

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **September 8, 2020**

CRONOS GROUP INC.

(Exact name of registrant as specified in its charter)

British Columbia, Canada

(State or other jurisdiction
of incorporation)

001-38403

(Commission
File Number)

N/A

(I.R.S. Employer
Identification No.)

111 Peter Street, Suite 300

Toronto , Ontario
(Address of principal executive offices)

M5V 2G9

(Zip Code)

Registrant's telephone number, including area code: **(416) 504-0004**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	CRON	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 8, 2020, the Board of Directors (the “Board”) of Cronos Group Inc. (“Cronos Group”) appointed Kurt Schmidt (age 63) as President and Chief Executive Officer of Cronos Group, effective as of September 9, 2020 (the “Effective Date”). As of the Effective Date, Michael Gorenstein will transition from the positions of President and Chief Executive Officer of Cronos Group to the position of Executive Chairman of the Board.

Schmidt Agreement

In connection with Mr. Schmidt’s appointment, Cronos USA Client Services LLC (“Cronos USA”), Cronos Group and Mr. Schmidt entered into an executive employment agreement (the “Schmidt Agreement”) setting forth the terms of Mr. Schmidt’s employment. The Schmidt Agreement provides for annual base salary of \$520,000, annual target bonus opportunity of 150% of base salary, annual long-term target incentive opportunity of \$1,300,000, and participation in the employee benefit programs of Cronos USA or Cronos Group, as applicable. In addition, Mr. Schmidt will receive a one-time sign-on grant of equity-based awards, comprised of (a) 2,000,000 non-qualified stock options that vest ratably on an annual basis over a five-year period following the date of grant and have an exercise price equal to the fair market value of the common shares of Cronos Group (“Common Shares”) on the trading day prior to the grant date and (b) 450,000 restricted share units that vest on the third anniversary of the grant date and settle in Common Shares on a one-for-one basis.

In the event Mr. Schmidt’s employment is terminated by Cronos USA without Just Cause or he resigns for Good Reason (each, as defined in the Schmidt Agreement), he would be entitled to a severance payment in the amount of his annual base salary, employee benefit continuation for up to one year following termination and a pro-rated annual bonus for the year of termination, subject to Mr. Schmidt entering into a release of claims in favor of Cronos Group and its affiliates and related entities. Upon termination of Mr. Schmidt’s employment, treatment of any outstanding equity-based awards will be governed by the terms and conditions of any applicable plan and award agreement. Upon termination of his employment for any reason, Mr. Schmidt is subject to ongoing confidentiality and mutual non-disparagement provisions, non-competition and customer non-solicitation covenants for the one-year period following termination and an employee non-solicitation covenant for the two-year period following termination.

Mr. Schmidt served as a director and Chief Executive Officer of Blue Buffalo Pet Products, Inc. from 2012 through 2016. Prior to joining Blue Buffalo, Mr. Schmidt served as Deputy Executive Vice President at Nestlé S.A., from 2007 until 2012 and was responsible for the Nestlé Nutrition division and served as a member of the company’s Executive Committee. Prior to joining Nestlé, Mr. Schmidt was the President and Chief Executive Officer of Gerber Products Company from 2004 to 2007. Mr. Schmidt received a Bachelor of Science in Chemistry from the United States Naval Academy and a Master of Business Administration (MBA) from the University of Chicago. Mr. Schmidt does not have any familiar relationships with any of Cronos Group’s directors or executive officers, and is not a party to any transactions listed in Item 404(a) of Regulation S-K.

Gorenstein Agreement

In connection with Mr. Gorenstein’s transition to his role as Executive Chairman of the Board, Cronos USA and Cronos Group entered into an amended and restated employment agreement with Mr. Gorenstein (the “Gorenstein Agreement”). Under the Gorenstein Agreement, Mr. Gorenstein will cease serving as President and Chief Executive Officer of Cronos Group on the Effective Date and will continue his service on the Board and employment with Cronos USA as Executive Chairman of the Board for a period of up to 18 months following the Effective Date (the “Employment Period”). If the Board terminates Mr. Gorenstein’s service as Executive Chairman of the Board other than for Just Cause (as defined in the Gorenstein Agreement) prior to the end of the 18-month term, Mr. Gorenstein will provide consulting services to Cronos Group for the remainder of the 18-month term (the “Consulting Period”). The term of the Gorenstein Agreement is subject to automatic renewal unless advance notice of non-renewal is given by any party. The Gorenstein Agreement has substantially similar base salary and annual

bonus opportunity as were applicable under Mr. Gorenstein's prior employment agreement with Cronos Group, and during the Consulting Period, if any, Mr. Gorenstein will be entitled to receive a monthly consulting fee in the amount of \$83,000. During the term, Mr. Gorenstein will generally remain eligible to receive annual grants of restricted share units equal to \$985,000 for Cronos Group's 2021 fiscal year and \$493,000 for Cronos Group's 2022 fiscal year (each, an "LTI Grant"). Any annual bonus and long-term incentive award Mr. Gorenstein is eligible to receive under the Gorenstein Agreement is contingent on the conclusion of the currently pending investigation (the "Investigation") by the U.S. Securities and Exchange Commission ("SEC") into Cronos Group, and the Investigation not resulting in a penalty being levied by the SEC against Mr. Gorenstein personally or against Cronos on account of any misconduct or mismanagement by Mr. Gorenstein. Any outstanding equity-based awards that are held by Mr. Gorenstein as of the last day of the Employment Period will vest as of that date, except in the event of a termination for Just Cause, and any LTI Grants made during the Consulting Period will be fully vested as of the date of grant.

Upon (i) termination of Mr. Gorenstein's employment or consulting services, as applicable, by Cronos USA or Mr. Gorenstein upon the completion of the 18-month term or (ii) earlier termination of Mr. Gorenstein's employment or consulting services by Cronos USA other than for Just Cause or (iii) resignation by Mr. Gorenstein due to material breach of the Gorenstein Agreement by Cronos USA, Mr. Gorenstein will be entitled to severance equal to 12 months' base salary and annual bonus (at target), a pro-rated annual bonus (at target), if any, for the portion of the Employment Period worked in the year of termination, benefit continuation for up to one year following termination, and immediate vesting of any unvested equity-based awards, subject to Mr. Gorenstein's entering into a release of claims in favor of Cronos Group and its affiliates and related entities. In connection with the Gorenstein Agreement, Mr. Gorenstein agreed to ongoing confidentiality, intellectual property and mutual non-disparagement provisions, and non-competition and non-solicitation requirements for the term of the Gorenstein Agreement.

The foregoing descriptions of the Schmidt Agreement and Gorenstein Agreement do not purport to be complete and are qualified in its entirety by reference to the full text of the Schmidt Agreement and Gorenstein Agreement, which are attached hereto as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On September 9, 2020, Cronos Group issued a press release announcing the transition described under Item 5.02 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The information in this Item 7.01, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such a filing or document.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Executive Employment Agreement, dated as of September 9, 2020, between Cronos USA, Cronos Group and Kurt Schmidt.</u>
10.2	<u>Amended and Restated Employment Agreement, dated as of September 9, 2020, between Cronos USA, Cronos Group and Michael Gorenstein.</u>
99.1	<u>Press Release issued by Cronos Group dated September 9, 2020.</u>
104	Cover Page Interactive Data File – The cover page from Cronos Group's Current Report on Form 8-K filed on September 9, 2020 is formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRONOS GROUP INC.

Dated: September 9, 2020

By: /s/ Xiuming Shum

Name: Xiuming Shum

Title: EVP, Legal and Regulatory Affairs and Corporate Secretary

EXECUTIVE EMPLOYMENT AGREEMENT

(this “Agreement”)

BETWEEN:

CRONOS USA CLIENT SERVICES LLC

(the “Company”)

- and -

KURT SCHMIDT

(the “Executive”)

- and –

solely for the purposes specified herein,

CRONOS GROUP INC.

(“Cronos Group”)

WHEREAS the Company is a wholly owned subsidiary of Cronos Group;

WHEREAS the Company wishes to engage the services of the Executive in the position of President and Chief Executive Officer of Cronos Group;

WHEREAS the Executive will have extensive access to the customers, vendors, suppliers, distribution processes and other unique and valuable confidential information and trade secrets of the Company, Cronos Group and their respective affiliates (excluding Altria Group, Inc. and its subsidiaries) and related entities (together, the “Group”);

WHEREAS the Company and the Executive desire to enter into a written employment agreement;

AND WHEREAS the Executive acknowledges that this Agreement, including, without limitation, the proprietary rights, confidentiality, non-solicitation and non-competition provisions that form part of this Agreement are essential to protect the legitimate business interests of the Group.

NOW THEREFORE in consideration of the foregoing, the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive, and solely for the purposes specified herein, Cronos Group (together, the “Parties”), agree as follows:

1. Position

1.1 The Executive shall be employed in the position of President and Chief Executive Officer of Cronos Group, commencing on September 9, 2020 (the “**Effective Date**”), or such other date as agreed between the Executive and the Company in writing (email being sufficient).

2. Location

2.1 The Executive shall be based primarily from New Jersey or a location mutually agreed to among the Parties, with business travel as reasonably required to perform the Executive’s duties hereunder.

3. Work Authorizations

3.1 It is a condition of this Agreement and the Executive’s employment that the Executive shall be able to work lawfully in Canada and the United States. However, it is understood and agreed that the Executive’s position may require that the Executive work abroad, as needed by Cronos Group. The Executive’s employment with the Company is therefore also conditional upon the securing of all necessary visas, work permits and other authorizations that may be required to enter and/or to work in any of the countries in which the Executive may be assigned to work or visit during the term of employment. The Company shall provide its best efforts to assist in respect of immigration matters. Despite such assistance, the Company cannot guarantee when or whether the Executive’s application for a work permit, visa, permanent residence status or other immigration status or documents will be approved. At any time, should necessary authorizations that permit the Executive to legally work in Canada and the United States or any other jurisdiction in which the Executive will be required to work or visit expire without the possibility of renewal, the Executive’s employment shall come to an end and shall be treated by the Company as a termination without Just Cause (as defined below); provided, that if such authorization expires without the possibility of renewal due to any action or inaction by Executive, the Executive’s employment shall come to an end and shall be treated by the Company as a termination with Just Cause.

4. Employment Duties

4.1 The Executive shall perform such duties and exercise such powers as are normally associated with or incidental and ancillary to the Executive’s position and as may be assigned to the Executive from time to time by the board of directors of Cronos Group (the “**Board**”). In fulfilling the Executive’s duties to the Group, the Executive shall be instructed by and shall regularly report to the Board. The Executive’s duties, hours of work, location of employment and reporting relationships may be adjusted from time to time by the Board to meet changing business and operational needs. Without limiting the foregoing, the Executive shall:

- (a) devote the Executive’s full working time and attention during normal business hours and such other times as may be reasonably required to the business and affairs of the Group and shall not, without the prior written consent of the Board, undertake any other business (including any position on a board of any for profit, public benefit or nonprofit entity other than as set forth on Exhibit A to this Agreement) or occupation or public office;

- (b) perform those duties that may be assigned to the Executive diligently, honestly, and faithfully to the best of the Executive's ability and in the best interest of the Group;
- (c) abide by all Cronos Group policies, as instituted and amended from time to time, including, without limitation, the Cronos Group Employee Handbook;
- (d) use best efforts to promote the interests and goodwill of the Group and not knowingly do, or permit to be done, anything that may be prejudicial to the Group's interests, it being understood and agreed that the Executive is a fiduciary of Cronos Group and owes fiduciary obligations to Cronos Group that are not extinguished by this Agreement; and
- (e) identify and immediately report to the Board or any applicable committee thereof any misrepresentations or violations of the Cronos Group Employee Handbook or applicable law by Cronos Group or its management.

5. **Services in Canada.** As soon as practicable following the Effective Date, the Executive agrees to execute an employment agreement with Hortican Inc. on substantially the same terms as this Agreement to reflect any services to be provided in Canada pursuant to Canadian law, which apply retroactively as of the Effective Date, without duplication of any of the remuneration or benefits set forth in this Agreement.

6. **Compensation and Benefits**

6.1 **Base Salary.** The Company shall pay the Executive an annual base salary of US \$520,000, less applicable deductions and withholdings ("**Base Salary**"). The Base Salary shall be paid by direct deposit on a bi-weekly basis in accordance with the Company's payroll practices (as may be amended from time to time by the Company in its sole discretion). The Company shall review Executive's Base Salary for upward adjustment on at least an annual basis starting in 2021.

6.2 **Annual Performance Bonus.** In addition to the Base Salary, the Executive shall be eligible to participate in the Group's annual cash bonus plan as may be in effect from time to time, and to receive an annual bonus, subject to the terms and conditions of that plan as determined by Cronos Group in good faith after consultation with the Executive. The Executive's annual target bonus opportunity shall initially be 150% of Base Salary; provided that the actual bonus amount, if any, shall be determined pursuant to the terms of the applicable Group annual bonus plan; provided, further, that Executive's minimum bonus for 2020 shall be at least his target bonus opportunity multiplied by a fraction where the numerator is the number of calendar days in 2020 which Executive was employed by the Company, and the denominator is 365. Subject to Section 7.3 of this Agreement, the Executive must be actively employed by the Company through the applicable payment date in order to be eligible for any annual bonus, unless provided otherwise pursuant to the applicable annual cash bonus plan. For certainty, other than as expressly provided in this Agreement, if the Executive's employment is terminated by the Company, or the Executive resigns or otherwise terminates employment for any reason, regardless of any applicable notice period, pay in lieu of notice, severance payment or similar amount, the Executive shall be entitled to no annual bonus or any part thereof for the year in which the Executive ceases the Executive's active employment or thereafter, or damages in lieu thereof, unless provided otherwise pursuant to Section 7.3 of this Agreement and/or the applicable annual cash bonus plan. There shall be no guarantee of a bonus in any given year.

6.3 **Long-Term Incentive Opportunity.** The Executive shall be eligible to receive annual grants of equity-based awards over shares of Cronos Group with an initial target incentive opportunity of US \$1,300,000 (based on the grant date fair value of such awards), provided that the actual amount, if any, of the grants shall be determined by the Board or the Compensation Committee of the Board, as applicable, at its sole discretion. Any equity-based grants shall be governed by the terms and conditions of the equity award plan or any other applicable plan of Cronos Group and/or the applicable award agreement (which shall be in substantially the same form as Exhibits C and D, including without limitation the vesting and exercisability provisions set forth therein). Such plan or plans may be amended from time to time at Cronos Group's sole discretion. In the event of the cessation of the Executive's employment for any reason, the Executive's entitlements in respect of any equity-based awards shall be governed by the terms and conditions of the applicable equity award plan, any other applicable plan and the applicable award agreement, except as expressly set forth herein. The Executive shall not be eligible for any further grants of equity-based awards following the effective date of termination or damages in lieu thereof, regardless of any applicable notice period, pay in lieu of notice, severance payment or similar amount.

In addition, as soon as reasonably practicable after the Effective Date, the Board shall grant the Executive a one-time grant of equity-based awards, comprised of (a) 2,000,000 non-qualified stock options, vesting ratably over a five-year period following the date of grant, and (b) 450,000 restricted share units, vesting on the third anniversary of the grant date (together, the "**Sign-On Awards**"). The Sign-On Awards shall be subject to the terms and conditions set forth in Cronos Group's 2020 Omnibus Equity Incentive Plan and the applicable award agreements, in substantially the forms attached hereto as Exhibit C and Exhibit D.

6.4 **Group Insured Benefits.** The Executive shall be eligible to participate in the benefits programs of the Company or Cronos Group, as applicable, for health and dental, life insurance, disability and other benefits as may be available to its employees of from time to time, subject to the terms and conditions of the applicable plan document. The Company or Cronos Group, as applicable, reserves the right to amend or discontinue all benefits, coverages, plans and programs referred to in this Section 6.4, without advance notice or other obligation.

6.5 **Vacation.** The Executive shall be eligible for four weeks' paid vacation per year. The Executive shall take vacation time at such times as are approved in advance by the Company in accordance with the policies of the Company or Cronos Group, as applicable. Vacation shall be accrued in accordance with the applicable vacation policy of the Company or Cronos Group, as applicable.

