

EXECUTION VERSION
June 20, 2018

INVESTMENT MASTER AGREEMENT

between

**AVICANNA INC.
and**

**LUCAS ECHEVERRI ROBLEDO
and**

**SANTA MARTA GOLDEN HEMP S.A.S.
and**

**INMOBILIARIA BONDUE S.A.S.
and**

**WE BAY S.A.
and**

SATIVA NATIVA S.A.S.

Dated June 20, 2018

INVESTMENT MASTER AGREEMENT

This Investment Master Agreement (hereinafter, the "Agreement") is executed on this June 20, 2018 ("Execution Date") by and among:

- (i) **AVICANNA INC.**, a company incorporated and existing in accordance with the laws of Canada, domiciled in 510 King Street East, Suite 323, Toronto, Ontario, Canada M5A 1M1, duly represented by Setu Nimish Purohit, of legal age, identified as it appears next to his signature, acting in his capacity as General Counsel, as evidenced in the documents attached hereto as Annex I, ("Avicanna"),
- (ii) **LUCAS ECHEVERRI ROBLEDO**, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] ("LER"),
- (iii) **SANTA MARTA GOLDEN HEMP S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED] duly represented by Lucas Echeverri Robledo, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED], acting in as legal representative, as evidenced in the documents attached hereto as Annex II, (the "Company"),
- (iv) **INMOBILIARIA BONDUE S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED], duly represented by German Zapata Hurtado, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED], acting in as legal representative, duly authorized by the shareholders' meeting, as evidenced in the documents attached hereto as Annex III ("Bondue"),
- (v) **WE BAY S.A.** a company incorporated and existing in accordance with the laws of the Republic of Panama, domiciled in Ciudad de Panama, Republic of Panama, identified with number [REDACTED] of October 1, 2008, duly represented by Giancarlo Davila Char, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] acting as attorney in fact, as evidenced in the documents attached hereto as Annex IV, ("We Bay"), and
- (vi) **SATIVA NATIVA S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED] duly represented by Jose Rafael Lopez Vergara, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] acting as legal representative, as evidenced in the documents attached hereto as Annex V, ("Sativa Nativa"),

Each of Avicanna, LER, the Company, Bondue, We Bay and Sativa Nativa referred to herein as a "Party" and all of them collectively referred to herein as the "Parties"

RECITALS

WHEREAS the Company is dedicated to the cultivation of 100% sun grown cannabis with a focus on innovation, sustainable farming practices and using world class, pharmaceutical grade processing technology to produce the highest quality oil extract products (the "Business");

WHEREAS the Parties are interested in entering into an alliance for the strengthening and growth of the Business (the "Alliance");

WHEREAS LER is on the Execution Date the legitimate and registered owner of one hundred percent (100%) of the issued and outstanding shares of the Company, equivalent to 1,000 common shares;

WHEREAS Bondue announced its will to transfer 100% of its property rights over Rancho Lindo 2 (as defined below) as contribution in kind to the Company (the "Contribution in Kind") in exchange for a total of 61,500 shares of the Company (the "Company's Shares"), and the Company wishes to fulfill that transaction;

WHEREAS We Bay made on June 8, 2018 an advanced capital contribution to Avicanna of USD \$800,000, equivalent to CAD \$1,032,161.60 (the "We Bay's Advance")

WHEREAS We Bay announced its will to capitalize the We Bay's Advance in exchange for shares of Avicanna, and therefore, Avicanna wishes to issue and place shares in favor of We Bay (the "We Bay's Capital Contribution");

WHEREAS Avicanna announced its will to acquire 37,500 shares of the Company held by Bondue, equivalent to 60% of the total issued and outstanding shares of the Company (the "Bondue's Company Shares"), once Bondue acquires the Company's Shares, and Bondue, wishes to fulfill that transaction in exchange of receiving an amount of shares equivalent to 11,2% of the issued and outstanding shares of Avicanna represented by 1,477,818 shares, as at April 30, 2018 (the "Avicanna's Shares" jointly with Bondue's Company Shares the "Shares");

WHEREAS As of the Execution Date, Avicanna has made advanced capital contributions to the Company (the "Avicanna's Advance") through the purchase, on behalf of the Company, of greenhouse and equipment deposits;

WHEREAS Sativa Nativa has made and will continue making payments of development costs on behalf of the Company (the "Sativa Nativa's Outstanding Receivable");

WHEREAS Sativa Nativa is willing to assign the Sativa Nativa's Outstanding Receivable to Avicanna and Avicanna is willing to capitalize the Sativa Nativa's Outstanding Receivable in exchange of shares of the Company;

WHEREAS Avicanna announced its will to make a capital contribution no later than December 31st. 2018 of USD \$2,000,000 to the Company equivalent to Colombian Pesos liquidated to the corresponding exchange rate agreed by the Parties, in exchange for shares of the Company, and therefore, the Company wishes to issue and place shares in favor of Avicanna (the "Avicanna's Capital Contribution");

WHEREAS the Avicanna's Advance and Sativa Nativa's Outstanding Receivables should be used to pay part of the Avicanna's Capital Contribution;

WHEREAS the Parties intend to enter into the Alliance through (i) the contribution in kind of the real estate property Rancho Lindo 2 (as defined below) by Bondue to the Company; (ii) the issuance and placement of the Company's Shares to Bondue; (iii) the capitalization of Avicanna by We Bay; (iv) the capitalization of the Company by Avicanna; (v) the transfer of Bondue's Company Shares to Avicanna; and, (vi) the issuance and placement of Avicanna's Shares in favor of Bondue (collectively the "Transaction");

WHEREAS the Parties herein intend to set forth the terms and conditions that will govern the terms and conditions to enter into the Alliance, and set forth their rights and obligations;

AS A RESULT and in consideration to the representations, warranties, and additional covenants contained herein, the Parties agree to execute this Agreement, which shall be governed by the following

CLAUSES

Clause I- Interpretation

1.1 Defined Terms

"Alliance" shall have the meaning given in the Recitals of this Agreement;

"Amended and Restated SPA" shall mean the amendment and restatement of the share purchase agreement dated on April 24, 2018, that will be entered into by the Parties and some others, which shall be part of this Agreement as Annex VII and that sets forth the revised understanding, terms and conditions of the Swap Transaction.

