

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

As approved by the Board of Directors on January 31, 2018

**ARTICLE 1  
PURPOSE AND SCOPE**

**1.1 Functions of the Compensation Committee**

The primary functions of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) are to exercise the responsibilities and duties set forth below, including but not limited to:

- (a) discharging the Board’s responsibilities relating to the compensation of the Corporation’s executive officers;
- (b) administering the Corporation’s incentive compensation and stock plans; and
- (c) assisting the Board with respect to management succession and development.

**1.2 Annual Recommendations**

The Committee shall review and make recommendations to the Board on an annual basis regarding:

- (a) Corporation-wide compensation programs and practices;
- (b) all aspects of the remuneration of the Corporation’s executive officers; and
- (c) equity-based plans and any material amendments thereto (including increases in the number of shares available for grant as options or otherwise thereunder).

**ARTICLE 2  
COMPOSITION AND MEETINGS**

**2.1 Composition**

(a) The Committee shall be comprised of a minimum of two directors of the Board as appointed by the Board, each of whom:

- (i) meets the applicable independence and/or compensation committee composition requirements set forth in:

- (A) National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;
- (B) Section 10A-3 of, and Rule 10A-3(b)(1) under, the Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”),
- (C) the NASDAQ Listing Standards, the rules of the applicable stock exchange in Canada or the rules of any other applicable stock exchange;
- (D) the *Business Corporations Act* (Ontario); and
- (E) any other applicable rule, policy or law of any Canadian and U.S. securities regulatory authorities, including the Ontario Securities Commission and the U.S. Securities and Exchange Commission, any stock exchange and any other governmental or regulatory authority exercising authority over the Corporation (each a “**Regulatory Authority**”),

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

- (ii) is a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; and
- (iii) is an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code.

## **2.2 Appointment**

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

(b) The Board may fill a vacancy in the membership of the Committee and may remove a member of the Committee at any time for any reason.

(c) Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

## **2.3 Meetings**

(a) The Committee shall meet as necessary, but at least twice each year, to enable it to fulfill its responsibilities and duties as set forth herein.

(b) The Committee may invite members of management or others to attend Committee meetings and provide pertinent information as the Committee may request on the issues being considered, provided that the CEO and other executives may not be present during any voting or deliberations on compensation of the CEO or such other executives, respectively, and the Committee shall hold executive sessions without management present at each Committee meeting.

(c) The Chair of the Committee or any member of the Committee may call a meeting by notifying the members of the Committee. Ordinarily, meetings of the Committee should be convened with no less than 48 hours' notice having been given. The requirement for notice to a Committee member can be waived in writing by that Committee member or with the consent of no less than the number of Committee members that constitutes a quorum of the Committee, whether before or after such notice is required. Attendance by a Committee member constitutes waiver of notice to such Committee member of such meeting.

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

## **2.4 Quorum**

A majority of the members of the Committee shall constitute a quorum at any meeting of the Committee, but in no case shall a quorum be comprised of less than two members of the Committee, and the action of a majority of those present (or all members if only two members form the Committee), after determining a quorum, shall be the act of the Committee.

## **ARTICLE 3** **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

(a) periodically review and assess the adequacy of this Charter to ensure compliance with any rules or regulations promulgated by any Regulatory Authority and recommend any modifications to this Charter if and when appropriate to the Board for its approval;

(b) periodically review and advise the Board (supported in the discretion of the Committee, by internal or external experts) on (i) current trends in industry-wide compensation practices and (ii) how the Corporation's compensation programs and practices compare to those of comparable companies in the industry;

(c) periodically review and make recommendations to the Board regarding the terms and conditions, design, approval, implementation, administration and interpretation of the Corporation's compensation plans, including any equity-based compensation plans, and take such actions in regard to such plans as may be required by the terms of the plan, subject to shareholder approval requirements of any Regulatory Authority;

- (d) establish and periodically review share ownership guidelines for the executive officers and directors of the Corporation;
- (e) determine the eligibility requirements applicable to participants in the Corporation's compensation plans and evaluate the performance of each compensation plan, including as may be required by the applicable plan or any Regulatory Authority;
- (f) periodically determine, or recommend to the Board for determination, the compensation of the chief executive officer and all other executive officers of the Corporation
- (g) at least annually, review incentive compensation arrangements to confirm they do not encourage inappropriate or unintended risk taking;
- (h) review on a periodic basis the operation of the Corporation's executive compensation programs to determine whether they are properly coordinated and administered;
- (i) periodically review policies in the area of management perquisites;
- (j) oversee management succession planning and at least annually make appropriate recommendations to the Board regarding the appointment and succession of the Corporation's executive officers;
- (k) review the compensation disclosure to be included in the Corporation's annual information circular and, as necessary, produce an annual report for inclusion in such information circular;
- (l) form and delegate authority to subcommittees where appropriate;
- (m) on a periodic basis, as determined in its sole discretion necessary or advisable, retain the services of a compensation consultant and approve in advance any other work the consultant performs at the request of management and ensure compliance with the requirements established by Regulatory Authorities related to the retaining and using of such consultants;
- (n) oversee the Corporation's compliance with any rules promulgated by any Regulatory Authority prohibiting loans to officers and directors of the Corporation;
- (o) perform such additional functions as shall be assigned to it by resolution of the Board and exercise such additional powers as may be reasonably necessary or desirable, in the Committee's discretion, to fulfill its responsibilities and duties under this Charter;
- (p) review, consider, and recommend to the Board (if deemed advisable) all employment, severance or change in control agreements with, and any special or supplemental benefits provided to, any executive officers or directors of the Corporation, including in connection with any potential material transaction, such as a merger, acquisition, or spin-off, on the Corporation's compensation plans; and
- (q) at least annually, submit a report to the Board on compensation matters and other matters within the Committee's responsibility.

**ARTICLE 4**  
**ACCESS TO MANAGEMENT AND INDEPENDENT ADVICE**

The Committee shall have unrestricted access to the Corporation's officers and employees. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management (collectively, "advisors"), at the expense of the Corporation, with notice to either the Chair of the Board or the CEO of the Corporation, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate such consultants or advisors to be used to assist in the evaluation of Chair of the Board, CEO or executive officer compensation and shall have the sole authority to approve such consultant or adviser's fees and other retention terms; provided that before selecting or receiving advice from any such advisor (other than an advisor subject to an exclusion under the listing rules of any applicable exchange upon which securities of the Corporation are traded), the Committee must take into consideration all factors relevant to the advisor's independence from management, including any factors required by applicable law and existing exchange listing rules.

**ARTICLE 5**  
**NO RIGHTS CREATED**

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