6.6 **Business Expenses.** The Executive shall be reimbursed for all reasonable travel and other out-of-pocket expenses properly incurred by the Executive from time to time in connection with performance of the Executive's duties and submitted for reimbursement in accordance with the following sentence of this Section 6.6. The Executive shall furnish to the Company all invoices or statements in respect of expenses for which the Executive seeks reimbursement in accordance with the Company's policies or procedures for expense reimbursement, as may be amended from time to time.

6.7 **Clawback Policy; Share Ownership Guidelines.** The Executive agrees and acknowledges that any annual, long-term or other cash, equity or equity-based incentive or bonus compensation paid, provided or awarded to the Executive, including, notwithstanding anything to the contrary in such policy, the non-qualified stock options and restricted share units awarded in connection

with the Sign-On Awards, is subject to the terms and conditions of any clawback or recapture policy that Cronos Group may adopt from time to time, and may be subject to the requirement that such compensation be repaid to the Company after it has been distributed to Executive. Executive agrees and acknowledges that Executive shall be subject to Cronos Group's share ownership guidelines for the Executive's position, as the same may be in effect or amended from time to time. As of the Effective Date, such guidelines require the President and Chief Executive Officer to achieve, within five years of the Effective Date, a level of ownership equal to five times Base Salary.

7. Termination of Employment

- 7.1 **Termination by the Executive.** The Executive may terminate the Executive's employment with the Company at any time by providing the Company with at least three months of notice in writing. If, upon receipt of the Executive's resignation (or any later date during such notice period), the Company terminates the Executive's employment before the date the resignation was to be effective, the Company shall, in full satisfaction of its obligations to the Executive: (a) pay the Executive's Base Salary and vacation pay accrued until the date the resignation was to be effective up to a maximum of three months; and (b) reimburse the outstanding expenses properly incurred by the Executive until the date the Executive's employment ceases and submitted for reimbursement pursuant to Section 6.6. In such circumstances the Executive shall be ineligible for any pro-rated bonus for the year of termination, and any entitlements in respect of any equity-based awards shall be governed by the terms and conditions of the applicable equity award plan, any other applicable plan and the applicable award agreement.
- 7.2 **Termination by the Company for Just Cause or on Death or Disability.** The Company may terminate the Executive's employment at any time for Just Cause without prior notice or in the event of the Executive's death or Disability (as defined below). On the termination of the Executive's employment for Just Cause or on the Executive's death or Disability, this Agreement and the Executive's employment shall terminate and the Company shall, in full satisfaction of its obligations to the Executive: (a) pay the Executive's Base Salary and vacation pay accrued until the date the Executive's employment ceases; and (b) reimburse the outstanding expenses properly incurred by the Executive until the date the Executive's employment ceases and submitted for reimbursement pursuant to Section 6.6. In such circumstances the Executive shall be ineligible for any pro-rated bonus for the year of termination, and any entitlements in respect of equity-based awards shall be governed by the terms and conditions of the applicable equity award plan, any other applicable plan and the applicable award agreement; provided, however, that in the event of death or Disability, Executive shall be entitled to a bonus payment calculated in accordance with Section 7.3(v) below. For the purposes of this Agreement, (A) "**Just Cause**" means: (i) any act or omission constituting "just cause" for dismissal without notice under applicable law; (ii) the Executive's repeated failure or refusal to perform the Executive's principal duties and responsibilities after notice from the Board or any committee thereof; (iii) misappropriation of the funds or property of the Company; (iv) use of alcohol or drugs in violation of the Company's policies on such use or that interferes with the Executive's obligations under this Agreement, continuing after a single warning (subject to the Company's obligations under applicable human rights legislation); (v) the indictment, arrest or conviction in a court of law for, or the entering of a plea of guilty or nolo contendere to, a summary or indictable offence or any crime involving moral turpitude, fraud, dishonesty or theft (subject to the Company's obligations under applicable human rights legislation); (vi) engaging in any act which is a violation of any law, regulation or Cronos Group policy, that, if violated, injures or could

reasonably be expected to injure the reputation, business or business relationships of the Group; (vii) engaging in any act which is a violation of any Cronos Group policy with respect to sexual harassment, discrimination or similar or related policies; or (viii) any willful or intentional act which injures or could reasonably be expected to injure the reputation, business or business relationships of the Group, and (B) “**Disability**” means a physical or mental incapacity of the Executive that has prevented the Executive from performing the duties customarily assigned to the Executive for 180 calendar days, whether or not consecutive, out of any twelve consecutive months and that in the opinion of the Board or any committee thereof, acting on the basis of advice from a duly qualified medical practitioner, is likely to continue to a similar degree.

7.3 **Termination by the Company without Just Cause or Resignation for Good Reason.** The Company may terminate the Executive’s employment at any time without Just Cause, on providing thirty days’ written notice to the Executive. The Executive may resign from the Executive’s employment for Good Reason (as defined below) on providing thirty days’ written notice to the Company. If: (a) the Company terminates the Executive’s employment without Just Cause, or (b) the Executive resigns from the Executive’s employment for Good Reason, and, in each case, if the Executive signs and delivers and does not revoke a release in favor of the Group to the Company in the form attached as Exhibit B to this Agreement, the Company, shall, in full satisfaction of its obligations to the Executive:

- (i) pay the Executive’s Base Salary and accrued but unpaid vacation pay and bonus attributable to completed fiscal years;
- (ii) reimburse the Executive’s expenses properly incurred until the date the Executive’s employment ceases;
- (iii) pay the Executive a lump sum payment equal to the Executive’s Base Salary, payable within sixty days (or the next following business day if the sixtieth day is not a business day) following Executive’s date of termination);
- (iv) continue the Executive’s group insured benefits at active employee rates under the Consolidated Omnibus Reconciliation Act of 1985, as amended, for one year following Executive’s date of termination or until the date on which the Executive obtains alternate benefit coverage, whichever occurs first, subject to the terms and conditions of the benefit plans, as amended from time to time. If the Company is unable for any reason to continue its contributions to the benefit plans as set out in this Agreement, it shall pay the Executive an amount equal to the Company’s required contributions to such benefit plans on behalf of the Executive for such period. The Executive agrees that the Executive is required to notify the Company when the Executive obtains alternate life, medical and dental benefit coverage;
- (v) subject to the terms and conditions of the Group’s annual cash bonus plan in effect at such time, provide the Executive with an annual performance bonus in respect of the fiscal year in which the Executive’s employment terminates. The annual bonus, if any, shall be (A) prorated based on the number of complete months of such fiscal year during which the Executive was actively employed up to the date of the Executive’s termination of employment, and (B) payable as a lump sum when annual bonuses in respect of the fiscal year are paid to other senior executives of the Company. Any assessment of the Company’s and the Executive’s year-to-date performances for purposes of determining

the amount of the annual cash bonus, if any, shall be at the Company's sole discretion. For the avoidance of doubt and notwithstanding anything to the contrary in the foregoing, if the Executive's employment terminates after the end of a fiscal year, but before the payment of any annual performance bonus in respect of such year, the Executive shall only be eligible for a performance bonus in respect of such completed fiscal year, and shall not be eligible for a prorated bonus in respect of any subsequent fiscal year(s); and

- (vi) determine the Executive's entitlements in respect of equity-based awards in accordance with the terms and conditions of the applicable equity award plan, any other applicable plan and the applicable award agreement.

If the Executive does not sign and deliver to the Company the release in favor of the Group described above, or if the Executive revokes the foregoing release, the Company shall only provide the Executive with such compensation (including any Base Salary and accrued but unpaid vacation pay, termination pay and severance pay and expense reimbursements (submitted in accordance with Section 6.6)) and benefits that are expressly required pursuant to applicable law, if any.

For certainty, regardless of any applicable notice period, the Company may terminate the Executive's employment at any time without Just Cause, by paying the Executive thirty days of the Base Salary.

In this Agreement, "**Good Reason**" means the occurrence of any of the following events without the Executive's consent, except in each case for any isolated, immaterial or inadvertent action not taken in bad faith and which is remedied by the Company within thirty days after a written notice thereof by the Executive (provided that such written notice must be received by the Company within sixty days of Executive becoming aware of such condition):

- (a) the assignment to the Executive of duties materially different than the duties assigned to the Executive hereunder;
- (b) a material diminution in the Executive's title, status, seniority, reporting relationship, responsibilities or authority;
- (c) a material reduction in the Executive's Base Salary; or
- (d) the relocation of the Executive's primary work location more than 35 miles from its current location, except as permitted by Section 2.1.

- 7.4 **Resignation on Termination.** The Executive agrees that upon any termination of employment with the Company for any reason the Executive shall immediately tender resignation from any position the Executive may hold as an officer or director of the Company and take all steps necessary to remove Executive from any and all designated positions under any applicable laws, including without limitation, the *Cannabis Act* (Canada) and the regulations thereunder, as the same may be amended from time to time, or any subsidiary or affiliate of Cronos Group. In the event that the Executive fails to comply with this obligation within three days of the Executive's termination or resignation, the Executive hereby irrevocably authorizes Cronos Group to appoint a person in the Executive's name and on the Executive's behalf to sign or execute any documents and/or do all things necessary or requisite to give effect to such resignation.

7.5 **Compliance with Laws.** The Executive understands and agrees that the entitlements under this Section 7 are provided in full satisfaction of the Executive's entitlements to notice of termination, pay in lieu of notice, and severance pay, if any, under this Agreement, any employee benefit plan sponsored or maintained by the Group, applicable law (including the common law) or otherwise.

8. Restrictive Covenants

8.1 **Non-Disclosure.** The Executive acknowledges and agrees that:

- (a) during the term of the Executive's employment, the Executive may be given access to or may become acquainted with confidential and proprietary information of the Group and third parties to which the Group may have any obligations of non-disclosure or confidentiality, including, without limitation: trade secrets; know-how; Intellectual Property (as defined below); Executive-Developed IP (as defined below), Development Records (as defined below), existing and contemplated work product resulting from or related to projects performed or to be performed by or for the Group; programs and program modules; processes; algorithms; design concepts; system designs; production data; test data; research and development information; information regarding the acquisition, protection, enforcement and licensing of proprietary rights; technology; joint ventures; business, accounting, engineering and financial information and data; marketing and development plans and methods of obtaining business; forecasts; future plans and strategies of the Group; pricing, cost, billing and fee arrangements and policies; quoting procedures; special methods and processes; lists and/or identities of customers, suppliers, vendors and contractors; the type, quantity and specifications of products and services purchased, leased, licensed or received by the Group and/or any of its customers, suppliers, or vendors; internal personnel and financial information; business and/or personal information about any senior staff members of the Group or any person with which the Group enters a strategic alliance or any other partnering arrangements; vendor and supplier information; the manner and method of conducting the Group's business; the identity or nature of relationship of any persons or entities associated with or engaged as consultants, advisers, agents, distributors or sales representatives (the "**Confidential Information**") the disclosure of any of which to competitors of the Group or to the general public, or the use of same by the Executive or any competitor of the Group, would be highly detrimental to the interests of the Group;
- (b) disclosure or use of Confidential Information, other than in connection with the Group's business or as specifically authorized by the Group, will be highly detrimental to the business and interests of the Group and could result in serious loss of business and damage to it. Accordingly, the Executive specifically agrees to hold all Confidential Information in strictest confidence, and the Executive agrees that the Executive shall not, without the Company's prior written consent, disclose, divulge or reveal to any person, or use for any purpose other than for the exclusive benefit of the Company, any Confidential Information, in whatever form contained; provided that the foregoing shall not apply to information (except for personal information about identifiable individuals) that: (i) was known to the public prior to its disclosure to the Executive; (ii) becomes generally known to the public subsequent to disclosure to the Executive other than by reason of the Executive's breach of this Section; (iii) becomes available to the Executive from a source independent of the Group; or (iv) the Executive is specifically required to disclose by applicable law or legal process (provided that, to the extent legally permissible, the

Executive provides the Company with prompt advance written notice of the contemplated disclosure and cooperates with the Company in seeking a protective order or other appropriate protection of such information); and

- (c) the Executive shall deliver to the Company, immediately upon termination of employment (for any reason and regardless of whether the Executive or the Company terminate the employment) or at any time the Company so requests: (i) any and all documents, files, notes, memoranda, models, databases, computer files and/or other computer programs reflecting any Confidential Information whatsoever or otherwise relating to the Group's business; (ii) lists or other documents regarding customers, suppliers, or vendors of the Group or leads or referrals to prospective business deals; and (iii) any computer equipment, home office equipment, automobile or other business equipment belonging to the Company that the Executive may then possess or have under the Executive's control.
- (d) For the avoidance of doubt, nothing in this Agreement limits, restricts or in any other way affects the Executive communicating with any governmental authority or entity concerning matters relevant to the governmental authority or entity. The Executive and the Company agree that no confidentiality or other obligation the Executive owes to the Group prohibits the Executive from reporting possible violations of law or regulation to any governmental authority or entity under any applicable whistleblower protection provision of applicable Canadian, U.S. Federal or U.S. State law or regulation (including Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002) or requires the Executive to notify the Company of any such report. The Executive is hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (i) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (iii) to the Executive's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

8.2 Intellectual Property

- (a) In this Section 8.2, the term "**Germplasm**" means any living or preserved biological tissue or material which may be used for the purpose of plant breeding and/or propagation, including, without limitation, plants, cuttings, seeds, clones, cells, tissues, plant materials and genetic materials (including, without limitation, nucleic acids, genes, promoters, reading frames, regulatory sequences, terminators, chromosomes whether artificial or natural and vectors).
- (b) For the purposes of this Agreement, "**Intellectual Property**" means any and all intellectual property rights and proprietary rights existing in any jurisdiction throughout the world, including any rights in or to: (i) patents, patent applications, patent rights, inventions, industrial designs, industrial design applications, industrial design rights,

ideas, discoveries and invention disclosures (whether or not patentable), and any divisionals, continuations, continuations-in-part, reissues, renewals, reexaminations and extensions of any of the foregoing; (ii) trademarks, service marks, trade names, trade dress, logos, packaging designs, slogans, other indicia of source, Internet domain names and URLs, and registrations and applications for registration of any of the foregoing and any renewals thereof, together with any goodwill symbolized thereby; (iii) copyrightable works (including with respect to software and compilations of data), whether published or unpublished, including all copyrights, copyright registrations and applications; (iv) trade secrets, and confidential or proprietary information, data or database rights, know-how, techniques, designs, processes, recipes and formulas; (v) Germplasm, plant varieties, and applications and registrations for plant varieties issued by or pending before any Governmental Authority, including under the Plant Variety Protection Act (United States) or the Plant Breeders' Rights Act (Canada); and (vi) circuit topographies, database rights and software.

- (c) The Executive agrees to promptly disclose to the Company (including, without limitation, to the Board) all Intellectual Property, including with respect to, but without limitation, Germplasm, and whether or not any of the foregoing are registrable, which the Executive may author, make, conceive, develop, discover or reduce to practice, solely, jointly or in common with other employees, during the Executive's employment with the Company, and which relate to the business activities of the Group ("**Executive-Developed IP**"). Intellectual Property coming within the scope of the business of the Company made and/or developed by the Executive while in the employ of the Company, whether or not conceived or made during regular working hours and whether or not the Executive is specifically instructed to make or develop the same, shall be for the benefit of the Company and shall be considered to have been made pursuant to this Agreement and shall be deemed Executive-Developed IP and shall immediately become exclusive property of the Company.
- (d) The Executive further acknowledges that all Executive-Developed IP is "work made for hire" (to the greatest extent permitted by applicable law), "made in the course of employment" and owned exclusively by the Company and that the Executive has been compensated for such Executive-Developed IP by the Executive's salary, commissions and other benefits, unless regulated otherwise by law. To the extent such Executive-Developed IP is not "work made for hire", "made in the course of employment" or otherwise not owned automatically and exclusively by the Company as a matter of law, then to the greatest extent permitted under by applicable law, the Executive hereby irrevocably assigns and transfers, and shall assign and transfer, to the Company, the Executive's entire right, title and interest in and to any and all Executive-Developed IP, and the Executive agrees to execute and deliver to the Company any and all instruments necessary or desirable to accomplish the foregoing and, in addition, to do all lawful acts which may be necessary or desirable to assist the Company to obtain and enforce protection of Executive-Developed IP. If and to the extent the foregoing assignment cannot be effected as a matter of law with respect to any Executive-Developed IP, the Executive hereby grants to the Company an exclusive, perpetual, fully-paid, royalty-free, irrevocable, worldwide, fully-transferable, fully sublicensable (on multiple levels) license to use, modify, display, perform, make, have made, copy, make derivative works, import, export, distribute and otherwise exploit such Executive-Developed IP for any purpose.