"Avicanna" shall have the meaning given in the preamble of this Agreement;

"Avicanna's Advance" shall have the meaning given in the Recitals of this Agreement;

“Avicanna’s Capital Contribution” shall have the meaning given in the Recitals of this Agreement;

“Avicanna’s Shares” shall have the meaning given in the Recitals of this Agreement;

“Books and Records” means all information available as of the Execution Date in any form, related to the Business and the Company, including accounting books, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, potential customer lists, referral sources, research and development reports and records, production reports and records, equipment daily logs, equipment operating guidelines and manuals, business reports, plans and projections, marketing and advertising materials, and all other documents, files, correspondence, and any other information (whether written, printed, soft copy, hard copy, or stored on computer discs, or any other data storage, software storage, and media devices);

“Bondue” shall have the meaning given in the preamble of this Agreement;

“We Bay’s Capital Contribution” shall have the meaning given in the Recitals of this Agreement;

“Bondue’s Company Shares” shall have the meaning given in the Recitals of this Agreement;

“Business” shall have the meaning given in the Recitals of this Agreement;

“Business Day” means a day when banks are open for business in Canada and the Republic of Colombia;

“Closing Date” has the meaning set forth in Clause 3.1 of this Agreement;

“Closing Date of the Contributions” has the meaning set forth in Clause 3.1 of this Agreement;

“Closing Financial Statements” means the Company’s financial statements for the period comprised between January 1, 2017 and December 31, 2017, and the unaudited financial statements for the period comprised between January 1, 2018 and the Execution Date;

“Closing of the Contributions” has the meaning set forth in Clause 3.1 of this Agreement;

“Closing of the Swap” has the meaning set forth in Clause 3.1 of this Agreement;

“Conditions to Closing the Contributions” has the meaning set forth in Clause 3.1 of this Agreement;

“Contribution in Kind” shall have the meaning given in the Recitals of this Agreement;

“Company” shall have the meaning given in the preamble of this Agreement;

“Consideration” has the meaning set forth in Clause 2.3 (ii) of this Agreement;

“Corporate Documents” means (i) the By-laws, (ii) copy of the stock ledger, (iii) authorized copies of any corporate authorization required to effect the transfer of the Shares, and (iv) any other document necessary for the transfer of the Shares;

“Due Diligence of the Company” means the review and analysis process of legal aspects of the Company and of the Business and other relevant aspects that allowed Avicanna to gain adequate knowledge of the legal status of the Company and the Business as of May 9, 2018, which as of the Execution Date has been completed to the satisfaction of Avicanna;

“Due Diligence of Avicanna” means the review and analysis process of legal aspects of Avicanna and other relevant aspects that allowed the other Parties to gain adequate knowledge of the legal status of Avicanna and the Business as of May 14, 2018, which as of the Execution Date has been completed to the satisfaction of the other Parties;

“Encumbrances” means any security interest, pledge, hypothecation, mortgage, lien (including environmental and tax liens), violation, charge, lease, gravamen, license, encumbrance, servient easement, adverse claim, reversion, restrictive covenant, or condition or restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

“Execution Date” shall have the meaning given in the preamble of this Agreement;

“First Contribution” shall have the meaning given in Clause 2.1.1.1 of this Agreement;

“First Public Deed” shall have the meaning given in Clause 2.2.1.3 of this Agreement;

“First Issuance” shall have the meaning given in Clause 2.1.1.1 of this Agreement;

“Fundamental Representations and Warranties” means the representations and warranties set forth in Sections 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2 and 4.2.3;

“IFRS” means International Financial Reporting Standards promulgated by the International Accounting Standards Board (“IASB”) (which include standards and interpretations approved by the IASB and International Accounting Standards issued under previous constitutions), together with its pronouncements thereon from time to time, and applied on a consistent basis;

“LER” shall have the meaning given in the preamble of this Agreement;

“Material Adverse Effect” shall mean a material adverse effect on any of the financial condition, business, properties or assets and liabilities on the Business or the Company, in each case, taken as a whole, excluding any effect relating to or arising from: (i) any change in the economy, capital markets, financial markets, banking markets, regulatory or national or international political or social conditions (including any change in foreign exchange rates), including in or pertaining to Colombia

and elsewhere, whether or not relating to an act of war, military action, hostilities, terrorism, civil unrest or similar event; (ii) any change that relates or arises out of factors generally affecting the industries in which the Business or the Company, including changes in any commodity prices or costs; (iii) any change in applicable Accounting Standards or in any statute, rule or regulation (or the official interpretation thereof) of general applicability after the date hereof; and (iv) any adoption, proposal, implementation or change in Law (including, for the avoidance of doubt, a change in the enforcement or interpretation of a Law) after the date hereof, whether or not such change purports to be effective retrospectively.

