
NOTICE OF ANNUAL GENERAL MEETING

Cronos Australia Limited

ABN 59 629 071 594

10:00 am on Tuesday, 27 October 2020
(to be held via Zoom teleconference)



Notice of Annual General Meeting

Notice is hereby given that the 2020 Annual General Meeting of the shareholders of **Cronos Australia Limited** (ACN 629 071 594) (“Company”) (“Meeting”) will be held at **10.00 am on Tuesday, 27 October 2020** (AEDT).

The Company advises that, due to Government restrictions with respect to indoor gatherings at the time of the issue of this Notice (in response to the COVID-19 pandemic), the Company has determined that the Meeting will be held online only. Accordingly, the Meeting will be held virtually via the Zoom platform, with strictly no shareholders in physical attendance.

Shareholders can register to attend the Meeting using the link below. If you intend to cast a vote during the Meeting, please provide your registered holding name and address on registration. Registered participants will then receive a confirmation email containing the Zoom access link and phone dial-in details. If the arrangements with respect to the Meeting change, shareholders will be updated as soon as possible via the ASX Market Announcements platform.

https://us02web.zoom.us/webinar/register/WN_Qi9qVfKqRhq-W4a_Smi4ow

Pursuant to section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* made by the Commonwealth Treasurer on 5 May 2020, no hard copy of the Notice of Annual General Meeting or the accompanying Explanatory Memorandum will be dispatched by the Company. Instead, these documents are being made available electronically to those shareholders of the Company entitled to receive notice. The Notice of Meeting and Explanatory Memorandum are also available on the ASX Market Announcements platform and on the Company’s website, www.cronosaustralia.com.

BUSINESS

1. CONSIDERATION OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, the Directors’ Report and the Auditor’s Report for the year ended 30 June 2020.

* *This item of business is for discussion only and is not a resolution.*

Pursuant to the Corporations Act 2001 (Cth), shareholders will be given an opportunity at the meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

2. Resolution 1 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That the Remuneration Report section of the Directors’ Report for the Company for the year ended 30 June 2020 be adopted.”

* *Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company.*

3. Resolution 2 - RE-ELECTION OF ANNA ELIZABETH BURKE AO AS DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Anna Elizabeth Burke AO, being an Independent Non-Executive Director, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers herself for re-election as a Director of the Company, effective immediately.”

Dated this 25th day of September 2020

By order of the Board



THOMAS G. HOWITT
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

VOTING ENTITLEMENT NOTICE

For the purposes of the Meeting, the Company has determined that, in accordance with regulation 7.11.37 of the Corporations Regulations, shares will be taken to be held by the persons registered as holders at 7.00 pm on Monday, 26 October 2020 (AEDT). Accordingly, transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

A member entitled to vote may vote their shares directly by completing Step 2 on the Proxy Form, complete a “for”, “against” or “abstain” for each resolution and returning the completed Proxy Form as indicated below. In this case, a member is not appointing a proxy. A vote of “abstain” for a direct vote will result in the shares represented by that vote not counting towards a majority vote. If no direction is given for a particular resolution and no proxy appointed, the vote (other than a vote with respect to Resolution 1) will be passed to the Chairman of the Meeting to vote as that member’s undirected proxy.

PROXIES

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy form may specify the proportion or number of votes which the proxy may exercise. If it does not specify the proportion or number of votes the proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder. Proxy Forms must be lodged in accordance with the directions set out on the Proxy Form not later than 48 hours prior to the Meeting.

If you are entitled to vote at the Meeting you have the right to appoint a proxy to attend and vote in your place. To appoint a proxy, you should complete Step 1 on the Proxy Form. If you wish to appoint a person other than the Chairman, you should complete the second panel in Step 1, and not “tick” the first panel.

The proxy need not be a shareholder of the Company. If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of your votes that each proxy may exercise, each proxy may exercise half your votes. If there is more than one proxy appointed, on a show of hands only one of the proxies may vote, but on a poll, each proxy may exercise votes in respect of those shares the proxy represents.

All votes at the Meeting will be conducted by Poll. The Chairman intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting. In particular, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

If a member has not directed their proxy how to vote, the proxy may vote as the proxy determines. If a member (who is not an Excluded Voter) has appointed as their proxy an Excluded Voter (other than the Chairman), the member may only vote with respect to Resolution 1 by directing their proxy how to vote with respect to Resolution 1. To direct the Excluded Voter as proxy, the member must complete the “for” or “against” or “abstain” at Step 2 of the Proxy Form for Resolution 1.

An “Excluded Voter” for these purposes means collectively one of the Key Management Personnel (as set out on page 27 of the Company’s 2020 Annual Report, and is defined in the *Corporations Act 2001* to include the Chairman) (“KMP”) or one of KMP’s closely related parties (which includes a spouse, dependent and certain other close family members and companies controlled by the KMP).

Completed Proxy Forms (and any Power of Attorney under which they are signed) must be received at an address given below by no later than 10:00 am (Melbourne time) on Sunday, 25 October 2020, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Proxy Forms may also be lodged using the reply paid envelope or online at www.linkmarketservices.com.au.

By mail	By fax	By hand to Link Market Services Limited at *
Cronos Australia Limited c/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	+61 2 9287 0309	1A Homebush Bay Drive or Level 12 Rhodes NSW 2138 680 George Street Sydney NSW 2000

* *During business hours (Monday to Friday, 9:00 am - 5:00 pm) (AEDT)*

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders of the Company in connection with the business to be conducted at the Annual General Meeting of shareholders of Cronos Australia Limited (“Meeting”) to be held at 10.00 am on Tuesday, 27 October 2020 (AEDT).

The Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice of Annual General Meeting that accompanies this Explanatory Memorandum.