- (e) The Executive must keep, maintain and make available to the Company complete and up-to-date records relating to any Executive-Developed IP, and agree that all such records are the sole and absolute property of the Company. For greater certainty, all materials related to Executive-Developed IP (including, without limitation, notes, records and correspondence, whether written or electronic) (collectively, “**Development Records**”) are the property of the Company, which the Executive shall provide to the Company upon request. Development Records shall not be removed from Company premises without the prior written consent of the Company. The Executive agrees to maintain as confidential any Executive-Developed IP and Development Records unless and until made generally public by the Company, and not to make application for registration of rights in respect of any Executive-Developed IP unless it is at the request and direction of the Company.
- (f) The Executive shall, at the request and cost of the Company, and for no additional compensation or consideration from the Company, sign, execute, make and do all such deeds, documents, acts and things as the Company and its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) registered rights in any Executive-Developed IP, including any patents, industrial designs, letters patent, copyrights, plant breeders’ rights, trademarks, service marks or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same; (ii) to perfect or evidence ownership by the Company or its designees of any and all Executive-Developed IP, in form suitable for recordation in the United States, Canada and any other intellectual property office anywhere in the world; (iii) to defend any opposition proceedings of any type whatsoever in respect of such applications, and any opposition proceedings or petitions or applications of any type whatsoever for revocation of such Executive-Developed IP, whether such proceedings are brought before a court or any administrative body; (iv) to defend and/or assert the Group’s rights in any Intellectual Property against any third party; and (v) to assert the Executive’s moral rights in any Intellectual Property against any third party. The Executive further waives all moral rights in and to any Executive-Developed IP and all work the Executive produced during the course of the Executive’s employment in favor of the Company, its licensees, successors and assigns, and transferees of the Executive-Developed IP and such work.
- (g) If, in the course of performing duties pursuant to this Agreement, the Executive uses any Germplasm, the Executive shall only use Germplasm provided by the Company, and the Executive agrees that any such Germplasm provided by the Company remains the sole property of the Company and that such Germplasm shall not be removed from Company premises without the prior written consent of the Company.
- (h) The Executive represents and warrants that the Executive does not possess any Intellectual Property or Germplasm of any third party, including, without limitation, any prior employer or competitor of the Group, and the Executive shall not acquire and/or use Intellectual Property or Germplasm of any third party in the course of performing duties pursuant to this Agreement and shall not bring any Germplasm of any third party onto Company premises.

8.3 **Non-Competition.** The Executive shall not at any time during the Executive’s employment with the Company and for a period of one year following the termination of the Executive’s

employment with the Company for any reason, either individually or in partnership or jointly or in conjunction with any person as principal, agent, consultant, employee, partner, director, shareholder (other than an investment of less than five percent of the shares of a company traded on a registered stock exchange or traded in the over the counter market in the United States or Canada), or in any other capacity whatsoever:

- (a) engage in employment or enter into a contract to do work related to the research into, development, cultivation, production, supply, sales or marketing of cannabis or cannabis derived products; or the development or provision of any services (including, without limitation, technical and product support, or consultancy or customer services) which relate to cannabis or cannabis derived products (the “**Business**”); or
- (b) have any financial or other interest (including by way of royalty or other compensation arrangements) in or in respect of the business of any person which carries on the Business in any respect; or
- (c) advise, lend money to or guarantee the debts or obligations of any person which carries on the Business in any respect;

anywhere within Canada and/or the United States of America.

For the avoidance of doubt, rendering services or engaging in employment related to a non-cannabis subsidiary or division of a Business shall not constitute a violation of this Section 8.3; provided that such services or employment do not otherwise violate the terms of this Section 8.3 or any of the other covenants and restrictions contained in this Article 8.

- 8.4 **Non-Solicitation of Customers.** The Executive shall not, during the Executive’s employment and for the one year period immediately following the termination of the Executive’s employment for any reason, whether alone or for or in conjunction with any person, whether as an employee, partner, director, principal, agent, consultant or in any other capacity whatsoever, directly or indirectly solicit or attempt to solicit any Customer or Prospective Customer for the purpose of obtaining the business of any Customer or Prospective Customer or persuading any such Customer or Prospective Customer to cease to do business with or reduce the amount of business it would otherwise provide to the Group. For the purpose of this Agreement, “**Customer**” means any person which is a current customer or has been a customer of the Group during the term of the Executive’s employment with the Company but in the event of the cessation of the Executive’s employment “**Customer**” shall include only those current customers of the Group with whom the Executive had direct contact or access to Confidential Information by virtue of the Executive’s role as an employee of the Company at any time during the twelve month period preceding the date of the cessation of the Executive’s employment; “**direct contact**” means direct communications with or by the Executive, whether in person or otherwise, for purposes of servicing, selling, or marketing on behalf of the Company, but only if such communications are more than trivial in nature, and in any case excluding bulk or mass marketing communications directed to multiple customers; and, “**Prospective Customer**” means any person has been actively contacted and solicited for its business by representatives of the Group, but in the event of the cessation of the Executive’s employment, shall include only those persons contacted with the involvement and knowledge of the Executive within the twelve month period immediately preceding the date of the cessation of the Executive’s employment.

- 8.5 **Non-Solicitation of Employees.** The Executive shall not, during the Executive's employment and for two years following the termination of the Executive's employment for any reason, whether alone or for or in conjunction with any person, whether as an employee, partner, director, principal, agent, consultant or in any other capacity whatsoever, directly or indirectly solicit or assist in the solicitation of any employee of the Group to leave such employment.
- 8.6 **Disclosure.** Subject to Section 4.1(a), during the Executive's employment with the Company, the Executive shall promptly disclose to the Board full information concerning any interest, direct or indirect, of the Executive (whether as owner, shareholder, partner, lender or other investor, director, officer, employee, consultant or otherwise) or any member of the Executive's immediate family, in any business which is reasonably known to the Executive to purchase or otherwise obtain services or products from, or to sell or otherwise provide services or products to the Group or to any of their respective suppliers or Customers.
- 8.7 **Other Employment.** During the Executive's employment with the Company, the Executive shall not, except as a representative of the Company or with the prior written approval of the Board, whether paid or unpaid, be directly or indirectly engaged, concerned or have any financial interest in any capacity in any other business, trade, professional or occupation (or the setting up of any business, trade, profession or occupation), other than as set forth in Section 4.1(a) and Exhibit A to this Agreement.
- 8.8 **Return of Materials.** All files, forms, brochures, books, materials, written correspondence (including email and instant messages), memoranda, documents, manuals, computer disks, software products and lists (including financial and other information and lists of customers, suppliers, products and prices) pertaining to the Group which may come into the Executive's possession or control shall at all times remain the property of the Group as applicable. Upon termination of the Executive's employment for any reason, the Executive agrees to immediately deliver to the Company all such property in the Executive's possession or directly or indirectly under the Executive's control. The Executive agrees not to make, for the Executive's personal or business use or that of any other person, reproductions or copies of any such property or other property of the Group.
- 8.9 **Non-Disparagement.** Executive agrees not to speak or act in a manner that would reasonably be expected to disparage or defame or damage the goodwill of the Group, or the business or personal reputations of any of its officers, directors, partners, agents, employees, clients or suppliers, and further agrees not to engage in any other depreciating conduct or communications with respect to or its affiliates including, without limitation, on social media. For the avoidance of doubt, nothing contained herein shall adversely affect or impair the Group's right to enforce any of the restrictive covenants or other post-employment obligations contained in this Employment Agreement, or any other agreement to which Executive is a party or otherwise bound. The Company and Cronos Group agree to direct each of their officers and directors not to speak or act in a manner that would reasonably be expected to disparage or defame or damage Executive and further agree not to direct their officers and directors to engage in any other depreciating conduct or communications with respect to Executive including, without limitation, on social media. For the avoidance of doubt, nothing contained herein shall adversely affect or impair any Party's right to enforce any of the restrictive covenants or other post-employment obligations contained in this Agreement, or any other agreement to which such Party is a party or otherwise bound.

9. **General**

- 9.1 **Reasonableness of Restrictions and Covenants.** The Executive hereby confirms and agrees that the covenants and restrictions contained in this Agreement, including, without limitation, those contained in Article 8, are reasonable and valid the Executive further acknowledges and agrees that the Company may suffer irreparable injury in the event of any breach by the Executive of the obligations under any such covenant or restriction. Accordingly, the Executive hereby acknowledges and agrees that damages would be an inadequate remedy at law in connection with any such breach and that the Company shall therefore be entitled, in addition to any other right or remedy which it may have at law, in equity or otherwise, to temporary and permanent injunctive relief enjoining and restraining the Executive from any such breach.
- 9.2 **Survival.** Article 8 and this Section 9.2 survive the termination of this Agreement and the Executive's employment for any reason whatsoever.
- 9.3 **Entire Agreement.** This Agreement (including the exhibits hereto) sets forth the entire agreement between the Parties on the subject matters addressed herein. There are no representations, warranties or collateral agreements, whether written or oral, outside of this written Agreement. This Agreement and the terms and conditions of employment contained herein supersede and replace any prior and contemporaneous understandings or discussions between the Parties regarding the Executive's employment.
- 9.4 **Withholding Taxes.** The Company may withhold from any amounts or benefits payable under this Agreement income taxes and payroll taxes that are required to be withheld pursuant to any applicable law or regulation.
- 9.5 **Section 409A Compliance.** To the extent applicable, this Agreement is intended to comply with the requirements of Section 409A of the United States Internal Revenue Code of 1986, as amended (together with the applicable regulations thereunder, "**Section 409A**"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A or to the extent any provision in this Agreement must be modified to comply with Section 409A (including, without limitation, Treasury Regulation 1.409A-3(c)), such provision shall be read, or shall be modified (with the mutual consent of the parties, which consent shall not be unreasonably withheld), as the case may be, in such a manner so that all payments due under this Agreement shall comply with Section 409A. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding any provision of this Agreement to the contrary, if necessary to comply with the restriction in Section 409A(a)(2)(B) concerning payments to "specified employees" (as defined in Section 409A) any payment on account of the Executive's separation from service that would otherwise be due hereunder within six months after such separation shall nonetheless be delayed until the first business day of the seventh month following the Executive's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless he would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A.

- 9.6 **Amendments.** This Agreement may only be amended by written agreement executed by the Parties. However, changes to the Executive's position, duties, vacation, benefits and compensation, over time in the normal course, do not affect the validity or enforceability of the Agreement.
- 9.7 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware and the laws of the United States applicable in the State of Delaware.
- 9.8 **Severability.** If any provision in this Agreement is determined to be invalid or unenforceable, such provision shall be severed from this Agreement, and the remaining provisions shall continue in full force and effect. If for any reason any court of competent jurisdiction shall find any provisions of this Agreement unreasonable in duration or geographic scope or otherwise, the Parties agree that the restrictions and prohibitions contained herein shall be effective to the fullest extent allowed under applicable law in such jurisdiction.
- 9.9 **Assignment.** The Company may assign this Agreement to an affiliate or subsidiary, and it inures to the benefit of the Company, its successors or assigns.
- 9.10 **Independent Legal Advice.** The Executive acknowledges that the Executive has been encouraged to obtain independent legal advice regarding the execution of this Agreement at the Company's expense in an amount not to exceed US \$8,000, and that the Executive has either obtained such advice or voluntarily chosen not to do so, and hereby waives any objections or claims the Executive may make resulting from any failure on the Executive's part to obtain such advice.
- 9.11 **Waiver.** No waiver of any of the provisions of this Agreement shall be effective or binding, unless made in writing and signed by the party purporting to give the same. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall such waiver constitute a continuing waiver, unless expressly stated otherwise.
- 9.12 **Conditions.** This Agreement and the Executive's continued employment hereunder is conditional on the Company's satisfaction (determined in the Company's sole discretion) that the Executive has met the legal requirements to perform the Executive's role, including, without limitation, satisfactory results of Health Canada or any other applicable security clearance checks and criminal record checks and other reference checks that the Company performs. The Executive acknowledges and agrees that in signing this Agreement, and providing the Company with the necessary documentation to perform the checks required for the Executive's role and with references, the Executive is providing consent to the Company or its agent, to perform such checks and contact the references the Executive provided to the Company.
- 9.13 **Prior Restrictions.** By signing below, the Executive represents that the Executive is not bound by the terms of any agreement with any person which restricts in any way the Executive's hiring by the Company and the performance of the Executive's expected job duties; the Executive also represents that, during the Executive's employment with the Company, the Executive shall not disclose or make use of any confidential information of any other persons or entities in violation of any of their applicable policies or agreements and/or applicable law.

9.14 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission, including in portable document format (.pdf), shall be deemed as effective as delivery of an original executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of this 9th day of September, 2020.

CRONOS USA CLIENT SERVICES LLC

By: /s/ Xiuming Shum

Name: Xiuming Shum

Title: Secretary

CRONOS GROUP INC.

By: /s/ Jody Begley

Name: Jody Begley

Title: Chairman of the Compensation
Committee of the Board of Directors

Executive

By: /s/ Kurt Schmidt

Name: Kurt Schmidt

SIGNED AND DELIVERED

in the presence of

/s/ Joseph S. Adams

Witness Signature

Joseph S. Adams

Witness Print Name

[Signature Page to Executive Employment Agreement]

EXHIBIT B

FORM OF FULL AND FINAL RELEASE

GENERAL RELEASE AND WAIVER OF CLAIMS (this “**Release**”), by the undersigned (hereinafter called the “**Releasor**”) in favor of **Cronos Group, Inc.** and its subsidiaries (hereinafter referred to as the “**Employer**”), affiliates, stockholders, beneficial owners of its stock, its current or former officers, directors, employees, members, attorneys and agents, and their predecessors, successors and assigns, individually and in their official capacities (hereinafter called the “**Releasees**”).

WHEREAS, Releasor has been employed as President and Chief Executive Officer of Cronos Group, Inc.;

WHEREAS, Releasor’s employment with Cronos USA Client Services LLC was terminated, effective as of • (the “**Effective Date**”); and

WHEREAS, Releasor is seeking certain payments under Section 7.3 of the employment agreement entered into by Cronos USA Client Services LLC, the Releasor and, solely for the purposes specified therein, Cronos Group, Inc., dated September 9, 2020 (hereinafter called the “**Employment Agreement**”), that are conditioned on the effectiveness of this Release.

NOW, THEREFORE, in consideration of such payments and benefits and the covenants and agreements hereinafter set forth, the parties agree as follows:

1. **GENERAL RELEASE.** Releasor knowingly and voluntarily waives, terminates, cancels, releases and discharges forever the Releasees from any and all suits, actions, causes of action, claims, allegations, rights, obligations, liabilities, demands, entitlements or charges (collectively, “**Claims**”) that Releasor (or Releasor’s heirs, executors, administrators, successors and assigns) has or may have, whether known, unknown or unforeseen, vested or contingent, by reason of any matter, cause or thing occurring at any time before and including the date of this Release, including all claims arising under or in connection with Releasor’s employment, or termination or resignation of employment with the Employer, including, without limitation: Claims under United States federal, state or local law and the national or local law of any foreign country (statutory or decisional), for wrongful, abusive, constructive or unlawful discharge or dismissal, for breach of any contract, or for discrimination based upon race, color, ethnicity, sex, age, national origin, religion, disability, sexual orientation, or any other unlawful criterion or circumstance, including rights or Claims under the Age Discrimination in Employment Act of 1967 (“**ADEA**”), the Older Workers Benefit Protection Act of 1990 (“**OWBPA**”), violations of the Equal Pay Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Employee Retirement Income Security Act of 1974 (“**ERISA**”), the Fair Labor Standards Act, the Worker Adjustment Retraining and Notification Act, the Family Medical Leave Act, including all amendments to any of the aforementioned acts; and violations of any other federal, state, or municipal fair employment statutes or laws, including, without limitation, violations of any other law, rule, regulation, or ordinance pertaining to employment, wages, compensation, hours worked, or any other Claims for compensation or bonuses, whether or not paid under any compensation plan or arrangement; breach of contract; tort and other common law Claims; defamation; libel; slander; impairment of economic opportunity; defamation; sexual harassment; retaliation; attorneys’ fees; emotional distress; intentional infliction of emotional distress; assault; battery, pain and suffering; and punitive or exemplary damages (the “**Released Matters**”). In addition, in

consideration of the provisions of this Release, Releasor further agrees to waive any and all rights under the laws of any jurisdiction in the United States, or any other country, that limit a general release to those Claims that are known or suspected to exist in Releasor's favor as of the Release Effective Date (as defined below).