“Ordinary Course” means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person;

“Person” means an individual, any form of partnership or company, or other entity;

“Rancho Lindo 2” means the real estate property owned by Bondue identified with land registry number (*folio de matrícula inmobiliaria*) 080-5423 before the Land Registry Office (*Oficina de Registro de Instrumentos Públicos*) of Santa Marta;

“Remaining Contribution” shall have the meaning given in Clause 2.1.3.1(i) of this Agreement;

“Sativa Nativa” shall have the meaning given in the preamble of this Agreement;

“Sativa Nativa’s outstanding receivable” shall have the meaning given in the Recitals of this Agreement;

“Second Contribution” shall have the meaning given in Clause 2.1.1.2 of this Agreement;

“Second Issuance” shall have the meaning given in Clause 2.1.1.2 of this Agreement;

“Second Public Deed” shall have the meaning given in Clause 2.2.3.4 of this Agreement;

“Shares” shall have the meaning given in the recitals of this Agreement;

“Share Equivalents” means preferred shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, common shares of the Company or any instrument or certificate representing a beneficial ownership interest in the common shares of the company;

“Swap Transaction” shall have the meaning given in Clause 2.1.4 of this Agreement;

“Transaction” shall have the meaning given in the Recitals of this Agreement;

“Transaction Expenses” shall have the meaning given in Clause 2.1.3.1 of this Agreement;

“We Bay” shall have the meaning given in the preamble of this Agreement;

“We Bay’s Advance” shall have the meaning given in the Recitals of this Agreement.

1.2 Accounting Terms. All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with IFRS.

1.3 Annexes. The annexes, schedules and appendixes attached to this Agreement are an integral part of this Agreement for all its purposes.

1.4 Interpretation. For the purposes of this Agreement and the annexes, schedules and appendixes thereto, except as expressly provided or to the extent the context otherwise requires:

- (i) in addition to the aforementioned terms, other terms may be defined in other parts of this Agreement and shall have the meaning assigned thereto;
- (ii) references made to the by-laws and to legal provisions shall be to the current by-laws and legal provisions of the Company and of Avicanna, including references to any statutory amendment or consolidation (whether before or after the date of this Agreement), and
- (iii) references to this Agreement or annexes, appendixes and schedules shall be considered to include subsequent amendments or modifications to the Agreement or respective annexes, appendixes or schedules.

Clause II - Alliance

2.1 Terms of the Alliance

The Alliance shall be instrumented through the completion of the following activities, to be performed at or prior to the Closing Date:

2.1.1 In consideration for the Contribution in Kind, the Company shall cause the issuance and placement of 61,500 shares representing 98.4% of the issued and outstanding shares of the Company. The Contribution in Kind shall take place in the following phases:

2.1.1.1 Bondue shall transfer 5% of its property rights over Rancho Lindo 2, as contribution in kind to the Company at a value equivalent to COP\$25,288,700 (the “First Contribution”) and the Company, for the First Contribution shall cause the issuance and placement of 24,000 shares in favor of Bondue,

equivalent to 96% of the stock participation of the Company (the "First Issuance");

2.1.1.2 Bondue shall transfer 95% of its property rights over Rancho Lindo 2, as contribution in kind to the Company at a value of USD \$8,400,000 liquidated at an exchange rate of COP\$2,828.42 per US dollar equivalent to a total amount of COP\$23,758,728,000 (the "Second Contribution") and the Company, for the Second Contribution, shall cause the issuance and placement of 37,500 shares in favor of Bondue, equivalent to 60% of the stock participation of the Company (the "Second Issuance");

2.1.2 In consideration for We Bay's Advance in order to carry out We Bay's Capital Contribution, Avicanna shall cause the issuance and placement of 141,392 shares in favor of We Bay, free of all Encumbrances.

2.1.3 In consideration for Avicanna's Capital Contribution, the following shall take or has taken place:

2.1.3.1 The Avicanna's Capital Contribution shall be capitalized in the Company taking into account the following:

(i) That the Avicanna's Capital Contribution shall correspond to the sum of (i) Avicanna's Advance; (ii) the Sativa Nativa's Outstanding Receivable and (iii) the sum that results from subtracting the sum of Avicanna's Advance and the Sativa Nativa's Outstanding Receivable (the "Remaining Contribution"). The Remaining Contribution along with the Avicanna's Advance and the Sativa Nativa's Outstanding Receivable shall be the sum of USD\$2,000,000.

(ii) Sativa Nativa shall assign the Sativa Nativa's Outstanding Receivable to Avicanna and Avicanna, no later than December 31, 2018 shall capitalize the Sativa Nativa's Outstanding Receivable in the Company.

(iii) Before the assignment of Sativa Nativa's Outstanding Receivable to Avicanna, Sativa Nativa shall deliver to the Company the corresponding documentation that accounts all the payments made on behalf of the Company and the Company will approve the final amounts of the outstanding receivables, that in any case, shall not exceed USD\$2,000,000 that corresponds to the Avicanna's Capital Contribution subtracting the sum of Avicanna's Advance and the Remaining Contribution.

2.1.3.2 The Avicanna's Capital Contribution shall be used in the Company for working capital and to pay the expenses arising from the First Contribution and the Second Contribution as set forth in Annex VIII (the "Transaction Expenses").

2.1.3.3 All Transaction Expenses related to the Second Contribution shall be paid by the Company. Such Transaction Expenses, except for the capital gain tax to be paid in 2019 by Bondue arising from the Second Contribution, shall be paid

with the resources received from Avicanna's Capital Contribution. In the event that the amount of Avicanna's Capital Contribution is not sufficient to pay the working capital and the abovementioned Transaction Expenses, LER, Avicanna and Bondue shall capitalize or lend the Company the amount necessary to cover such expenses, provided that such capitalization shall not change the percentages of the Company as established in Annex IX. The amount corresponding to the capital gain tax derived from the Second Contribution shall be paid by the Company; *provided however*, that If Bondue is required to pay such tax directly to the tax authority, such payment shall be considered a loan from Bondue to the Company, and LER, Avicanna and Bondue shall cause the Company to repay Bondue such amount as soon as the Company generates the cash-flow from operating activities, without prejudice to the Business. 100% of such repayment shall be payable no later than December 31, 2019. LER, Avicanna and Bondue shall agree at the time of the capitalization or the loan, as applicable, the terms and conditions to structure such payments.