1. CONSIDERATION OF FINANCIAL STATEMENTS AND REPORTS

Please refer to the Company’s 2020 Annual Report which is available on the Company’s website at www.cronosaustralia.com.

The *Corporations Act 2001* requires the financial statements and reports of the Directors and the Company’s auditor to be laid before the Meeting. These documents are all incorporated into the Annual Report. Neither the *Corporations Act 2001* nor the Company’s Constitution requires shareholders to vote on such statements and reports (other than a non-binding vote on the Remuneration Report, which is considered as a separate resolution).

However, shareholders will be given reasonable opportunity to raise questions or make comments in respect of the 2020 Annual Report at the Meeting. A representative from the Company’s auditor will attend the Meeting, and the Chair of the Meeting will provide a reasonable opportunity for shareholders to ask the auditor questions which are relevant to the audit.

Prior to the Meeting, shareholders may submit written questions about the conduct of the audit and the preparation and content of the Auditor’s Report. If you would like to submit your questions prior to the Meeting, please email your question to the Company Secretary at companysecretary@cronosaustralia.com by no later than 5.00 pm on Friday, 23 October 2020 (AEDT).

2. Resolution 1 - ADOPTION OF THE REMUNERATION REPORT

Under section 250R(2) of the *Corporations Act 2001*, listed entities are required to put to the vote a resolution that the Remuneration Report section of the Directors’ Report be adopted. This Remuneration Report can be found on pages 26 to 34 of the Company’s 2020 Annual Report. A copy of the Company’s 2020 Annual Report can be found on its website at www.cronosaustralia.com.

The Remuneration Report sets out a range of matters relating to the remuneration of Directors, the Company Secretary and Senior Executives of the Company (collectively, “Key Management Personnel”).

A vote on this resolution is advisory only and does not bind the Directors or the Company, however the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The *Corporations Act 2001* provides that:

- (a) members of the Key Management Personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report; and
- (b) if the vote to approve the Remuneration Report receives a “no” vote by at least 25% of the votes cast, this will constitute a “first strike”.

2. Resolution 1 - ADOPTION OF THE REMUNERATION REPORT (CONT.)

A “first strike” did not occur at the Company’s 2019 Annual General Meeting. Where a “first strike” occurs at the 2020 Annual General Meeting:

- (a) the Company’s subsequent Remuneration Report (in other words, the Company’s Remuneration Report to be included in the 2021 Annual Report) must include an explanation of the Board’s proposed action in response to the “no vote” or an explanation as to why no action has been taken; and
- (b) if the Company’s subsequent Remuneration Report also receives a “no vote” at the 2021 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2021 Annual General Meeting will be asked (at that 2021 Annual General Meeting) to vote on whether or not the Company is to hold another general Shareholder’s meeting (within the following 90 days) to vote on a “spill resolution” under section 250V of the *Corporations Act 2001*.

Accordingly, the Board abstains from making a recommendation in relation to Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

As set out in the Notice of Annual General Meeting, any member of Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

3. Resolution 2 - RE-ELECTION OF ANNA ELIZABETH BURKE AO AS A DIRECTOR

Clause 41.1 of the Company’s Constitution requires that, at the Company’s annual general meeting every year, a Director must retire from office at the end of the third annual general meeting following the Director’s last appointment or three years, whichever is longer. Although the operation of clause 41.1 of the Company’s Constitution does not require any Director to retire this year, pursuant to clause 41.3 of the Company’s Constitution and ASX Listing Rule 14.5, the Company must still hold an election of Directors at each annual general meeting.

Anna Elizabeth Burke AO was appointed a Director of the Company on 8 October 2018.

It has been agreed that Ms. Burke will retire by rotation in accordance with clause 41.4(b)(i) of the Company’s Constitution.

Under this Resolution, Ms. Burke has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Anna Burke AO was appointed as an Independent Non-Executive Director of Cronos Australia Limited on 8 October 2018. Anna served in the Australian Federal Parliament as the Member for Chisholm in the House of Representatives from 1998 to 2016, and was also the 28th Speaker of the Australian House of Representatives. She currently serves as a Member of the Administrative Appeals Tribunal. Anna had extensive Committee service in the Federal Parliament, including serving as a member of the Joint Statutory Committee on Corporations and Financial Services and the House of Representatives Standing Committee on Economic, Finance and Public Administration. Prior to Anna’s parliamentary career, she was an Industrial Officer with VicRoads, Victorian University of Technology and the Financial Sector Union. Anna was appointed as an Officer of the Order of Australia in January 2019 for distinguished service to the Parliament of Australia, particularly as Speaker of the House of Representatives, and to the community.

The Board (excluding Ms. Burke) unanimously recommends that Shareholders vote in favour of Resolution 2.

VOTING EXCLUSION STATEMENT

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) A member of Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
 - (b) A closely related party of such a member,
- (collectively, an **Excluded Voter**).

However, an Excluded Voter may cast a vote on Resolution 1 if:

- (i) The Excluded Voter does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution (as described in the “Notes” section of this Notice of Meeting); and
- (ii) The vote is not cast on behalf of another Excluded Voter.

An Excluded Voter may also cast a vote on Resolution 1 if the Excluded Voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:

- does not specify the way the proxy is to vote on the Resolution; or
- expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

CRONOS
AUSTRALIA


WWW.CRONOSAUSTRALIA.COM

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Cronos Australia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Cronos Australia Limited (the Company) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

Or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Tuesday, 27 October 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at:

https://us02web.zoom.us/webinar/register/WN_Qi9qVfKqRhq-W4a_Smi4ow (refer to details in the Notice of Meeting).

Important for Resolution 2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

For Against Abstain*

2 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Re-election of Anna Elizabeth Burke AO as Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) on Sunday, 25 October 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Cronos Australia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138



or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)