\_\_\_  
Participant Name:

**SCHEDULE B**

**CRONOS GROUP INC.**

**STOCK OPTION PLAN EXERCISE NOTICE**

TO: CRONOS GROUP INC. (the “Company”)

Pursuant to the Company’s Stock Option Plan, effective ●, 2018 (the “Plan”), the undersigned hereby gives an irrevocable notice of the exercise of the options (the “Options”) or Share Appreciation Rights evidenced by the Option Certificate dated \_\_\_\_\_ (the “Option Certificate”) to (pick one of Cash Exercise of Options or Share Appreciation Rights):

**Cash Exercise of Options**

purchase shares in the capital of the Company that are issuable pursuant to the Options (the “Option Shares”) and hereby (circle one):

- (a) subscribes for all of the Option Shares; or
- (b) subscribes for \_\_\_\_\_ number of Option Shares.

The Exercise Price per Option is \_\_\_\_\_ and the aggregate Exercise Price for all of the Options being exercised is \_\_\_\_\_ (the “Aggregate Exercise Price”).

**Payment:** With this notice, the undersigned is delivering the Aggregate Exercise Price by certified cheque or bank draft payable to Cronos Group Inc. or wire transfer to an account specified by the Company.

**OR**

**Share Appreciation Rights** (or commonly referred to as “cashless exercise”)

exercise Share Appreciation Rights (“SARs”) in respect of the Options and hereby (circle one):

- (a) subscribes for all of the SARs Shares (defined below); or
- (b) subscribes for \_\_\_\_\_ SARs Shares (defined below);

and hereby surrenders the same number of unexercised Options under the Option Certificate.

The number of shares delivered by the Company pursuant to a SARs exercise (the “SARs Shares”) will be calculated based on the Fair Market Value (as defined in the Plan) on the day the SARs Shares are issued (the “FMV”) as follows (fractional rounded down to the nearest whole number):

$$\frac{(\text{FMV} - \text{Exercise Price}) * \# \text{ of SARs exercised}}{\text{FMV}}$$

FMV

**DELIVERY:**

The undersigned requests that the Company registers and delivers (pick one):

**Certificated Shares** (paper certificate)

Lost paper certificates may be subject to a replacement fee, levied by the transfer agent, equal to 3% of the market value of the aggregate shares represented by the certificate at the time the loss is reported, or other fee then in force under the transfer agent's policies.

**OR**

**Direct Registration Statement** (electronically registered)

to the address below:

Registration Name and Address:

Mailing Address (if different):

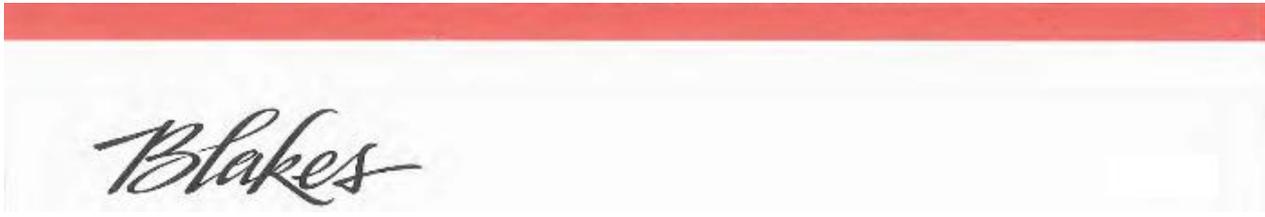
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Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of the Participant)

\_\_\_\_\_  
(Name of the Participant - in block letters)



Blake, Cassels & Graydon LLP  
 Barristers & Solicitors  
 Patent & Trade-mark Agents  
 199 Bay Street  
 Suite 4000, Commerce Court West  
 Toronto ON M5L 1A9 Canada  
 Tel: 416-863-2400 Fax: 416-863-2653

July 11, 2018

Reference: 14986/4

Cronos Group Inc.  
 720 King Street West, Suite 320  
 Toronto, Ontario  
 M5V 2T3

**RE: Cronos Group Inc. – Registration Statement on Form S-8 for Option Plans**

We have acted as Canadian counsel to Cronos Group Inc. (the “**Company**”) in connection with the filing by the Company of a Registration Statement on Form S-8 (the “**Registration Statement**”) with the United States Securities and Exchange Commission under the United States Securities Act of 1933, as amended (the “**Act**”), to register the offer and sale of the common shares of the Company (the “**Common Shares**”) reserved for issuance pursuant to the exercise of stock options (“**Options**”) granted or to be granted under or otherwise governed by each of (i) the Company’s amended and restated stock option plan dated May 26, 2015 (the “**2015 Option Plan**”) and (ii) the Company’s 2018 stock option plan dated May 18, 2018 (the “**2018 Option Plan**” and, together with the 2015 Option Plan, the “**Option Plans**”).

We have examined originals or copies, certified or identified to our satisfaction, of such public and corporate records, certificates and other documents and have considered such questions of law as we have deemed relevant or necessary as a basis for the opinions hereinafter expressed. In conducting such examinations, we assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy of the records maintained by all public offices where we have searched or enquired or have caused searches or enquiries to be conducted, as the case may be, and the authenticity of all corporate records, documents, instruments and certificates submitted to us as originals. We have further assumed the conformity to original documents of all documents submitted to us as certified, notarial, true, facsimile or photostatic copies, the authenticity of the originals of such copies and the accuracy and completeness of the information contained therein.

We have not undertaken any special or independent investigation to determine the existence or absence of any facts or circumstances relating to the Company, the Option Plans, the Options or the Common Shares. No inference as to our knowledge as to such facts and circumstances should be drawn merely from our specific representation of the Company.

Our opinion is given as of the date hereof and is based on legislation and regulations in effect on the date hereof. We do not in any event undertake to advise you of any facts or circumstances occurring or coming to our attention subsequent to the date hereof.

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TORONTO CALGARY VANCOUVER MONTRÉAL OTTAWA NEW YORK LONDON RIYADH/AL-KHOBAR\* BAHRAIN BEIJING  
 Blake, Cassels & Graydon LLP | \*Associated Offices | [blakes.com](http://blakes.com)

The logo for the law firm Blakes, featuring the name in a stylized, cursive script.

We are qualified to practice law only in the Province of Ontario. We express no opinion as to the laws of any jurisdiction other than those of the Province of Ontario and the federal laws of Canada applicable therein in effect on the date hereof.

Based on and subject to the foregoing, and provided that all necessary corporate action has been taken by the Company to authorize the issuance of the Options, we are of the opinion that upon the due and proper exercise of the Options granted pursuant to and in accordance with the 2015 Option Plan and the 2018 Option Plan, respectively, including the receipt of the applicable exercise price therefor, the Common Shares underlying the Options will be validly issued as fully paid and nonassessable shares in the capital of the Company.

We hereby consent to the use of our firm name in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not hereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations thereunder.

Yours truly,

*/s/ Blake, Cassels & Graydon LLP*

**Consent of Independent Registered Public Accounting Firm**

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated April 27, 2018 relating to the consolidated financial statements of the Cronos Group Inc. as at December 31, 2017 and 2016 and for each of the years then ended.

/s/ MNP LLP

Mississauga, Ontario, Canada  
Chartered Professional Accountants  
Licensed Public Accountants  
July 11, 2018