2.1.3.4 The Company shall cause the issuance and placement of shares in favor of Avicanna, that in any case, will not modify the percentages of participation of the shareholders of the Company. It is understood by Avicanna that the allocation of Avicanna's Capital Contribution with respect to the issuance of the Company's Shares, shall imply that a percentage of the value of Avicanna's Capital Contribution shall be allocated to capital of the Company, and the remaining amount to a premium for placement of shares. Notwithstanding the above, in order to maintain the percentages of the Company as established in Annex IX, LER and Bondue shall make a capital contribution that shall be allocated in its whole to capital of the Company. The issuance and placement shall take place as follows:

- (i) As consideration to Avicanna's Advance, the Company shall issue and place shares according to the appraisal approved by the Company's shareholders' general assembly. The Avicanna's Advance will be considered as an in-kind contribution to the Company liquidated to the corresponding exchange rate of the date of the importation or the exchange rate agreed by the Parties, as the case may be, in compliance with the Colombian Foreign Exchange Regime. Based on the value in Colombian Pesos, the Company shall calculate the shares that will be issued and place in favor of Avicanna. Notwithstanding the foregoing, the Avicanna's Advance may include successive capitalizations that shall be subject to the terms and conditions of this Agreement;
- (ii) As consideration to Sativa Nativa's Outstanding Receivable the Company shall issue and place shares according to the total amount of the Sativa Nativa's Outstanding Receivable that will correspond to all the payments made by Sativa Nativa on behalf of the Company as of December 31, 2018.

2.1.4 In consideration for the transfer of Bondue's Company Shares and Avicanna's Shares (the "Swap Transaction") the following shall take place:

2.1.4.1 Bondue, shall sell, assign, transfer, convey and deliver, or cause to be sold, assigned, transferred, conveyed and delivered to Avicanna, the Bondue's Company Shares, free and clear of all Encumbrances; and

2.1.4.2 Avicanna shall issue and place in favor of Bondue, the Avicanna's Shares, free and clear of all Encumbrances.

2.2 Conditions of the Alliance.

2.2.1 **Conditions for the First Contribution.** Bondue and the Company shall cause the First Contribution, and thus proceed to formalize the First Contribution if the following conditions have been complied with or waived by Avicanna:

2.2.1.1 LER and the Company have waived the Shareholder's preemptive rights, according to Article 8 of the Company's By-laws, over the issuance and placement of the First Issuance in favor of Bondue;

2.2.1.2 The valuation of COP\$ 25.288.700 of the First Contribution along with the issuance and placement of the First Issuance have been made by the Company's General Shareholders Assembly, and are duly recorded in the Company's minutes' books;

2.2.1.3 The First Contribution has been formalized by means of a Public Deed granted in accordance with Colombian law (the "First Public Deed");

2.2.1.4 The First Public Deed has been filed before the Land Registry Office (*Oficina de Registro de Instrumentos Públicos*) of Santa Marta jointly with the required documentation, to register the First Contribution related to the transfer of 5% of its property rights over Rancho Lindo 2 within three Business Day counted as of the issuance of the First Public Deed by the corresponding Notary Public.

2.2.1.5 All Transaction Expenses related to the First Contribution shall be paid by the Company with the resources received from Avicanna's Capital Contribution. In the event that the amount of Avicanna's Capital Contribution is not sufficient to pay the working capital and the Transaction Expenses, LER, Avicanna and Bondue shall capitalize the Company in the amount necessary to cover such expenses, provided that such capitalization shall not change the percentages of the Company as established in Annex XIII.

2.2.2 Conditions for We Bay's Capital Contribution. We Bay on the terms of Clause 2.1.2. herein, shall cause We Bay's Capital Contribution, and thus proceed to formalize We Bay's Capital Contribution if the following conditions have been complied with:

2.2.2.1 Avicanna has complied with the procedure according to Avicanna's Corporate Documents and the applicable law, over the issuance and placement of the shares including the issuance of the corresponding share certificates in favor of We Bay; and

2.2.2.2 Execution by We Bay, as the case may be, of the forms, letters, documents and/or agreements required by Avicanna in order to comply with Canadian law or that may be reasonably requested by Avicanna, under reasonable and objective criteria, such as a subscription agreement of Avicanna's Shares and/or a shareholders' agreement of Avicanna.

2.2.3 Conditions for the Second Contribution. Bondue and the Company shall cause the Second Contribution, and thus proceed to formalize the Second Contribution if the following conditions have been complied with or waived by Avicanna:

2.2.3.1 LER and the Company have waived the Shareholder's preemptive rights, according to Article 8 of the Company's By-laws, over the issuance and placement of the Second Issuance in favor of Bondue;

2.2.3.2 The valuation of USD \$8,400,000 liquidated at an exchange rate of COP\$2,828.42 per US dollar equivalent to a total amount of COP\$23,758,728,000 of the Second Contribution, along with the issuance and placement of the Second Issuance have been made by the Company's General Shareholders Assembly, and are duly recorded in the Company's minutes' books.

2.2.3.3 The Second Contribution has been formalized by means of a Public Deed granted in accordance with Colombian law (the "Second Public Deed")

2.2.3.4 The Second Public Deed has been filed before the Land Registry Office (*Oficina de Registro de Instrumentos Públicos*) of Santa Marta jointly with the required documentations, to registry the Second Contribution related to the transfer of 95% of its property rights over Rancho Lindo 2 within three Business Day counted as of the issuance of the Second Public Deed by the corresponding Notary Public.