Thus, notwithstanding the purpose of implementing a full and complete release and discharge of the claims released by this Release, Releasor expressly acknowledges that this Release is intended to include in its effect, without limitation, all claims which Releasor does not know or suspect to exist in his favor at the time of execution hereof arising out of or relating in any way to the subject matter of the actions referred to herein above and that this Release contemplates the extinguishment of any such claims.

2. **SURVIVING CLAIMS.** Notwithstanding anything herein to the contrary, this Release shall not:
 - (i) release any Claims for payment of amounts payable under the Employment Agreement (including, without limitation, under Section 7.3 thereof);
 - (ii) release any Claim for employee benefits under plans covered by ERISA to the extent any such Claim may not lawfully be waived or for any payments or benefits under any Employer plans that have vested (including any 401(k) plan) according to the terms of those plans;
 - (iii) release any Claim or right Releasor may have pursuant to indemnification, advancement, defense, or reimbursement pursuant to any applicable D&O policies, any similar insurance policies, applicable law or otherwise;
 - (iv) release any Claim that may not lawfully be waived in a private agreement between the parties; or
 - (v) limit Releasor's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Notwithstanding the foregoing, Releasor agrees to waive Releasor's right to recover monetary damages in connection with any charge, complaint or lawsuit filed by Releasor or anyone else on Releasor's behalf (whether involving a governmental entity or not); provided that Releasor is not agreeing to waive, and this Release shall not be read as requiring Releasor to waive, any right Releasor may have to receive an award for information provided to any governmental entity.
3. **ADDITIONAL REPRESENTATIONS.** Releasor further represents and warrants that Releasor has not filed any civil action, suit, arbitration, administrative charge, or legal proceeding against any Releasees nor, has Releasor assigned, pledged, or hypothecated as of the Release Effective Date any Claim to any person and no other person has an interest in the Claims that he is releasing.
4. **ACKNOWLEDGMENT BY RELEASOR.** Releasor acknowledges and agrees that Releasor has read this Release in its entirety and that this Release is a general release of all known and unknown Claims. Releasor further acknowledges and agrees that:

- (i) this Release does not release, waive or discharge any rights or Claims that may arise for actions or omissions after the Release Effective Date and Releasor acknowledges that he is not releasing, waiving or discharging any ADEA Claims that may arise after the Release Effective Date;
- (ii) Releasor is entering into this Release and releasing, waiving and discharging rights or Claims only in exchange for consideration which he is not already entitled to receive;
- (iii) Releasor has been advised, and is being advised by the Release, to consult with an attorney before executing this Release;
- (iv) Releasor has been advised, and is being advised by this Release, that he has been given at least [twenty-one (21)] [forty-five (45)] days within which to consider the Release, but Releasor can execute this Release at any time prior to the expiration of such review period; [and]
- (v) [Because this Release includes a release of claims under ADEA, Releasor is being provided with the information contained in Schedule 1 hereto in accordance with the OWBPA; and]¹
- (vi) Releasor is aware that this Release shall become null and void if he or she revokes his or her agreement to this Release within seven (7) days following the date of execution of this Release. Releasor may revoke this Release at any time during such seven-day period by delivering (or causing to be delivered) to the Employer written notice of his or her revocation of this Release no later than 5:00 p.m. Eastern time on the seventh (7th) full day following the date of execution of this Release (the “**Release Effective Date**”). Releasor agrees and acknowledges that a letter of revocation that is not received by such date and time shall be invalid and shall not revoke this Release.

5. **COOPERATION WITH INVESTIGATIONS AND LITIGATION.** Releasor agrees, upon the Employer’s reasonable request and consistent with Releasor’s reasonable business and personal obligations, to reasonably cooperate with the Employer in any investigation, litigation, arbitration or regulatory proceeding regarding events that occurred during Releasor’s tenure with the Employer or its affiliate, including making himself or herself reasonably available to consult with Employer’s counsel, to provide information and to give testimony. Employer shall reimburse Releasor for reasonable out-of-pocket expenses Releasor incurs in extending such cooperation, so long as Releasor provides satisfactory documentation of the expenses. Nothing in this Section is intended to, and shall not, restrict or limit Releasor from exercising his or her protected rights described in Sections 2, 4, 5 or 6 hereof or restrict or limit Releasor from providing truthful information in response to a subpoena, other legal process or valid governmental inquiry.

6. **RESTRICTIVE COVENANTS.** Releasor hereby affirms the restrictive covenants set forth in Section 8 of the Employment Agreement shall continue to apply following the Release Effective Date in accordance with their terms.

¹ Note to Draft: To be included (along with 45 day consideration period and Schedule 1 attached hereto) in consideration for ADEA/OWBPA claims in terminations involving multiple employees.

7. **GOVERNING LAW.** To the extent not subject to federal law, this Release shall be governed by and construed in accordance with the law of the State of Delaware applicable to contracts made and to be performed entirely within that state.

8. **SEVERABILITY.** If any provision of this Release should be declared to be unenforceable by any administrative agency or court of law, then remainder of the Release shall remain in full force and effect.

9. **CAPTIONS; SECTION HEADINGS.** Captions and section headings used herein are for convenience only and are not a part of this Release and shall not be used in construing it.

10. **COUNTERPARTS; FACSIMILE SIGNATURES.** This Release may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument without the production of any other counterpart. Any signature on this Release, delivered by either party by photographic, facsimile or PDF shall be deemed to be an original signature thereto.

IN WITNESS WHEREOF I have hereunder set my hand this _____ day of _____, 20 ____.

SIGNED AND DELIVERED

in the presence of:

Witness' Signature

[Name of Executive]

Print Name of Witness

Address of Witness

EXHIBIT C

CRONOS GROUP INC. OPTION AWARD AGREEMENT

This Option Award Agreement (hereinafter referred to as the “**Agreement**”) is made and entered into this _____ day of _____, 2020 (the “**Grant Date**”) by and between Cronos Group Inc. (hereinafter referred to as “**Cronos**” and, together with any subsidiary, and any successor entity thereto, the “**Company**”) and Kurt Schmidt (hereinafter referred to as the “**Grantee**”), pursuant to the **Cronos Group Inc. 2020 Omnibus Equity Incentive Plan** (hereinafter referred to as the “**Plan**”). All terms and provisions of the Plan are hereby incorporated into and shall govern the Agreement except where general provisions of the Plan are superseded by particular provisions of the Agreement. To the extent the Grantee is party to an employment agreement with the Company (the “**Employment Agreement**”) and any terms set forth herein conflict or are otherwise inconsistent with any terms or conditions set forth in the Employment Agreement, the terms and conditions set forth in the Employment Agreement shall govern. All capitalized terms used in the Agreement shall have the same meaning given the terms in the Plan.

1. Grant of Options. Cronos hereby grants the Grantee 2,000,000 non-qualified stock options (the “**Options**”) (hereinafter referred to as the “**Award**”), which are subject to terms and conditions set forth below. Each Option represents the right to purchase one Common Share at the Exercise Price set forth below.
2. Exercise Price. The Exercise Price will be \$[_____]² per Option (the “**Exercise Price**”).
3. Vesting Dates. The Award shall vest over five (5) years, with one-fifth (1/5th) of the Award vesting on each of the first (1st), second (2nd), third (3rd), fourth (4th) and fifth (5th) anniversary of the Grant Date (each, a “**Vesting Date**”), provided, that the Grantee remains employed at the Company through such applicable Vesting Date.
4. Expiration Date: Subject to the terms and conditions of this Agreement and the Plan, the latest date the Options will expire is on the seventh anniversary of the Grant Date (the “**Expiration Date**”).
5. Termination of Employment; Change of Control.
 - (a) In the event that prior to the final Vesting Date, the Grantee’s Employment terminates because of death, the full Award shall vest immediately and shall be exercisable in the same manner as provided for in Section 6 and all vested Options may be exercised by the Grantee’s estate at any time within six (6) months from the date of such termination of Employment.
 - (b) In the event that prior to the final Vesting Date, the Grantee’s Employment terminates because of Disability, the Award shall remain outstanding and continue to vest and be exercisable in the same manner as provided for in Sections 3 and 6 and all vested Options may be exercised by the Grantee at any time within 12 months from the date of such termination of Employment.

² Note to Draft: To be the closing price reported on Nasdaq on the trading date immediately preceding the date of grant.

- (c) In the event that prior to the final Vesting Date, the Grantee's Employment terminates without Just Cause or for Good Reason (as defined in the Employment Agreement) the Award will become fully vested immediately and exercisable in accordance with Section 6 of the Agreement and all vested Options may be exercised by the Grantee at any time within 12 months from the date of such termination of Employment (subject to the Expiration Date).
- (d) In the event that prior to the final Vesting Date, a Change of Control involving the purchase of Company securities described in Rule 13e-3 to the Exchange Act (including without limitation one in which Altria Group, Inc. or any of its subsidiaries is the acquirer and, as a result of such Change of Control, there is a reasonable likelihood or a purpose of causing the common stock of Cronos to be either eligible for termination from registration or reporting obligations under the Exchange Act or removed from listing on a national securities exchange), (i) four-fifths (4/5^{ths}) of the Award will immediately become fully vested and exercisable in accordance with Section 6 (to the extent not already vested and exercisable); and (ii) the remaining one-fifth (1/5th) of the Award will become vested and exercisable in accordance with Section 6 on the earlier of the 12 month anniversary of the date of such Change of Control and the final Vesting Date, provided that the Grantee remains employed at the Company through such date; provided, however, that if the Company ceases to be a publicly-traded Company following such Change of Control, then (1) such four-fifths (4/5^{ths}) of the Award described in clause (i) above shall immediately become fully vested and converted into the right to receive an amount equal to the product of (A) the excess, if any, of (x) the value of the per share merger consideration (whether payable in cash, shares or a combination thereof) over (y) the Exercise Price (the "**Spread**"), *multiplied by* (B) the total number of shares underlying four-fifths (4/5^{ths}) of the Award payable as of the closing date of the Change of Control, and (2) such one-fifth (1/5th) of the Award described in clause (ii) above shall become vested and converted into the right to receive an amount equal to the product of (A) the Spread *multiplied by* (B) the total number of shares underlying one-fifth (1/5th) of the Award (the "**1/5th Spread Value**") payable on the earlier of the 12 month anniversary of the date of such Change of Control and the final Vesting Date, provided that the Grantee remains employed at the Company through such date. In the event that prior to the date set out in clauses (ii) or (2) above, as applicable, the Grantee's Employment terminates without Just Cause or for Good Reason (or due to death or Disability), then the remaining one-fifth (1/5th) of the Award or the 1/5th Spread Value, as applicable, will become vested and exercisable in accordance with Section 6 or payable, as applicable, on the date of such termination of Employment.
- (e) Except as set forth in Sections 5(c) and 5(d), in the event that prior to the final Vesting Date, the Grantee's Employment terminates for any reason other than death or Disability, then the unvested portion of the Award shall be forfeited for no consideration.
- (f) Notwithstanding anything to the contrary, to the extent any payments or benefits in connection with an applicable termination of Employment are contingent on the delivery of an effective release and waiver of claims as set out in the Employment Agreement, any accelerated vesting of the Award upon such termination of Employment shall also be contingent on such release and waiver of claims.

6. Exercise of Options. Vested Options may be exercised by submitting to Cronos an written notice specifying the number of Options to be exercised accompanied by payment of the full purchase price, in an amount equal to the aggregate Exercise Price of the Options that are being exercised, in cash or in another form, which may include: (a) bank transfer; (b) Common Shares, based on the Fair Market Value as of the exercise date; (c) cashless exercise; (d) any other form of consideration approved by the Company and permitted by applicable law; and (e) any combination of the foregoing. As soon as reasonably practicable following Cronos' determination that the Options have been validly exercised, Cronos will issue the relevant number of Shares to be allocated to the Grantee, subject to applicable tax withholding as provided in Section 3.2 of the Plan.
7. Employment. Nothing in the Agreement shall interfere with or limit in any way the right of the Company to terminate the Grantee's Employment nor confer upon any Grantee any right to continue in the employ of the Company. For greater certainty, a Grantee's termination of Employment will include both voluntary and involuntary terminations, and the involuntary termination of a Grantee's Employment shall occur on the date that the Grantee ceases performing services for the Company on a permanent basis, whether such termination is lawful or otherwise, without regard to any required period of notice, pay in lieu of notice, severance pay or similar compensation or benefits (and without regard for any claim for damages in respect thereof), except as expressly required by applicable employment or labor standards legislation.
8. Non-Transferable. The rights or interests of the Grantee under this Agreement, including, without limitation, the Options, shall not be assignable or transferable, otherwise than in the case of death of the Grantee as set out in the Plan, and such rights or interests shall not be encumbered by any means.
9. Not Shares. The Options are not Common Shares, and the Options shall not entitle the Grantee to exercise voting rights or any other rights attaching to the ownership of Common Shares, including, without limitation, rights on liquidation.
10. Withholding Taxes. The Grantee acknowledges and agrees that the Company has the right to deduct from any payments due to the Grantee any federal, state, provincial or local taxes required by law to be withheld with respect to the Award.
11. Section 409A. Payments under this Agreement are intended to be exempt from or comply with Section 409A of the Internal Revenue Code ("**Section 409A**") to the extent applicable, and this Agreement shall be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement or the Employment Agreement, to the extent that any payment under this Agreement is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to the Grantee by reason of termination of the Grantee's Employment, then (a) such payment shall be made to the Grantee only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations and (b) if the Grantee is a "specified employee" (within the meaning of Section 409A and as determined by the Company), such payment shall not be made before the date that is six (6) months after the date of the Grantee's separation from service (or the Grantee's earlier death). Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A.

12. Governing Law. The Plan and this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware.
13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Grantee. By accepting the Award on the terms set forth herein, the Grantee acknowledges and agrees to the matters and conditions set forth herein and in the Plan. The Grantee hereby further confirms and acknowledges receipt of a copy of the Plan.

IN WITNESS WHEREOF, this Agreement is executed by Cronos and by Grantee as of this _____ day of _____, 2020.

CRONOS GROUP INC.

By: Jody Begley

Title: Chairman of the Compensation Committee of the Board of Directors

The Grantee (a) accepts the Award, (b) agrees to be bound by, and comply with, the terms of the Plan and this Agreement, and (c) agrees that all good faith decisions and determinations of the Administrator with respect to the Award shall be final and binding on the Grantee and any other person having or claiming an interest under the Award.

GRANTEE

Kurt Schmidt

EXHIBIT D

CRONOS GROUP INC. RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (hereinafter referred to as the “**Agreement**”) is made and entered into this _____ day of _____, 2020 (the “**Grant Date**”) by and between Cronos Group Inc. (hereinafter referred to as “**Cronos**” and, together with any subsidiary, and any successor entity thereto, the “**Company**”) and Kurt Schmidt (hereinafter referred to as the “**Grantee**”), pursuant to the **Cronos Group Inc. 2020 Omnibus Equity Incentive Plan** (hereinafter referred to as the “**Plan**”). All terms and provisions of the Plan are hereby incorporated into and shall govern the Agreement except where general provisions of the Plan are superseded by particular provisions of the Agreement. To the extent the Grantee is party to an employment agreement with the Company (the “**Employment Agreement**”) and any terms set forth herein conflict or are otherwise inconsistent with any terms or conditions set forth in the Employment Agreement, the terms and conditions set forth in the Employment Agreement shall govern. All capitalized terms used in the Agreement shall have the same meaning given the terms in the Plan.

1. Grant of Restricted Share Units. Cronos hereby grants the Grantee 450,000 Restricted Share Units (hereinafter referred to as the “**Award**”), which are subject to terms and conditions set forth below.
2. Vesting and Settlement of Restricted Share Units. Subject to the terms and conditions of this Agreement and the Plan:
 - (a) the Award shall vest on the third (3rd) anniversary of the Grant Date (the “**Vesting Date**”), provided, that the Grantee remains employed at the Company through such Vesting Date;
 - (b) upon the Vesting Date, the Award shall promptly (but not later than sixty (60) calendar days thereafter) be paid out in Common Shares, cash or a combination of Common Shares or cash, as determined by the Committee; and
 - (c) where the Committee decides to settle all or a portion of the Grantee’s vested Awards in Common Shares, settlement shall be made by the issuance and delivery of one Common Share for each Restricted Share Unit which the Committee decides to settle in Common Shares. Where the Committee decides to settle all or a portion of the Grantee’s vested Awards in cash, a cash payment shall be made to the Grantee equal to the Fair Market Value determined as of the applicable Vesting Date of the Award multiplied by the number of vested Restricted Share Units that the Committee wishes to settle in cash.
3. Termination of Employment.
 - (a) In the event that prior to the Vesting Date, the Grantee’s Employment terminates because of death, the full Award shall vest and promptly (but not later than sixty (60) calendar days thereafter) be settled in the same manner as provided for in Section 2.
 - (b) In the event that prior to the Vesting Date, the Grantee’s Employment terminates because of Disability, the Award shall remain outstanding and continue to vest and be settled in the same manner as provided for in Section 2.

- (c) In the event that prior to the Vesting Date, the Grantee's Employment terminates without Just Cause or for Good Reason (as defined in the Employment Agreement) the Award will become fully vested and settled in accordance with Sections 2(b) and (c) above.
 - (d) In the event that prior to the Vesting Date, a Change of Control involving the purchase of Company securities described in Rule 13e-3 to the Exchange Act (including without limitation one in which Altria Group, Inc. or any of its subsidiaries is the acquirer and, as a result of such Change of Control, there is a reasonable likelihood or a purpose of causing the common stock of Cronos to be either eligible for termination from registration or reporting obligations under the Exchange Act or removed from listing on a national securities exchange), (i) four-fifths (4/5^{ths}) of the Award will immediately become fully vested and settled in accordance with Section 2; and (ii) the remaining one-fifth (1/5th) of the Award will become vested and settled in accordance with Section 2 on the earlier of the 12 month anniversary of the date of such Change of Control and the Vesting Date, provided that the Grantee remains employed at the Company through such date. In the event that prior to the date set out in clause (ii), the Grantee's Employment terminates without Just Cause or for Good Reason (or due to death or Disability), then the remaining one-fifth (1/5th) of the Award will become vested and settled in accordance with Section 2 on the date of such termination of Employment.
 - (e) Except as set forth in Sections 3(c) and 3(d), in the event that prior to the Vesting Date, the Grantee's Employment terminates for any reason other than death or Disability, then the Award shall be forfeited for no consideration.
 - (f) Notwithstanding anything to the contrary, to the extent any payments or benefits in connection with an applicable termination of Employment are contingent on the delivery of an effective release and waiver of claims as set out in the Employment Agreement, any accelerated vesting of the Award upon such termination of Employment shall also be contingent on such release and waiver of claims.
4. Employment. Nothing in the Agreement shall interfere with or limit in any way the right of the Company to terminate the Grantee's Employment nor confer upon any Grantee any right to continue in the employ of the Company. For greater certainty, a Grantee's termination of Employment will include both voluntary and involuntary terminations, and the involuntary termination of a Grantee's Employment shall occur on the date that the Grantee ceases performing services for the Company on a permanent basis, whether such termination is lawful or otherwise, without regard to any required period of notice, pay in lieu of notice, severance pay or similar compensation or benefits (and without regard for any claim for damages in respect thereof), except as expressly required by applicable employment or labor standards legislation.
5. Non-Transferable. The rights or interests of the Grantee under this Agreement, including, without limitation, the Restricted Share Units, shall not be assignable or transferable, otherwise than in the case of death of the Grantee as set out in the Plan, and such rights or interests shall not be encumbered by any means.
6. Not Shares. The Restricted Share Units are not Common Shares, and the Restricted Share Units shall not entitle the Grantee to exercise voting rights or any other rights attaching to the ownership of Common Shares, including, without limitation, rights on liquidation.

7. Withholding Taxes. The Grantee acknowledges and agrees that the Company has the right to deduct from any payments due to the Grantee any federal, state, provincial or local taxes required by law to be withheld with respect to the Award.
8. Section 409A. Payments under this Agreement are intended to be exempt from or comply with Section 409A of the Internal Revenue Code (“**Section 409A**”) to the extent applicable, and this Agreement shall be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement or the Employment Agreement, to the extent that any payment under this Agreement is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to the Grantee by reason of termination of the Grantee’s Employment, then (a) such payment shall be made to the Grantee only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if the Grantee is a “specified employee” (within the meaning of Section 409A and as determined by the Company), such payment shall not be made before the date that is six (6) months after the date of the Grantee’s separation from service (or the Grantee’s earlier death). Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A.
9. Governing Law. The Plan and this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware.
10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Grantee. By accepting the Award on the terms set forth herein, the Grantee acknowledges and agrees to the matters and conditions set forth herein and in the Plan. The Grantee hereby further confirms and acknowledges receipt of a copy of the Plan.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is executed by Cronos and by Grantee as of this _____ day of _____, 2020.

CRONOS GROUP INC.

By: Jody Begley
Title: Chairman of the Compensation Committee of the Board of Directors

The Grantee (a) accepts the Award, (b) agrees to be bound by, and comply with, the terms of the Plan and this Agreement, and (c) agrees that all decisions and determinations of the Administrator with respect to the Award shall be final and binding on the Grantee and any other person having or claiming an interest under the Award.

GRANTEE

Kurt Schmidt

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

B E T W E E N:

CRONOS USA CLIENT SERVICES LLC
a limited liability company incorporated in the State of Delaware
(hereinafter referred to as the “**Company**”)

-and-

MICHAEL GORENSTEIN,
an individual resident in Miami Beach, in the State of Florida
(hereinafter referred to as the “**Executive**”)

-and-

CRONOS GROUP INC.,
a corporation incorporated in British Columbia, Canada
(hereinafter referred to as the “**Cronos Group**”)

WHEREAS the Company is a wholly-owned subsidiary of Cronos Group;

WHEREAS a predecessor to Cronos Group and the Executive previously entered into an employment agreement, dated as of August 10, 2016, and as amended by the oral amendment effective in June 2019 (the “**Prior Agreement**”);

WHEREAS the Executive is currently employed with Cronos Group as Chairman, President and Chief Executive Officer, and the Company wishes to continue engaging the services of the Executive in a senior and specialized capacity by entering into an amended and restated employment agreement (this “**Agreement**”);

WHEREAS as of September 9, 2020 (the “**Effective Date**”), the Executive shall, on a voluntary and irrevocable basis, cease serving as President and Chief Executive Officer of Cronos Group, and shall continue in the position of Executive Chairman of the Board of Directors of Cronos Group (the “**Board**”) for a period of up to eighteen (18) months following the Effective Date;

WHEREAS the Executive will continue to have extensive access to the customers, vendors, suppliers, distribution processes and other unique and valuable confidential information and trade secrets of the Company, Cronos Group and their respective affiliates (excluding Altria Group, Inc. and its subsidiaries) and related entities (together, the “**Group**”);

AND WHEREAS the Executive acknowledges that this Agreement, including, without limitation, the proprietary rights, confidentiality, non-solicitation and non-competition provisions that form part of this Agreement are essential to protect the legitimate business interests of the Group;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive, and solely for the purposes specified herein, Cronos Group (together, the “**Parties**”), agree as follows.

1. **Employment**

- 1.1 **Employment.** As of the Effective Date, Executive shall (i) on a voluntary and irrevocable basis, cease serving as President and Chief Executive Officer of Cronos Group, and all other positions he may hold as an officer (or similar or equivalent position) of the Group (other than as set forth in (ii) below) and shall sign such resignations in respect thereof as the Company or Cronos Group may request, and (ii) continue in the position of Executive Chairman of the Board for a period up to eighteen (18) months following the Effective Date, as it may be shortened in the Board's sole discretion, (the "**Employment Period**"); provided that, except as provided in Section 4.2 of this Agreement, if the Board should terminate Executive's service as Executive Chairman prior to the eighteen (18)-month anniversary of the Effective Date, the term of Executive's consulting services under this Agreement shall commence and shall continue for the remainder of such eighteen (18)-month period (any such period, the "**Consulting Period**" and, together with the Employment Period, the "**Initial Term**"). The Initial Term shall automatically be renewed at the end of the Initial Term for successive one-year periods unless either party hereto provides written notice at least thirty (30) days prior to the end of the Initial Term (or thirty (30) days prior to the end of any successive one-year period, if applicable) to the other party of their intention not to renew (the term hereof, as may be so extended, the "**Term**").
- 1.2 **Responsibilities and Duties.** During the Term, the Executive shall perform such duties as are consistent with the Executive's position and such other duties reasonably assigned by the Board from time to time. Without limiting the foregoing, during the Employment Period, the Executive shall: (i) assist the incoming Chief Executive Officer with business transition plans; (ii) perform such management tasks and functions as may be necessary due to the COVID-19 pandemic and travel restrictions; (iii) serve as a key business partner liaison, including, without limitation, with respect to key business relationships; (iv) provide strategic and corporate development advice; and (v) provide such other business advice and assistance as appropriate and necessary. Following the Employment Period, unless otherwise mutually agreed by the Company and the Executive, the Executive shall cease to serve as a Board member.
- 1.3 **Loyalty.** The Executive agrees to act in the best interests of the Group at all times and to faithfully discharge his duties and responsibilities hereunder. The Executive shall devote an appropriate amount of his time to the business and affairs of the Group having regard to the Executive's position and duties and the nature of the Group's operations. During the Employment Period, the Executive agrees that he shall not undertake any additional business or occupation or become a director, officer, employee or agent of any other entity (including any for profit, public benefit or nonprofit entity) without obtaining prior written approval from the Board and, during the Consulting Period, he shall comply with the conditions as provided herein below. The Executive hereby represents and warrants that he has disclosed to the Board any outside employment or consulting work or any other offices or directorships held by him on the Effective Date as outlined in Exhibit A attached to this Agreement. The Board hereby approves the Executive's continued involvement in these roles. The Executive further agrees to comply with any general employment policies or practices of Cronos Group that may be implemented and disclosed in writing to the Executive from time to time as such policies or practices may be subsequently amended by Cronos Group, including, without limitation, Cronos Group's Employee Handbook.
- 1.4 **Location of Work.** The Parties agree that the Executive shall perform his duties and responsibilities as Executive Chairman from the Executive's home office in Florida or such other

U.S. locations as mutually agreed, from time to time. The Parties agree that the Executive may perform his duties and responsibilities as a consultant from any location reasonably determined by the Executive.

2. Consulting Services

- 2.1 During the Consulting Period, if any, the Executive shall serve as a non-employee consultant to the Group, and shall provide general advisory services as reasonably requested by the Board with respect to the business of the Group. Such consulting services are expected to entail services in excess of 50% of the Executive's prior service levels as Executive Chairman. The Executive hereby agrees that prior to the commencement of any Consulting Period, he shall execute such resignations in respect of his employment with the Company or any other position held with the Group to the extent requested by the Company.
- 2.2 During the Consulting Period, if any, the Executive shall be entitled to receive a monthly consulting fee in the amount of USD \$83,000 (to be calculated on a pro rata basis for any partial months) (the "**Consulting Fee**"). The Consulting Fees shall not be subject to any tax withholding and the Executive shall be responsible for paying and remitting any applicable taxes on the Consulting Fees to the applicable tax authorities. Prior to commencement of the Consulting Period, if any, the Company shall enter into an indemnity agreement with the Executive on substantially the same terms as the existing indemnity agreement between the Executive and Cronos Group relating to such services rendered.

3. Compensation and Benefits

- 3.1 **Base Salary.** During the Employment Period, the Executive shall receive an annual gross base salary at the rate of not less than US \$394,000 (the "**Base Salary**") per calendar year (to be calculated on a pro rata basis for partial years), less applicable statutory deductions and withholdings, which shall be payable by the Company in accordance with its normal payroll practices.
- 3.2 **Bonus.** During the Employment Period, the Executive shall also be eligible to participate in the Group's annual cash bonus plan as may be in effect from time to time, and to receive an annual bonus (to be calculated on a pro-rata basis for partial years), subject to the terms and conditions of such plan as determined by Cronos Group at its sole discretion (the "**Bonus**"); provided, however, that any such Bonuses shall be contingent on the conclusion of the U.S. Securities and Exchange Commission ("**SEC**") investigation (the "**Investigation**") into Cronos Group that is pending as of the Effective Date, provided that Investigation does not result in a penalty being levied by the SEC against the Executive personally or against Cronos Group on account of any misconduct or mismanagement by the Executive (the "**Payment Condition**"). Such Bonuses shall be payable on the later of (i) the date the Group pays annual performance bonuses to other executive officers of the Group for the applicable fiscal year of Cronos Group pursuant to the Group's annual cash bonus plan and (ii) the satisfaction of the Payment Condition. The Executive's annual target bonus opportunity for the Employment Period shall be 150% of Base Salary ("**Target**"). For Cronos Group's 2020 fiscal year, the Bonus shall be payable in an amount at Target. For Cronos Group's 2021 and 2022 fiscal years, the Bonus shall be payable at Target.
- 3.3 **Long-Term Incentive Awards.** During the Term (including, for the avoidance of doubt, the Consulting Period if the Board should elect to terminate Executive's service as Executive

Chairman prior to the eighteen (18) month anniversary of the Effective Date), the Executive shall remain eligible to receive annual grants of restricted share units over the number of shares of Cronos Group equal to US \$985,000 for Cronos Group's 2021 fiscal year and US \$493,000 for Cronos Group's 2022 fiscal year, in each case, calculated using the closing price of Cronos Group's common shares on the NASDAQ Global Market on the trading day immediately preceding the Effective Date (each, an "**LTI Grant**"). The LTI Grants shall be made on the later of (i) the date the Group makes annual long-term incentive award grants to other senior executives of the Group for the applicable fiscal year of Cronos Group and (ii) the satisfaction of the Payment Condition.

Any such equity-based grants shall be governed by the terms and conditions of Cronos Group's applicable equity award plan and/or the applicable award agreement, except as expressly set forth herein. For the avoidance of doubt, any outstanding equity-based awards held by the Executive as of the Effective Date shall remain outstanding and continue to vest in accordance with their terms; provided, however, that any outstanding equity-based awards that are held by the Executive as of the last day of the Employment Period shall vest as of such date, except in the event of a termination for Just Cause, and any LTI Grant made during the Consulting Period shall be fully vested as of the date of grant.

- 3.4 **Group Benefits.** During the Employment Period, the Executive shall be eligible to participate in any group health or other insurance benefit plans that may be provided by the Company or Cronos Group, as applicable, to its employees from time to time (the "**Group Benefits**") in accordance with the terms and conditions of the applicable plans. The Parties acknowledge and agree that the Company or Cronos Group, as applicable, may amend or discontinue any group benefit plan for its employees, or change benefit carriers, from time to time in its sole and absolute discretion.
- 3.5 **Vacation.** During the Employment Period, the Executive shall be eligible to earn four (4) weeks of paid vacation in each calendar year, subject to the terms and conditions of the vacation policy of the Company or Cronos Group, as applicable. The Executive shall take his vacation at a time or times reasonable for each of the Parties in the circumstances, taking into account the business requirements of the Group and the need for timely performance of the Executive's duties and responsibilities pursuant to this Agreement.
- 3.6 **Directors and Officers Liability Insurance.** During the Employment Period, the Executive shall continue to receive coverage under Cronos Group's liability insurance policy for directors and officers in accordance with the terms of such policy, as it may be amended by Cronos Group from time to time.
- 3.7 **Business Expenses.** During the Employment Period, the Executive shall be reimbursed for reasonable expenses actually and properly incurred by him in connection with the performance of the Executive's duties and responsibilities hereunder, including business entertainment, travel and other similar items, and any pre-approved professional fees and professional courses. The Company shall reimburse the Executive for any business expenses that are actually and properly incurred in accordance with the Company's normal expense policies and/or practices, as they are amended from time to time, and upon the Executive providing appropriate receipts or other vouchers to Cronos Group in support of such expense claims.