2.2.4 Conditions for Avicanna's Capital Contribution. Avicanna shall cause Avicanna's Capital Contribution, and thus proceed to formalize Avicanna's Capital Contribution if the following conditions have been complied:

2.2.4.1 Avicanna's Capital Contribution does not affect the stock composition of the Company and by means of Avicanna's Capital Contribution; Avicanna remains owner of the 60% of the issued and outstanding shares of the Company;

2.2.4.2 LER, Bondue and the Company have waived the Shareholder's preemptive rights, according to Article 8 of the Company's By-laws, over the issuance and placement of the shares in favor of Avicanna; and

2.2.4.3 Satisfactory payment of Avicanna's Capital Contribution by Avicanna, in capital or in kind, as further agreed by Avicanna, Bondue, LER and the Company.

2.2.5 **Conditions for the Swap Transaction.** The conditions to transfer the Bondue's Company Shares and the Avicanna's Shares shall be subject to the terms and conditions set forth in the Amended and Restated SPA.

2.3 Consideration Amount for the Swap Transaction

(i) The consideration payable for Avicanna's Shares: Bondue shall cause the assignment, transfer, conveyance, and delivery to Avicanna of the Bondue's Company Shares (37,500 shares) equivalent to sixty percent (60%) of the issued and outstanding shares of the Company at a par value of COP\$37,500,000 and a premium COP\$23,721,228,000 for a total value of USD \$8,400,000 liquidated at an exchange rate of COP\$2,828.42 per US dollar equivalent to a total amount of COP\$23,758,728,000.

(ii) The consideration payable for Bondue's Shares: Avicanna shall cause the issuance and placement in favor of Bondue of the Avicanna's Shares (1,477,818 shares) equivalent to 11.2% of the issued and outstanding shares of Avicanna, as at April 30, 2018, for a total value of USD \$8,400,000 liquidated at an exchange rate of COP\$2,828.42 per US dollar equivalent to a total amount of COP\$23,758,728,000 (together with Avicanna's consideration the "Consideration").

Clause III - Closing

3.1 Closing Date

The closing of the First Contribution and the Second Contribution contemplated by this Agreement (the "Closing of the Contributions") shall take place at the offices of Philippi Prietocarrizosa Ferrero DU & Uria in Carrera 9 No. 74 – 08, Bogota, Colombia, at 10:00 a.m. Colombian time, two (2) Business Days after the satisfaction or waiver (by the Party entitled to so waive) of the conditions set forth in Clauses 2.2.1. and 2.2.2. (the "Conditions to Closing the Contributions"), or at such other place, time and date as the Parties may mutually agree in writing (the "Closing Date of the

Contributions”). The closing of the Swap Transaction contemplated by this Agreement (the “Closing of the Swap” and together with the Closing of the Contributions the “Closing”) shall take place pursuant to the terms and conditions of the Amended and Restated SPA (the closing date of the Swap Transaction together with the Closing Date of the Contributions the “Closing Date”).

3.2 Actions at Closing

All proceedings to take place at Closing Date and all documents to be executed and delivered by all Parties at Closing Date shall be deemed to have been taken, executed and delivered simultaneously, and no such proceedings shall be deemed to have taken place nor any of such documents shall be deemed to be executed or delivered until all have been taken, executed and delivered. All activities to be completed at Closing Date related to the Swap Transaction shall be subject to the terms and conditions of the Amended and Restated SPA.

At Closing Date, the following activities must take place in connection to the First Contribution, We Bay’s Capital Contribution, the Second Contribution and Avicanna’s Capital Contribution:

(i) In connection to the First Contribution

- a. The Company shall issue and deliver to Bondue the share certificate in favor of Bondue representing the shares corresponding to the First Issuance;
- b. The Company shall evidence the registration of Bondue in the stock ledger of the Company in connection with the shares corresponding to the First Issuance.
- c. Bondue shall deliver a copy of the land certificate (*Certificado de Tradición y Libertad*) of Rancho Lindo 2 with the corresponding note that accounts the transfer related to the First Contribution to the Company.

(ii) In connection to We Bay’s Capital Contribution

- a. Avicanna shall issue and deliver to Bondue the share certificate in favor of Bondue representing the shares corresponding to We Bay’s Capital Contribution;
- b. Avicanna shall evidence the registration of Bondue in the stock ledger of Avicanna in connection with the shares corresponding to We Bay’s Capital Contribution.

(iii) In connection to the Second Contribution

- a. The Company shall issue and deliver to Bondue the share certificate in favor of Bondue representing the shares corresponding to the Second Issuance;
- b. The Company shall evidence the registration of Bondue in the stock ledger of the Company in connection with the shares corresponding to the Second Issuance.

- c. Bondue shall deliver a copy of the land certificate (*Certificado de Tradición y Libertad*) of Rancho Lindo 2 with the corresponding note that evidences the transfer related to the Company.

(iv) **In connection to Avicanna's Capital Contribution**

- a. The Company shall issue and deliver to Avicanna the share certificate in favor of Avicanna representing the shares;
- b. The Company shall evidence the registration of Avicanna in the stock ledger of the Company in connection with the shares.

(v) **In connection to the Swap Transaction**

The actions to transfer the Bondue's Shares and the Avicanna's Shares shall be subject to the terms and conditions set forth in the Amended and Restated SPA.

3.3 Execution of the Shareholders Agreement of the Company. The Company, LER, Bondue and Avicanna shall execute the Company's Shareholder's Agreement in the terms of Annex VI, and deposit it with the management of the Company by means of its delivery to the Legal Representative of the Company. The Parties shall cause a Legal Representative of the Company to be present at Closing Date, in order to receive and acknowledge the deposit of the Shareholder's Agreement.

3.4 Execution of the Shareholders Agreement of Avicanna. Bondue shall execute and adhere to Avicanna's Shareholder's Agreement dated March 15, 2017.