- 3.8 **Professional Services.** During the Employment Period, the Executive shall be reimbursed for reasonable expenses actually incurred by him in respect of his employment with the Company including, without limitation, legal fees incurred by him for the purpose of obtaining immigration advice, tax advice and accounting advice in respect of his employment with the Company, and annual tax return services in the United States. The Executive shall provide appropriate receipts or other vouchers to the Company in support of such professional services expense claims before receiving reimbursement.
- 3.9 **Unpaid Compensation.** The Parties agree that the Executive is eligible to receive an annual bonus in respect of Cronos Group's 2019 fiscal year in the amount of US \$473,000 ("**2019 STI Award**") and a 2020 long-term incentive award grant in the amount of US \$985,000 (calculated using the closing price of Cronos Group's common shares on the NASDAQ Global Market on the trading day immediately preceding the Effective Date) (the "**2020 LTI Grant**"), the payments of which were deferred during the Investigation. Such unpaid compensation in the foregoing sentence shall be released upon the conclusion of such Investigation, as determined by the Board in its sole discretion, subject to the Payment Condition.
- 3.10 **Clawback Policy.** The Executive agrees and acknowledges that any annual, long-term or other cash, equity or equity-based incentive or bonus compensation paid, provided or awarded to the Executive, including, notwithstanding anything to the contrary in such policy is subject to the terms and conditions of any clawback or recapture policy that Cronos Group may adopt generally for senior executives from time to time during the Employment Period, and may be subject to the requirement that such compensation be repaid to the Company after it has been distributed to Executive.

4. **Termination of Employment**

- 4.1 **Termination by Executive.** The Executive may voluntarily resign his employment at any time during the Employment Period by giving the Company four (4) weeks of prior written notice of his resignation. The Parties agree that this notice period is provided for the sole benefit of the Company and, as such, the Company may waive the Executive's notice in whole or in part by providing the Executive with Base Salary in lieu of notice and continued Group Benefits coverage up to the effective date of his resignation. Upon his resignation, the Executive shall have no entitlement to further compensation, except for unpaid Base Salary (or payment of Base Salary in lieu of notice, as applicable), any unused vacation earned to the effective date of his resignation, and any earned Bonus for the prior year if then unpaid (with any such earned Bonus subject to the Payment Condition). All of the Executive's Group Benefits coverage shall immediately cease upon the effective date of the Executive's resignation and the Executive shall have no entitlement whatsoever to any Bonus or other payments except as specifically provided hereunder. The Executive may voluntarily terminate his consulting services at any time during the Consulting Period by giving the Company four (4) weeks of prior written notice of his termination. The Parties agree that this notice period is provided for the sole benefit of the Company and, as such, the Company may waive the Executive's notice in whole or in part by providing the Executive with payment of the Consulting Fee attributable to, and in lieu of, such notice. In the event the Executive terminates his employment or consulting services for any reason prior to the eighteen (18) month anniversary of the Effective Date, the provisions of Article 8 below that would otherwise terminate at the end of the Term shall remain in full force and effect through the eighteen (18) month anniversary of the Effective Date.

4.2 **Termination by the Company for Just Cause.** The Company may terminate the Term and the Executive's employment or consulting services, as applicable, at any time for Just Cause, immediately and without notice or compensation in lieu of notice, except for unpaid Base Salary and vacation earned and unpaid Consulting Fees, as applicable. All of the Executive's Group Benefits coverage shall cease immediately upon the effective date of the Executive's termination of employment for Just Cause and the Executive shall have no entitlement whatsoever to any Bonus or other payments set forth in Article 3 above (except as set forth in Section 3.9).

For the purposes of this Agreement, "**Just Cause**" includes, without limitation:

- (a) conduct by the Executive that would reasonably be expected to result (after consultation with outside counsel) in a penalty being levied by the SEC against the Executive personally or against the Group on account of any misconduct or mismanagement by the Executive;
- (b) the Executive's willful or gross misconduct involving the property, business or affairs of the Group;
- (c) any act of theft or fraud, including, without limitation, misappropriation of funds by the Executive;
- (d) the Executive's conviction or plea of guilty or *nolo contendere* to any felony or crime of moral turpitude; or
- (e) the Executive's engaging in any act of harassment (including sexual harassment) or unlawful discrimination.

Executive may only be terminated for Just Cause after receiving written notice from the Company detailing the event(s) alleged to constitute Just Cause following a vote of a majority of the Board and being provided with a thirty (30)-day cure opportunity (if capable of cure). Executive shall have the right to address the Board, with counsel present, if he so elects, on reasonable advance notice before being terminated by the Board for Just Cause.

4.3 **Cessation of Employment upon Death or Disability.** The Parties agree that the Executive's employment or consulting services, as applicable, shall cease and the Term shall terminate automatically upon the Executive's death or, at the discretion of the Company, upon the Executive's Disability. In the event that the Executive's employment ceases pursuant to this Section 4.3, the Executive (or the Executive's estate, as applicable) shall be eligible to receive the payments and benefits set forth in Section 4.4.1 below. In the event that the Executive's employment ceases because of his death, all of the Executive's Group Benefits coverage or reimbursement for benefits in accordance with Section 3.4 above shall immediately cease upon his death.

For the purposes of this Agreement, "**Disability**" means the Executive's inability to substantially perform the duties and responsibilities of his position by reason of mental or physical illness, injury or disability for a period of more than 180 days, whether or not consecutive, in any period of twelve (12) months with or without accommodation.

4.4 **Termination upon Completion of the Term or Termination other than for Just Cause.** Subject to Sections 4.1 through 4.3 of this Agreement, upon (a) termination of the Employment

Period or Consulting Period, as applicable, by the Company or the Executive upon the completion of the Term, (b) earlier termination of the Executive's employment as Executive Chairman by the Company other than for Just Cause or (c) if the Executive terminates following a material breach of this Agreement by the Company which is not promptly cured (if capable of cure) within thirty (30) days of receipt of written notice from the Executive, the following provisions shall apply:

- 4.4.1 The Executive shall be eligible to receive (i) all earned but unpaid Base Salary and Consulting Fees, as applicable, through the effective date of such termination; (ii) a pro-rated Bonus (at Target), if any, for the portion of the Employment Period worked in the year of such termination to the extent not already paid by the Company for such portion of the Employment Period (it being understood that no duplication of such payment is intended); (iii) any accrued unused vacation earned for the period up to the effective date of such termination; (iv) any earned Bonus for the prior year if then unpaid (subject to the Payment Condition); and (v) all then unvested equity-based awards shall immediately vest (and, if applicable, any equity which has not then been granted pursuant to the terms hereof shall be immediately granted on a fully vested basis) (subject to the Payment Condition).
- 4.4.2 The Company shall provide the Executive with a severance payment equal to twelve (12) months of his Base Salary and Bonus (at Target), which shall be payable within thirty (30) days after the completion of the eighteen (18)-month Term or such earlier time as the Executive experiences a "separation from service" (within the meaning of Section 409A of the United States Internal Revenue Code of 1986, as amended (together with the applicable regulations thereunder, "**Section 409A**")) and shall be subject to applicable statutory deductions and withholdings.
- 4.4.3 The Executive shall also remain eligible to participate in the Group Benefits plans provided to him by the Company for twelve (12) months from the date of termination of employment or until the date on which the Executive obtains alternate benefit coverage, whichever occurs first, subject to plan terms and the agreement of the insurer. The Executive agrees that the Executive is required to notify the Company when the Executive obtains alternate benefit coverage. The Executive acknowledges that upon such date, all of his Group Benefits coverage shall immediately cease.
- 4.5 **Full and Final Satisfaction.** The Parties agree that the termination entitlements set out in this Article 4 shall be provided in full and final satisfaction of the Company's obligations to the Executive upon the termination or cessation of his employment and that the Executive shall sign and return a Full and Final Release in favor of the Group in the form attached as Exhibit B to this Agreement following the end of the Term or, if earlier, following the Executive's "separation from service" (within the meaning of Section 409A). Further, the Executive acknowledges and agrees that upon receipt of his termination entitlements under this Article 4, the Company shall not have any further or other liability to the Executive whatsoever, except any liability pursuant to any indemnity agreement provided the Company to the Executive (subject only to Section 3.6 of this Agreement), and the Executive hereby waives any right that he has, or may have, to receive reasonable notice at common law or pay in lieu of such notice. Notwithstanding anything to the contrary, the Executive shall not be required to release any right the executive has to indemnity or to enforce any right of indemnity (including directors' and officers' liability insurance coverage) as a director or officer or a former director or officer of the Company or the Group.
- 4.6 **Termination of Outstanding Equity-Based Awards on Termination by Executive or for Just Cause.** In the event that the Executive gives notice of resignation (other than as set forth in

Section 4.4(c)) or the Executive's employment is terminated by the Company for Just Cause, the Executive's outstanding unvested equity-based awards shall be forfeited for no consideration (including without limitation any rights to future grants as described under Section 3.3 of this Agreement), with no liability to the Executive in respect of such equity-based awards, and vested options shall terminate within ninety (90) days of the date the Executive gives notice of resignation (other than as set forth in Section 4.4(c)) or the Executive's employment is terminated by the Company for Just Cause unless exercised in accordance with applicable law or regulation, regardless of any notice period required by law. In the event of any conflict between this Agreement and any equity award plan or any other applicable plan of Cronos Group and/or the applicable award agreement, this Agreement prevails and supersedes.

- 4.7 **Resignation of Offices and Directorships.** Upon the termination or cessation of the Executive's employment for any reason or the completion of the eighteen (18)-month Term, whichever comes earlier, the Executive shall immediately resign from any offices or directorships that he may then hold in the Group. The Executive confirms that he shall provide any such resignation(s) in writing, and in a form to be provided to him by the Company.
- 4.8 **Co-operation and Assistance with Regulatory and Litigation Matters.** The Executive agrees that following the Term, the Executive shall reasonably cooperate with and assist the Group at its expense in connection with any investigation, regulatory matter, legal dispute, lawsuit or arbitration in which the Group is a subject, target or party and as to which the Executive may have pertinent information. The Executive agrees to be reasonably available for preparation for hearings, proceedings or litigation and for attendance at any pre-trial discoveries and trials. The Company agrees to make every reasonable effort to provide the Executive with reasonable notice in the event that the Executive's participation is required, taking into consideration the Executive's then current business and personal commitments. The Company agrees to reimburse reasonable out-of-pocket costs, including lost wages on a per-diem basis, incurred by the Executive as the direct result of the Executive's participation, provided that such out-of-pocket costs are supported by appropriate documentation and have prior authorization of the Company. The Executive further agrees to perform all acts and execute any and all documents that may be reasonably necessary to carry out the provisions of this Section 4.8. Executive shall be reimbursed, or the Company shall pay directly as incurred, the Executive's legal fees and expenses if he determines in good faith that he requires legal counsel in order to cooperate and the Company's counsel would have a conflict of interest in also representing him. The Executive shall not be required to cooperate if it would be against his legal interests or those of any subsequent employer of the Executive.
5. **Services Not Exclusive**
- 5.1 The Parties agree that the Executive may act for and render executive and advisory services for and on behalf of third parties other than the Company during the Consulting Period, provided that:
- 5.1.1 The Executive must be available to perform his duties under this Agreement on behalf of the Company for the minimum number of hours each week as may be required, or otherwise agreed as between the Parties;
- 5.1.2 The Executive represents and warrants that he shall not perform or provide any services in violation of Section 8.3 of this Agreement; and

5.1.3 The Executive shall not perform any services for and on behalf of the third party that would create a material conflict of interest in respect of his responsibilities and obligations to the Company, irrespective of whether such responsibilities or obligations arise under this Agreement or at common law or otherwise.

6. **Acknowledgment by Executive**

6.1 The Executive specifically acknowledges and agrees that:

6.1.1 The Executive has had sufficient time to review this Agreement thoroughly;

6.1.2 The Executive has read and he understands the terms of this Agreement and the obligations contained herein; and

6.1.3 The Executive received good and adequate consideration for entering into this Agreement, the receipt and sufficiency of which is hereby acknowledged.

7. **Notices**

7.1 **Notices.** Any demand, notice or other communication to be made or given in connection with this Agreement shall be made or given by (i) personal delivery, (ii) mailed by registered mail, postage prepaid with return receipt requested, (iii) delivered by overnight or same-day courier service, or (iv) email transmission, to the address set forth below or at such other address as designated by notice by either Party to the other. Notices delivered personally or by overnight or same-day courier service are deemed to be given and received as of the date of actual receipt. Notices mailed by registered mail are deemed to be given and received three (3) business days after mailing. Notices delivered by email transmission are deemed to be given and received on the next business day following the date that the facsimile or email transmission is sent.

To the Company:

Cronos USA Client Services LLC
251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808 USA
Attention: EVP – Legal and Regulatory Affairs
Email: legal@thecronosgroup.com

To Cronos Group:

Cronos Group Inc.
111 Peter Street, Suite 300
Toronto, British Columbia
Attention: EVP – Legal and Regulatory Affairs
Email: legal@thecronosgroup.com

To the Executive:

Mr. Michael Gorenstein
[***]
Email: [***]

Any Party may change its address for service from time to time by providing written notice to the other Party in accordance with this Section 7.1, and any subsequent notice shall be sent to such Party at its amended address.

8. **Restrictive Covenants**

8.1 **Non-Disclosure.** The Executive acknowledges and agrees that:

8.1.1 during the term of the Executive's employment and consultancy, the Executive may be given access to or may become acquainted with confidential and proprietary information of the Group and third parties to which the Group may have any obligations of non-disclosure or confidentiality, including, without limitation: trade secrets; know-how; Intellectual Property (as defined below); Executive-Developed IP (as defined below), Development Records (as defined below), existing and contemplated work product resulting from or related to projects performed or to be performed by or for the Group; programs and program modules; processes; algorithms; design concepts; system designs; production data; test data; research and development information; information regarding the acquisition, protection, enforcement and licensing of proprietary rights; technology; joint ventures; business, accounting, engineering and financial information and data; marketing and development plans and methods of obtaining business; forecasts; future plans and strategies of the Group; pricing, cost, billing and fee arrangements and policies; quoting procedures; special methods and processes; lists and/or identities of customers, suppliers, vendors and contractors; the type, quantity and specifications of products and services purchased, leased, licensed or received by the Group and/or any of its customers, suppliers, or vendors; internal personnel and financial information; business and/or personal information about any senior staff members of the Group or any person with which the Group enters a strategic alliance or any other partnering arrangements; vendor and supplier information; the manner and method of conducting the Group's business; the identity or nature of relationship of any persons or entities associated with or engaged as consultants, advisers, agents, distributors or sales representatives (the "**Confidential Information**") the disclosure of any of which to competitors of the Group or to the general public, or the use of same by the Executive or any competitor of the Group, would be highly detrimental to the interests of the Group;

8.1.2 disclosure or use of Confidential Information, other than in connection with the Group's business or as specifically authorized by the Group, will be highly detrimental to the business and interests of the Group and could result in serious loss of business and damage to it. Accordingly, the Executive specifically agrees to hold all Confidential Information in strictest confidence, and the Executive agrees that the Executive shall not, without the Company's prior written consent, disclose, divulge or reveal to any person, or use for any purpose other than for the exclusive benefit of the Company, any Confidential Information, in whatever form contained; provided that the foregoing shall not apply to information (except for personal information about identifiable individuals) that: (i) was known to the public or generally known within the industry prior to its disclosure to the Executive; (ii) becomes generally known to the public or within the industry subsequent to disclosure to the Executive other than by reason of the Executive's breach of this Section; (iii) becomes available to the Executive from a source independent of the Group; or (iv) the Executive is specifically required to disclose by applicable law or legal process or is required to be disclosed in order to defend or pursue a claim by or against (as applicable) the Company or its affiliates (provided that, in any such case, the Executive provides the Company, if legally permitted, with prompt advance written notice of the contemplated disclosure and

cooperates with the Company in seeking a protective order or other appropriate protection of such information); and

- 8.1.3 the Executive shall deliver to the Company, immediately upon termination of employment (for any reason and regardless of whether the Executive or the Company terminate the employment) or at any time the Company so requests: (i) any and all documents, files, notes, memoranda, models, databases, computer files and/or other computer programs reflecting any Confidential Information whatsoever or otherwise relating to the Group's business; (ii) lists or other documents regarding customers, suppliers, or vendors of the Group or leads or referrals to prospective business deals; and (iii) any computer equipment, home office equipment, automobile or other business equipment belonging to the Company that the Executive may then possess or have under the Executive's control.
- 8.1.4 For the avoidance of doubt, nothing in this Agreement limits, restricts or in any other way affects the Executive communicating with any governmental authority or entity concerning matters relevant to the governmental authority or entity. The Executive and the Company agree that no confidentiality or other obligation the Executive owes to the Group prohibits the Executive from reporting possible violations of law or regulation to any governmental authority or entity under any applicable whistleblower protection provision of applicable Canadian, U.S. Federal or U.S. State law or regulation (including Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002) or requires the Executive to notify the Company of any such report. The Executive is hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (i) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (iii) to the Executive's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

8.2 Intellectual Property

- 8.2.1 In this Section 8.2, the term "**Germplasm**" means any living or preserved biological tissue or material which may be used for the purpose of plant breeding and/or propagation, including, without limitation, plants, cuttings, seeds, clones, cells, tissues, plant materials and genetic materials (including, without limitation, nucleic acids, genes, promoters, reading frames, regulatory sequences, terminators, chromosomes whether artificial or natural and vectors).
- 8.2.2 For the purposes of this Agreement, "**Intellectual Property**" means any and all intellectual property rights and proprietary rights existing in any jurisdiction throughout the world, including any rights in or to: (i) patents, patent applications, patent rights, inventions, industrial designs, industrial design applications, industrial design rights, ideas, discoveries and invention disclosures (whether or not patentable), and any divisionals, continuations, continuations-in-part, reissues, renewals, reexaminations and extensions of any of the foregoing; (ii) trademarks, service marks, trade names, trade dress, logos, packaging designs, slogans, other indicia of source, Internet domain names and URLs, and registrations and applications for registration of any of the foregoing and any renewals thereof, together with any goodwill symbolized thereby;

(iii) copyrightable works (including with respect to software and compilations of data), whether published or unpublished, including all copyrights, copyright registrations and applications; (iv) trade secrets, and confidential or proprietary information, data or database rights, know-how, techniques, designs, processes, recipes and formulas; (v) Germplasm, plant varieties, and applications and registrations for plant varieties issued by or pending before any Governmental Authority, including under the Plant Variety Protection Act (United States) or the Plant Breeders' Rights Act (Canada); and (vi) circuit topographies, database rights and software.

- 8.2.3 The Executive agrees to promptly disclose to the Company (including, without limitation, to the Board) all Intellectual Property, including with respect to, but without limitation, Germplasm, and whether or not any of the foregoing are registrable, which the Executive may author, make, conceive, develop, discover or reduce to practice, solely, jointly or in common with other employees, during the Executive's employment with the Company, and which relate to the business activities of the Group ("**Executive-Developed IP**"). Intellectual Property coming within the scope of the business of the Company made and/or developed by the Executive while in the employ of the Company, whether or not conceived or made during regular working hours and whether or not the Executive is specifically instructed to make or develop the same, shall be for the benefit of the Company and shall be considered to have been made pursuant to this Agreement and shall be deemed Executive-Developed IP and shall immediately become exclusive property of the Company.
- 8.2.4 The Executive further acknowledges that all Executive-Developed IP is "work made for hire" (to the greatest extent permitted by applicable law), "made in the course of employment" and owned exclusively by the Company and that the Executive has been compensated for such Executive-Developed IP by the Executive's salary, commissions and other benefits, unless regulated otherwise by law. To the extent such Executive-Developed IP is not "work made for hire", "made in the course of employment" or otherwise not owned automatically and exclusively by the Company as a matter of law, then to the greatest extent permitted under by applicable law, the Executive hereby irrevocably assigns and transfers, and shall assign and transfer, to the Company, the Executive's entire right, title and interest in and to any and all Executive-Developed IP, and the Executive agrees to execute and deliver to the Company any and all instruments necessary or desirable to accomplish the foregoing and, in addition, to do all lawful acts which may be necessary or desirable to assist the Company to obtain and enforce protection of Executive-Developed IP. If and to the extent the foregoing assignment cannot be effected as a matter of law with respect to any Executive-Developed IP, the Executive hereby grants to the Company an exclusive, perpetual, fully-paid, royalty-free, irrevocable, worldwide, fully-transferable, fully sublicensable (on multiple levels) license to use, modify, display, perform, make, have made, copy, make derivative works, import, export, distribute and otherwise exploit such Executive-Developed IP for any purpose.
- 8.2.5 The Executive must keep, maintain and make available to the Company complete and up-to-date records relating to any Executive-Developed IP, and agree that all such records are the sole and absolute property of the Company. For greater certainty, all materials related to Executive-Developed IP (including, without limitation, notes, records and correspondence, whether written or electronic) (collectively, "**Development Records**") are the property of the Company, which the Executive shall provide to the Company upon request. Development Records shall not be removed from Company premises without the prior written consent of the Company. The Executive agrees to maintain as confidential any Executive-Developed IP and Development Records unless and until made generally public by the Company, and not to make application for

registration of rights in respect of any Executive-Developed IP unless it is at the request and direction of the Company or unless otherwise required by applicable law or legal process.

- 8.2.6 The Executive shall, at the request and cost of the Company, and for no additional compensation or consideration from the Company, sign, execute, make and do all such deeds, documents, acts and things as the Company and its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) registered rights in any Executive-Developed IP, including any patents, industrial designs, letters patent, copyrights, plant breeders' rights, trademarks, service marks or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same; (ii) to perfect or evidence ownership by the Company or its designees of any and all Executive-Developed IP, in form suitable for recordation in the United States, Canada and any other intellectual property office anywhere in the world; (iii) to defend any opposition proceedings of any type whatsoever in respect of such applications, and any opposition proceedings or petitions or applications of any type whatsoever for revocation of such Executive-Developed IP, whether such proceedings are brought before a court or any administrative body; (iv) to defend and/or assert the Group's rights in any Intellectual Property against any third party; and (v) to assert the Executive's moral rights in any Intellectual Property against any third party. The Executive further waives all moral rights in and to any Executive-Developed IP and all work the Executive produced during the course of the Executive's employment in favor of the Company, its licensees, successors and assigns, and transferees of the Executive-Developed IP and such work.
- 8.2.7 If, in the course of performing duties pursuant to this Agreement, the Executive uses any Germplasm, the Executive shall only use Germplasm provided by the Company, and the Executive agrees that any such Germplasm provided by the Company remains the sole property of the Company and that such Germplasm shall not be removed from Company premises without the prior written consent of the Company.
- 8.2.8 The Executive represents and warrants that the Executive does not possess any Intellectual Property or Germplasm of any third party, including, without limitation, any prior employer or competitor of the Group, and the Executive shall not acquire and/or use Intellectual Property or Germplasm of any third party in the course of performing duties pursuant to this Agreement and shall not bring any Germplasm of any third party onto Company premises.
- 8.3 **Non-Competition.** The Executive shall not at any time during the Term, either individually or in partnership or jointly or in conjunction with any Person as principal, agent, consultant, employee, partner, director, shareholder (other than (i) Executive's investment in the entities listed on Exhibit A hereto or (ii) a passive investment of less than five percent (5%) of the shares (a) of a company traded on a registered stock exchange or traded in the over the counter market, (b) in a privately held company or (c) as a passive investor in private equity, hedge or mutual funds or similar investment vehicles), or in any other capacity whatsoever:
- 8.3.1 engage in employment or enter into a contract to do work during the Term related to the research into, development, cultivation, production, supply, sales or marketing of cannabis or cannabis derived products; or the development or provision of any services (including, without limitation, technical and product support, or consultancy or customer services) which relate to cannabis or cannabis derived products (the "**Business**");

- 8.3.2 have any financial or other interest (including by way of royalty or other compensation arrangements) in or in respect of the business of any Person which carries on the Business in any respect; or
- 8.3.3 advise, lend money to or guarantee the debts or obligations of any Person which carries on the Business in any respect; applicable (i) worldwide during the Employment Period and (ii) in Canada during the Consulting Period.
- 8.4 **Non-Solicitation of Customers.** The Executive shall not at any time during the Term, whether alone or for or in conjunction with any Person, whether as an employee, partner, director, principal, agent, consultant or in any other capacity whatsoever, directly or indirectly solicit or attempt to solicit any Customer or Prospective Customer for the purpose of obtaining the business of any Customer or Prospective Customer or persuading any such Customer or Prospective Customer to cease to do business with or reduce the amount of business it would otherwise provide to the Group. For the purpose of this Agreement, “**Customer**” means any Person which is a current customer or has been a customer of the Group during the term of the Executive’s employment or service with the Company but in the event of the cessation of the Executive’s employment “Customer” shall include only those current customers of the Group with whom the Executive had direct contact or access to Confidential Information by virtue of the Executive’s role as an employee or consultant of the Company at any time during the twelve month period preceding the date of the cessation of the Executive’s employment or service; “**direct contact**” means direct communications with or by the Executive, whether in person or otherwise, for purposes of servicing, selling, or marketing on behalf of the Company, but only if such communications are more than trivial in nature, and in any case excluding bulk or mass marketing communications directed to multiple customers; and, “**Prospective Customer**” means any Person has been actively contacted and solicited for its business by representatives of the Group, but in the event of the cessation of the Executive’s employment or service, shall include only those Persons contacted with the involvement and knowledge of the Executive within the twelve month period immediately preceding the date of the cessation of the Executive’s employment or service. Notwithstanding the foregoing, but subject to the other sections of this Article 8, the Executive may solicit Customers and Prospective Customers during the Consulting Period outside of Canada with respect to new business opportunities provided such opportunities will not result in a cessation or reduction of business with the Company.
- 8.5 **Non-Solicitation of Employees.** The Executive shall not at any time during the Term, whether alone or for or in conjunction with any Person, whether as an employee, partner, director, principal, agent, consultant or in any other capacity whatsoever, directly or indirectly solicit or assist in the solicitation of any employee of the Group to leave such employment.
- 8.6 **Disclosure.** During the Executive’s employment with the Company, the Executive shall promptly disclose to the Board full information concerning any interest, direct or indirect, of the Executive (whether as owner, shareholder, partner, lender or other investor, director, officer, employee, consultant or otherwise) or any member of the Executive’s immediate family, in any business which is reasonably known to the Executive to purchase or otherwise obtain services or products from, or to sell or otherwise provide services or products to the Group or to any of their respective suppliers or Customers.

- 8.7 **Other Employment.** During the Employment Period, the Executive shall not, except as a representative of the Company or with the prior written approval of the Board, whether paid or unpaid, be directly or indirectly engaged, concerned or have any financial interest in any capacity in any other business, trade, professional or occupation (or the setting up of any business, trade, profession or occupation) except as provided hereunder.
- 8.8 **Return of Materials.** All files, forms, brochures, books, materials, written correspondence (including email and instant messages), memoranda, documents, manuals, computer disks, software products and lists (including financial and other information and lists of customers, suppliers, products and prices) pertaining to the Group which may come into the Executive's possession or control shall at all times remain the property of the Group as applicable. Upon termination of the Executive's employment for any reason, the Executive agrees to immediately deliver to the Company all such property in the Executive's possession or directly or indirectly under the Executive's control. The Executive agrees not to make, for the Executive's personal or business use or that of any other person, reproductions or copies of any such property or other property of the Group. Notwithstanding the foregoing, the Executive may make an electronic copy and retain his contacts list, calendar and any documentation needed for filing his personal tax returns.
- 8.9 **Non-Disparagement.** Subject to Section 8.1.4 of this Agreement, the Executive shall refrain, both during and after the cessation of the Executive's employment with the Company, from making, publicly or privately, any statement or announcement that constitutes an ad hominem attack on, or that otherwise disparages, defames, slanders or impugns the reputation of Company or the Group, or any of their respective directors, members, limited or general partners, officers, employees, agents, consultants, advisors or other representatives. The Company and Cronos Group agree to direct each of their officers and directors not to speak or act in a manner that would reasonably be expected to disparage or defame or damage Executive and further agree not to direct their officers and directors to engage in any other depreciating conduct or communications with respect to Executive including, without limitation, on social media. For the avoidance of doubt, nothing contained herein shall adversely affect or impair any Party's right to enforce any of the restrictive covenants or other post-employment obligations contained in this Agreement, or any other agreement to which such Party is a party or otherwise bound.

9. General Provisions

- 9.1 **Reasonableness of Restrictions and Covenants.** The Executive hereby confirms and agrees that the covenants and restrictions contained in this Agreement, including, without limitation, those contained in Article 8, are reasonable and valid the Executive further acknowledges and agrees that the Company may suffer irreparable injury in the event of any breach by the Executive of the obligations under any such covenant or restriction. Accordingly, the Executive hereby acknowledges and agrees that damages may be an inadequate remedy at law in connection with any such breach and that the Company shall therefore be entitled, in addition to any other right or remedy which it may have at law, in equity or otherwise, to seek temporary and permanent injunctive relief enjoining and restraining the Executive from any such breach.
- 9.2 **Survival.** Article 8 and this Section 9.2 survive the termination of this Agreement and the Executive's employment for any reason whatsoever.

- 9.3 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the Executive's employment and supersedes all prior agreements (including the Prior Agreement), understandings, negotiations and discussions between them, whether oral or written. There are no conditions, warranties, representations or other agreements between the Parties (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement. Without limiting the generality of the foregoing, by signing below, the Executive acknowledges and agrees, on a voluntary and irrevocable basis, that the Prior Agreement is no longer of any force or effect, and that the Executive has no rights or entitlements under the Prior Agreement, the employment relationship created thereby or the cessation of such employment as contemplated by this Agreement, whether pursuant to contract, statute or the common law.
- 9.4 **Amendment and Waiver.** No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties. No waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.
- 9.5 **Severability.** Each article, section and paragraph of this Agreement is a separate and distinct covenant and is severable from all other separate and distinct covenants. If any covenant or provision herein contained is determined by a body of competent jurisdiction to make such a determination to be void or unenforceable in whole or in part, it shall be deemed severed from this Agreement and such determination will not impair or affect the validity or enforceability of any other covenant or provision contained in this Agreement. The remaining provisions of this Agreement shall be valid, enforceable and remain in full force and effect.
- 9.6 **Section 409A Compliance.** To the extent applicable, this Agreement is intended to comply with the requirements of Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A or to the extent any provision in this Agreement must be modified to comply with Section 409A (including, without limitation, Treasury Regulation 1.409A-3(c)), such provision shall be read, or shall be modified (with the mutual consent of the parties, which consent shall not be unreasonably withheld), as the case may be, in such a manner so that all payments due under this Agreement shall comply with Section 409A, while endeavoring to maintain the intended economics. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding any provision of this Agreement to the contrary, if necessary to comply with the restriction in Section 409A(a)(2)(B) concerning payments to "specified employees" (as defined in Section 409A) any payment on account of the Executive's separation from service that would otherwise be due hereunder within six months after such separation shall nonetheless be delayed until the first business day of the seventh month following the Executive's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless he would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A.
- 9.7 **Assignment.** This Agreement may be assigned by the Company or to any third party in connection with any sale, merger, amalgamation or other corporate restructuring or reorganization

of the Company, provided that there is no material change in any of the terms and conditions of the Executive's employment and/or this Agreement and this Agreement is binding on the assignee. The Executive may not assign this Agreement or any of the Executive's rights and obligations hereunder.