3.5 Appointment of Avicanna's Board of Directors. Avicanna shall cause Aras Azadian, Setu Purohit, Kyle Langstaff or a combination of the foregoing individuals to exercise their nomination rights described in Avicanna's Shareholder's Agreement dated March 15, 2017 to nominate Bondue's candidate to be a Director of Avicanna, provided that such nomination shall be granted in compliance with the requirements of Canadian applicable laws as well as the requirements with respect to company governance prescribed in the Shareholders Agreement of Avicanna.

3.6 Deliveries at Closing Date.

3.6.1 Deliveries by Bondue. Bondue shall deliver the following documents to Avicanna at Closing Date:

- (i) Certificate of Existence and Legal Representation (*Certificado de Existencia y Representación*) of Bondue issued by the Chamber of Commerce of Santa Marta not later than thirty (30) days prior to Closing Date, and evidence of all corporate authorizations to enter into the Agreement, the Shareholder's Agreements of the Company and of Avicanna, and the completion of the First Contribution and the Second Contribution;
- (ii) The cancelled share certificate, executed by the Legal Representative and the secretary of the Company, in favor of Bondue, for 37,500 shares of the Company;
- (iii) Executed version of the Shareholders Agreement of the Company and of Avicanna;
- (iv) Signed Consent to Act as Director, by the individual to be nominated to the Board of Directors of Avicanna, as described in Clause 3.5;
- (v) Certificate signed by a duly authorized Legal Representative of Bondue dated as of the Closing Date certifying that the matters set forth in Clause IV (4.2) in regard to Bondue are true and valid as to the Closing Date.

3.6.2 Deliveries by Avicanna. Avicanna shall deliver the following documents to Bondue at Closing Date:

- (i) Certificate of good standing and incumbency of Avicanna issued by the competent authority not later than thirty (30) days prior to Closing Date, and evidence of all corporate authorizations to enter into the Agreement, the Shareholder's Agreement of the Company, and the completion of the transfer of Avicanna's Shares;
- (ii) Executed version of the Shareholders Agreement of the Company;
- (iii) Certificate signed by a duly authorized Legal Representative of Avicanna dated as of the Closing Date certifying that the matters set forth in Clause IV (4.3) in regard to Avicanna are true and valid as to the Closing Date.

3.6.3 Deliveries by the Company. The Company shall deliver the following documents to Bondue and Avicanna at Closing Date:

- (i) Certificate of Existence and Representation (*Certificado de Existencia y Representación*) of the Company issued by the Chamber of Commerce of Santa Marta not later than thirty (30) days prior to Closing Date, and evidence of all corporate authorizations to enter into the Agreement, the Shareholder's

Agreements of the Company, and the completion of the First Issuance and the Second Issuance;

- (ii) Executed version of the Shareholders Agreement of the Company;
- (iii) Acknowledgement letter issued by the legal representative of the Company evidencing the deposit of the Shareholder's Agreement of the Company.
- (iv) Certificate issued by the Legal Representative of the Company, indicating that up to the Closing Date, the Company has not acquired any assets or liabilities, except for those acquired by the Company in the Ordinary Course of Business.
- (v) Share certificates, executed by the Legal Representative and the secretary of the Company, in favor of Bondue, for 24,000 and 37,500 shares of the Company, respectively, representing the shares corresponding to the First Issuance and the Second Issuance;
- (vi) Share certificate, cancelled and a new share certificate, issued by the Company in favor of Avicanna for 37,500 shares of the Company, free of any Encumbrance, representing the shares corresponding to the Swap Transaction.;
- (vii) Land Registry Certificate (*Certificado de tradición y libertad*) of Rancho Lindo 2 evidencing the registration of the First Contribution and the Second Contribution and the Company as the total owner of Rancho Lindo 2;
- (viii) Certificate signed by a duly authorized Legal Representative of the Company dated as of the Closing Date certifying that the matters set forth in Clause IV (4.1) in regard to the Company are true and valid as to the Closing Date;
- (ix) Copy of the stock-ledger of the Company, evidencing the proper registry of the First Issuance and the Second Issuance and the Swap Transaction.

3.6.4 Deliveries related to the Swap Transaction. The deliveries related to Swap Transaction shall be subject to the terms and conditions set forth in the Amended and Restated SPA.

3.7 Post-Closing Date Actions.

After Closing Date, Avicanna and Bondue shall complete the following activities:

- (i) Avicanna shall cause the registry of its control situation in the Company and file the communication before the Chamber of Commerce in compliance with the Colombian Commercial Law.

- (ii) Avicanna shall cause the registry of its foreign investment in the Company and file the respective exchange form before the Colombian Central Bank (*Banco de la República*) in compliance with the Colombian foreign exchange laws derived from Avicanna's Capital Contribution and the Swap Transaction.
- (iii) Bondue shall cause the registry of its foreign investment in Avicanna and file the respective exchange form before the Colombian Central Bank (*Banco de la República*) in compliance with the Colombian foreign exchange laws derived from We Bay's Capital Contribution and the Swap Transaction.
- (iv) Take any other action or adopt any other measure reasonably necessary for the due completion of the transactions contemplated in this Agreement, and for the completion of the Alliance.

Clause IV - Representations and Warranties

4.1 Representations and Warranties of the Company

The Company represents and warrants to the other Parties the accuracy of the following representations and warranties which, unless otherwise specified, are given as of the Execution Date:

- 4.1.1 Organization and Authority. The Company is a legal entity duly organized and validly existing under the laws of the Republic of Colombia and has the corporate power and authority to enter into and perform its obligations under this Agreement.
- 4.1.2 Validity. This Agreement has been duly authorized and executed by the Company and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- 4.1.3 No Conflict. The execution and performance by the Company of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the Company is a party or by which the Company is bound; (ii) violate any of the terms or provisions of the by-laws of the Company; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to the Company.