- 9.8 **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware and the federal laws of the United States applicable in the State of Delaware. The Parties each irrevocably consent to the exclusive jurisdiction of the courts of Delaware and the courts of Delaware shall have the sole and exclusive jurisdiction to entertain any action arising under this Agreement.
- 9.9 **Headings.** The inclusion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.
- 9.10 **Independent Legal Advice.** The Executive acknowledges that the Executive has been encouraged to obtain independent legal advice regarding the execution of this Agreement at the Company's expense in an amount not to exceed US \$20,000, and that the Executive has either obtained such advice or voluntarily chosen not to do so, and hereby waives any objections or claims the Executive may make resulting from any failure on the Executive's part to obtain such advice.
- 9.11 **Counterparts.** The Parties agree that this Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original (including any counterpart that is executed by a Party and is transmitted to the other Party by facsimile or email transmission), and all of which when taken together constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of this 9th day of September, 2020.

CRONOS USA CLIENT SERVICES LLC

By: /s/ Xiuming Shum
Name: Xiuming Shum
Title: Secretary

CRONOS GROUP INC.

By: /s/ Jody Begley
Name: Jody Begley
Title: Chairman of the Compensation Committee of the Board of Directors

EXECUTIVE

By: /s/ Michael Gorenstein
Name: Michael Gorenstein

**SIGNED AND DELIVERED
in the presence of**

/s/ Anna Shlimak

Witness Signature

Anna Shlimak, September 9, 2020

Witness Print Name and Date

[Signature Page to Executive Employment Agreement]

EXHIBIT B

FORM OF FULL AND FINAL RELEASE

GENERAL RELEASE AND WAIVER OF CLAIMS (this “**Release**”), by the undersigned (hereinafter called the “**Releasor**”) in favor of **Cronos Group, Inc.** and its subsidiaries (hereinafter referred to as the “**Employer**”), affiliates, stockholders, beneficial owners of its stock, its current or former officers, directors, employees, members, attorneys and agents, and their predecessors, successors and assigns, in their respective official capacities as such (hereinafter called the “**Releasees**”).

WHEREAS, Releasor has been employed as Executive Chairman [and thereafter provided consulting services to the Employer];

WHEREAS, Releasor’s services to Cronos USA Client Services LLC were terminated, effective as of ●; and

WHEREAS, Releasor is seeking certain payments under Section ● of the employment agreement entered into by Cronos USA Client Services LLC, the Releasor and, solely for the purposes specified therein, Cronos Group, Inc., dated September 9, 2020 (hereinafter called the “**Employment Agreement**”), that are conditioned on the effectiveness of this Release.

NOW, THEREFORE, in consideration of such payments and benefits and the covenants and agreements hereinafter set forth, the parties agree as follows:

1. **GENERAL RELEASE.** Releasor knowingly and voluntarily waives, terminates, cancels, releases and discharges forever the Releasees from any and all suits, actions, causes of action, claims, allegations, rights, obligations, liabilities, demands, entitlements or charges (collectively, “**Claims**”) that Releasor (or Releasor’s heirs, executors, administrators, successors and assigns) has or may have, whether known, unknown or unforeseen, vested or contingent, by reason of any matter, cause or thing occurring at any time before and including the date of this Release, including all claims arising under or in connection with Releasor’s employment, or termination or resignation of employment with the Employer, including, without limitation: Claims under United States federal, state or local law and the national or local law of any foreign country (statutory or decisional), for wrongful, abusive, constructive or unlawful discharge or dismissal, for breach of any contract, or for discrimination based upon race, color, ethnicity, sex, age, national origin, religion, disability, sexual orientation, or any other unlawful criterion or circumstance, including rights or Claims under the Age Discrimination in Employment Act of 1967 (“**ADEA**”), the Older Workers Benefit Protection Act of 1990 (“**OWBPA**”), violations of the Equal Pay Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Employee Retirement Income Security Act of 1974 (“**ERISA**”), the Fair Labor Standards Act, the Worker Adjustment Retraining and Notification Act, the Family Medical Leave Act, including all amendments to any of the aforementioned acts; and violations of any other federal, state, or municipal fair employment statutes or laws, including, without limitation, violations of any other law, rule, regulation, or ordinance pertaining to employment, wages, compensation, hours worked, or any other Claims for compensation or bonuses, whether or not paid under any compensation plan or arrangement; breach of contract; tort and other common law Claims; defamation; libel; slander; impairment of economic opportunity; defamation; sexual harassment; retaliation; attorneys’ fees; emotional distress; intentional infliction of emotional distress; assault; battery, pain and suffering; and punitive or exemplary damages (the “**Released Matters**”). In addition, in consideration of the provisions of this Release, Releasor further agrees to waive any and all rights under

the laws of any jurisdiction in the United States, or any other country, that limit a general release to those Claims that are known or suspected to exist in Releasor's favor as of the Release Effective Date (as defined below).

Thus, notwithstanding the purpose of implementing a full and complete release and discharge of the claims released by this Release, Releasor expressly acknowledges that this Release is intended to include in its effect, without limitation, all claims which Releasor does not know or suspect to exist in his favor at the time of execution hereof arising out of or relating in any way to the subject matter of the actions referred to herein above and that this Release contemplates the extinguishment of any such claims.

2. **SURVIVING CLAIMS.** Notwithstanding anything herein to the contrary, this Release shall not:
 - (i) release any Claims for payment of amounts payable under the Employment Agreement (including, without limitation, under Section • thereof);
 - (ii) release any Claim for employee benefits under plans covered by ERISA to the extent any such Claim may not lawfully be waived or for any payments or benefits under any Employer plans that have vested (including any 401(k) plan) according to the terms of those plans;
 - (iii) release any Claim or right Releasor may have pursuant to indemnification, advancement, defense, or reimbursement pursuant to any applicable D&O policies, any similar insurance policies, applicable law or otherwise;
 - (iv) release any Claim that may not lawfully be waived in a private agreement between the parties; or
 - (v) limit Releasor's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Notwithstanding the foregoing, Releasor agrees to waive Releasor's right to recover monetary damages in connection with any charge, complaint or lawsuit filed by Releasor or anyone else on Releasor's behalf (whether involving a governmental entity or not); provided that Releasor is not agreeing to waive, and this Release shall not be read as requiring Releasor to waive, any right Releasor may have to receive an award for information provided to any governmental entity.
3. **ADDITIONAL REPRESENTATIONS.** Releasor further represents and warrants that Releasor has not filed any civil action, suit, arbitration, administrative charge, or legal proceeding against any Releasees nor, has Releasor assigned, pledged, or hypothecated as of the Release Effective Date any Claim to any person and no other person has an interest in the Claims that he is releasing.
4. **ACKNOWLEDGMENT BY RELEASOR.** Releasor acknowledges and agrees that Releasor has read this Release in its entirety and that this Release is a general release of all known and unknown Claims. Releasor further acknowledges and agrees that:

- (i) this Release does not release, waive or discharge any rights or Claims that may arise for actions or omissions after the Release Effective Date and Releasor acknowledges that he is not releasing, waiving or discharging any ADEA Claims that may arise after the Release Effective Date;
- (ii) Releasor is entering into this Release and releasing, waiving and discharging rights or Claims only in exchange for consideration which he is not already entitled to receive;
- (iii) Releasor has been advised, and is being advised by the Release, to consult with an attorney before executing this Release;
- (iv) Releasor has been advised, and is being advised by this Release, that he has been given at least [twenty-one (21)] [forty-five (45)] days within which to consider the Release, but Releasor can execute this Release at any time prior to the expiration of such review period; [and]
- (v) [Because this Release includes a release of claims under ADEA, Releasor is being provided with the information contained in Schedule 1 hereto in accordance with the OWBPA; and]¹
- (vi) Releasor is aware that this Release shall become null and void if he or she revokes his or her agreement to this Release within seven (7) days following the date of execution of this Release. Releasor may revoke this Release at any time during such seven-day period by delivering (or causing to be delivered) to the Employer written notice of his or her revocation of this Release no later than 5:00 p.m. Eastern time on the seventh (7th) full day following the date of execution of this Release (the “**Release Effective Date**”). Releasor agrees and acknowledges that a letter of revocation that is not received by such date and time shall be invalid and shall not revoke this Release.

5. **COOPERATION WITH INVESTIGATIONS AND LITIGATION.** Releasor hereby affirms the cooperation covenants set forth in Section 4.8 of the Employment Agreement shall continue to apply following the Release Effective Date in accordance with their terms.

6. **RESTRICTIVE COVENANTS.** Releasor hereby affirms the restrictive covenants set forth in Article 8 of the Employment Agreement shall continue to apply following the Release Effective Date in accordance with their terms.

7. **GOVERNING LAW.** To the extent not subject to federal law, this Release shall be governed by and construed in accordance with the law of the State of Delaware applicable to contracts made and to be performed entirely within that state.

8. **SEVERABILITY.** If any provision of this Release should be declared to be unenforceable by any administrative agency or court of law, then remainder of the Release shall remain in full force and effect.

¹ Note to Draft: To be included (along with 45 day consideration period and Schedule 1 attached hereto) in consideration for ADEA/OWBPA claims in terminations involving multiple employees.

9. **CAPTIONS; SECTION HEADINGS.** Captions and section headings used herein are for convenience only and are not a part of this Release and shall not be used in construing it.

10. **COUNTERPARTS; FACSIMILE SIGNATURES.** This Release may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument without the production of any other counterpart. Any signature on this Release, delivered by either party by photographic, facsimile or PDF shall be deemed to be an original signature thereto.

IN WITNESS WHEREOF I have hereunder set my hand this _____ day of _____, 20 ____.

SIGNED AND DELIVERED

in the presence of:

Witness' Signature

[Name of Executive]

Print Name of Witness

Address of Witness

Schedule 1

[TO BE COMPLETED AND PROVIDED IF APPLICABLE]

As required by the Older Workers Benefit Protection Act, the Employer is providing the following information.

To respect the privacy of your colleagues, we ask that you use the information on this Schedule only for its intended purpose – to help you decide whether to enter into the Release – and that you otherwise treat this information as confidential.

[All employees of the Employer] [*describe subset of employees considered for separation*] (known as the “decisional unit”) were considered for the separation program. The chart below shows the job titles and ages, as of ●, of each employee in the decisional unit and whether or not such employee has been selected for termination and offered separation pay in exchange for signing a release under the separation program. Employees have 45 days to consider whether to sign and 7 days to revoke any such release.

Job Title	Age (as of ●)	Selected for the separation program?

Cronos Group Announces Expanded Leadership Structure to Drive Next Phase of Growth

30-Year CPG Executive Kurt Schmidt Joins Cronos as Chief Executive Officer and Mike Gorenstein Named Executive Chairman

TORONTO, September 9, 2020 – Cronos Group Inc. (NASDAQ: CRON) (TSX: CRON) (“Cronos Group” or the “Company”) today announced that its Board of Directors has appointed Kurt Schmidt President and Chief Executive Officer of the Company, effective today. Kurt brings to Cronos Group more than three decades of experience leading and growing renowned global consumer packaged goods companies and their brands, including at Blue Buffalo Company Ltd., Nestlé S.A., Gerber and Kraft Foods. The Company also announced that Mike Gorenstein has been appointed Executive Chairman. Mike has served as Chairman, President and Chief Executive Officer of Cronos Group since 2016.

“I am thrilled to welcome Kurt to Cronos,” said Gorenstein. “We’ve built a premier global cannabinoid Company with a portfolio of innovative technology, differentiated consumer brands, an excellent team, a fortress balance sheet and a strong strategic partner. Over the past year, I’ve led a search for an experienced consumer focused executive who shares the Company’s values and can help take us to the next level. When I met Kurt, it was immediately clear that he is uniquely suited to drive the Company’s next phase of growth and continue our commitment to lead the industry forward responsibly.”

Gorenstein continued, “Kurt is a world-class executive with a long track record of outstanding performance. He has demonstrated tremendous success partnering with founders of late stage start-ups to accelerate growth. He also has extensive operational and management experience at some of the largest global consumer goods companies. I’m excited to partner with Kurt to leverage Cronos Group’s strengths and deliver best in class brands and products to our consumers.”

“Mike’s vision, creativity and hard work have been the force behind Cronos Group’s success. This expanded leadership structure joins his strong capabilities and those of our executive team with Kurt’s extensive CPG expertise. This is a powerful combination that we believe will create meaningful benefits across the Cronos organization. We are delighted to welcome Kurt to the Company,” said Jim Rudyk, Cronos Group’s Lead Independent Director.

Schmidt said, “What Mike and the Cronos team have achieved in such a short period of time is truly impressive. I am passionate about brands and inspired by Cronos’. Joining as CEO is a unique opportunity to use my work building outstanding brands, high performance teams and results driven organizations. I look forward to working with Mike, the Board and the Company’s dedicated employees to propel Cronos Group toward its full potential.”

About Kurt Schmidt

Kurt Schmidt brings deep experience in consumer products with decades of leadership experience in the U.S. and overseas. Kurt served as director and Chief Executive Officer of Blue Buffalo Company, Ltd. from 2012 through 2016. Prior to joining Blue Buffalo, Kurt was Deputy Executive Vice President at Nestlé S.A., where he was responsible for the Nestlé Nutrition, including several science-oriented and heavily regulated businesses. He also served as a member of the Company’s Executive Committee. Kurt joined Nestlé in 2007 as part of its acquisition of Gerber Products from Novartis, where he was the President and Chief Executive Officer of Gerber Products Company from 2004 to 2007. Prior to Gerber, Kurt held a variety of leadership roles at Kraft Foods, Inc.

Kurt currently serves on the Board of Campbell Soup Company. He received a B.S. in Chemistry from the United States Naval Academy and an MBA from the University of Chicago.

About Mike Gorenstein

Mike Gorenstein has served as Chairman, President and Chief Executive Officer of Cronos Group since its founding in 2016. In addition, Mike is a Co-Founder and passive Member of Gotham Green Partners.

Before joining Cronos Group, Mike was the Vice President and General Counsel at Alphabet Partners, LP, a New York City based multi-strategy investment management firm, focused on identifying mispriced assets across various industries, asset classes and geographies. Prior to Alphabet Partners, LP, he was a corporate attorney at Sullivan & Cromwell LLP, where he focused on mergers and acquisitions and capital markets transactions.

Mike is a Non-Executive Director of Cronos Australia Limited and serves on the Board of Directors for Natuera S.a.r.l. Mike graduated from the University of Pennsylvania Law School with a Juris Doctor, the Wharton School at University of Pennsylvania with a certificate in Business Economics and Public Policy and the Kelley School of Business at Indiana University with a Bachelor of Science Business in Finance.

About Cronos Group

Cronos Group is an innovative global cannabinoid company with international production and distribution across five continents. Cronos Group is committed to building disruptive intellectual property by advancing cannabis research, technology and product development. With a passion to responsibly elevate the consumer experience, Cronos Group is building an iconic brand portfolio. Cronos Group's portfolio includes PEACE NATURALS™, a global health and wellness platform, two adult-use brands, COVE™ and Spinach™, and two hemp-derived CBD brands, Lord Jones™ and PEACE+™. For more information about Cronos Group and its brands, please visit: www.thecronosgroup.com.

Forward-looking Statements

This press release may contain information that may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws (collectively, "Forward-looking Statements"). All information contained herein that is not clearly historical in nature may constitute Forward-looking Statements. In some cases, Forward-looking Statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify Forward-looking Statements. Some of the Forward-looking Statements contained in this press release include expectations regarding Mr. Schmidt's ability to drive the Company's next phase of growth and continue the Company's commitment to lead the industry forward responsibly, the Company's ability to leverage the Company's strengths and deliver best in class brands and products to its consumers, the roles and responsibilities of the Executive Chairman, the anticipated benefits of the Company's expanded leadership structure and Mr. Gorenstein's contributions as Executive Chairman, and the Company's intention to build an international iconic brand portfolio and develop disruptive intellectual property. Forward-looking Statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive risks, financial results, results,

performance or achievements expressed or implied by those Forward-looking Statements and the Forward-looking Statements are not guarantees of future performance. A discussion of some of the material risks applicable to the Company can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (as amended), the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2020, the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2020 and the Company's definitive proxy statement dated April 28, 2020, all of which have been filed on SEDAR and EDGAR and can be accessed at www.sedar.com and www.sec.gov/edgar, respectively. Any Forward-looking Statement included in this press release is made as of the date of this press release and, except as required by law, Cronos Group disclaims any obligation to update or revise any Forward-looking Statement. Readers are cautioned not to put undue reliance on any Forward-looking Statement.

For further information, please contact:

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