- 4.1.4 Assets and Revenues. The assets and revenues of the Company are derived from lawful activities. The Company does not have any negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.
- 4.1.5 OFAC. The Company is not in any of the following situations: (i) identified in List of Specially Designated Nationals and Blocked Persons ("SDN LIST") issued by the United States Treasury Department; (ii) has been sanctioned by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"); or (iii) is being investigated or has been sanctioned by the OFAC, U.S. Bureau of Industry and Security, U.S. Directorate of Defense and Trade Controls, or the Colombian Authorities under any violation of Law 1474 of 2011, Anticorruption Statute, or any rule that may come to modify, replace, or regulate it.

4.2 Representations and Warranties of Bondue and Avicanna

Bondue and Avicanna represent and warrant, severally and not jointly, to the other Parties the accuracy of the representations and warranties contained in Clause 4.2. The following representations and warranties are, unless otherwise specified, given as of the Execution Date:

- 4.2.1 Organization and Authority. Bondue and Avicanna are legal entities duly organized and validly existing under the laws of the Republic of Colombia and Canada, respectively, and have the corporate power and authority to enter into and perform their obligations under this Agreement.
- 4.2.2 Validity. This Agreement has been duly authorized and executed by Bondue and Avicanna and constitutes their valid and legally binding obligation, enforceable in accordance with its terms.
- 4.2.3 No Conflict. The execution and performance by Bondue and Avicanna of any of their obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which each of them is a party or by which each of them is bound; (ii) violate any of the terms or provisions of the by-laws of Bondue or Avicanna, as applicable; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to each of them.

4.2.4 Status of Authorizations.

4.2.4.1 The following authorizations are all of the authorizations (other than authorizations that are of a routine nature and are obtained in the Ordinary Course of business) needed by Bondue and Avicanna to execute, perform and comply with their obligations under this Agreement: (i) authorization from the General Shareholders Assembly of Bondue and Avicanna, respectively, authorizing their legal representatives to execute this Agreement.

4.2.4.2 These authorizations have been obtained and are in full force and effect and there are no facts or circumstances which indicate that any of such authorizations would or might be revoked, cancelled, varied or not renewed.

4.2.5 The assets and revenues of Avicanna and Bondue are derived from lawful activities. Avicanna and Bondue do not have any negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.

4.3 **Reliance.**

4.3.1 The Parties acknowledge that they make the representations and warranties under Clauses 4.1. and 4.2. with the intention to enter into this Agreement and that the Parties will subscribe the Shares on the basis of, and in full reliance on, each of such representations and warranties.

4.3.2 Each of the representations and warranties is to be construed independently and (except where this Agreement provides otherwise) is not limited by any provision of this Agreement or another representation and/or warranty.

4.4 Representations and Warranties regarding the Swap Transaction: The Representations and Warranties for purposes of the Swap Transaction shall be subject to the terms and conditions set forth in the Amended and Restated SPA.

Clause V - Additional Covenants

5.1 Covenants

5.1.1 LER, Bondue and Avicanna shall take, or cause to be taken, all actions and to do, or cause to be done, all things necessary by the Company to carry out the following:

- 5.1.1.1 Implement the Safety and Health Management System at Work (*Sistema de Gestión de Seguridad y Salud en el Trabajo*);
- 5.1.1.2 Apply for any necessary license in Colombia for the: (i) fabrication of cannabis derivatives (licencia de fabricación de derivados de cannabis), (ii) use of seeds for planting (licencia de uso de semilla para siembra), (iii) cultivation of psychoactive cannabis plants (licencia de cultivo de plantas de cannabis psicoactivo), (iv) cultivation of non-psychoactive cannabis plants (licencia de cultivo de plantas de cannabis no psicoactivo) as permitted by Decree 613 of 2017 currently in force (and not as may be modified in the future to permit any other type of license) or any law or decree that modifies it, from time to time, or any other authorization or license necessary for the development of the Business.

5.2 Additional Covenants

The Additional Covenants shall be subject to the terms and conditions set forth in the Amended and Restated SPA, the Company's Shareholders Agreement and Avicanna's Shareholders Agreement.

Clause VI - Indemnities

The Indemnities arising from the Swap Transaction shall be subject to the terms and conditions set forth in the Amended and Restated SPA. The Indemnities related to any other transaction contemplated in this Agreement shall be subject to the following terms and conditions:

6.1 The Parties' Indemnity Obligation

- 6.1.1 As of the date of execution, Bondue, LER and the Company (and their successors and assignors) shall hold harmless and indemnify, to the extent permitted by law, Avicanna, its shareholders, directors, officers, employees, agents, and representatives (hereinafter, "Avicanna's Indemnified Parties"), for any claim, liability, harm, damage, order, penalty, sanction, tax, cost (including amounts paid in a transaction or to legal counsel) derived from any claim, suit, procedure, or investigation (whether civil, penal, administrative, or other) (hereinafter, any of them, a "Harm") caused by, based in, or resulting from, in full or in part by: (a) any false or inaccurate representation provided by Bondue, LER or the Company in this Agreement; or (b) any breach to the commitments and covenants of the Shareholder or the Company set forth under this Agreement; *provided however*, that the failure to comply with the satisfactory payment of Bondue's Company Shares (the First Contribution and the Second Contribution) in accordance to the agreements that have been held with the Company as stated in the shareholders general assembly's minutes and in compliance to the Company's Corporate Documents, except for events of gross negligence, fraud or willful misconduct (*culpa grave o dolo*) by the Parties or for any reason non

attributable to the same Parties, shall not result in breach of the Agreement or constitute a default of the obligations of the Parties under this Agreement

6.1.2 As of the date of execution, Avicanna (and its successors and assignors) shall hold harmless and indemnify, to the extent permitted by law, Bondue LER and the Company, their shareholders, directors, officers, employees, agents, and representatives (hereinafter, the "Bondue's Indemnified Parties" and together with Avicanna's Indemnified Parties, as applicable, the "Indemnified Parties"), for any Harm caused by, based in, or resulting from, in full or in part by: (a) any false or inaccurate representation provided by Avicanna in this Agreement; or (b) any breach to the commitments and covenants by Avicanna set forth under this Agreement.

6.1.3 No Person entitled to indemnification hereunder shall be entitled to recover any Harm, relating to any matter arising under one provision of this Agreement to the extent that such Person has already recovered the same Harm, with respect to such matter pursuant to other provisions of this Agreement or pursuant to other provisions of the Amended and Restated SPA or the Shareholders Agreements of the Company. For the avoidance of doubt, any excess between the Harm and the amount recovered shall be indemnified by the Indemnifying Party to the Indemnified Party under the terms of this Agreement.

6.2 Certain Limitations

The Representations and Warranties of the Parties hereto contained in or made pursuant to this Agreement, shall survive the Closing Date in full force and effect until the date that is one year after the Closing Date and shall expire at such time, except for the Fundamental Representations and Warranties which shall survive until the respective statute of limitations.

Except with regard to a Harm based upon, arising out of, with respect to or by reason of any inaccuracy or breach of any Fundamental Representations and Warranties or any other warranty the aggregate amount of all losses for which the Parties shall be liable shall not exceed fifteen percent (15%) of the Consideration (the "Cap"). Losses based upon, arising out of, with respect to or by reason of any inaccuracy or breach of any and Fundamental Representations Warranties or any other warranty, the aggregate amount of all Harm for which Parties shall be liable shall not exceed the Consideration.

6.3 Claims

6.3.1 Claims not Originated by Third-Party Claims

Indemnified Party shall notify the other Parties, any claim that, by virtue of this Clause, may generate an indemnity liability on the other Parties that does not imply third party claims, indicating the cause and the amount of such claim. If, within ten (10) Business Days after having been notified on the claim the failing Party does not object the claim cause or amount, it shall be understood that the failing Party, as the case may be, are committed to indemnify the respective Indemnified Parties for the

amount requested on the claim notice and to deposit the corresponding amount within five (5) Business Days. On the other hand, if within ten (10) Business Days after having been notified, the failing Party objects the cause of the claim or its amount, the Parties shall solve the issue as soon as possible (either by mutual agreement or through arbitration process as established herein) and, if required, the failing Party shall pay, within five (5) Business Days after the resolution of the issue, the amount so determined.

6.3.2 Claims Initiated by a Third-Party

- 6.3.2.1 If an Indemnified Party were notified of a litigation, claim, or process started by a third party, that may trigger the indemnity obligations established under this Clause, the Indemnified Party shall notify the existence of such litigation, claim, or process to the failing Party, indicating the facts and circumstances alleged in it and specifying the cause and amount covered by the indemnity obligation in virtue of this Clause. Absence of notice does not release the failing Party from the indemnity obligation.
- 6.3.2.2 Unless the failing Party exercise their right to assume the control of the defense of a litigation, claim, or process started by a third party, the Indemnified Party shall assume the control of its defense and shall determine the corresponding strategy with legal advisors selected by the Indemnified Party whose costs shall be fully covered in compliance of the indemnity obligation.
- 6.3.2.3 The failing Party shall have the right, previous notice to the Indemnified Party, within five (5) Business Days of the notice of litigation, claim, or process started by the third party, to assume control of the litigation, claim, or process defense with legal advisors selected by the failing Party and reasonably accepted by the Indemnified Party.
- 6.3.2.4 In case the failing Party assumes the control of the litigation, claim, or process defense under the terms contemplated in this Clause, the Indemnified Party shall have the right to participate in the defense with legal advisors selected by it fully payable by the failing Party.
- 6.3.2.5 The Parties agree to keep each other informed about the status of an eventual litigation, claim, or process that may trigger the indemnities established under this Clause and shall make their best efforts to cooperate on the defense of such litigation, claim, or process.

- 6.3.2.6 The failing Party shall pay Indemnified Parties the indemnity amount they have the right to receive from the failing Party in compliance with what has been established under this Clause, within five (5) Business Days of the date the Indemnified Party has made the payment that triggered the indemnity obligation in charge of the failing Party.

Clause VII - Miscellaneous Provisions

7.1 Expenses.

The Company, LER, Bondue and Avicanna shall pay for their own costs and expenses incurred in connection with this Agreement and the transactions contemplated herein, except for all Transaction Expenses which shall be paid pursuant to the terms of this Agreement.

7.2 Amendments, Waivers.

This Agreement may only be amended or supplemented by written document executed by the Parties. No provision of this Agreement may be extended or verbally waived. No extension or waiver will be binding unless executed in writing by the Party to be bound by the extension or by the waiver.

7.3 Governing Law

This Agreement shall be governed by, and interpreted according to, the laws of the Republic of Colombia.

7.4 Arbitration

All disputes, claims, questions, or differences shall be finally settled by arbitration in accordance with the arbitration rules of the Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá (the “Rules”) before one (1) arbitrator who will be mutually designated by the Parties. If no such agreement is reached within thirty (30) days after a Party has provided a written communication (the “Communication”) to the other Party, the arbitrator shall be appointed by the Arbitration and Conciliation Centre of the Chamber of Commerce of Bogotá.

It is the intent of the Parties that, barring extraordinary circumstances, the arbitration proceeding will be concluded within ninety (90) days from the date the arbitrator is appointed. The arbitration tribunal may extend this time limit in the interests of justice. Failure to adhere to this time limit shall not constitute a basis for challenging the award. The place of arbitration will be the city of Bogotá, D.C., Republic of Colombia, and the arbitration will be conducted in Spanish. The arbitration award will be decided in law according to the laws of Colombia, will be considered final and binding for the Parties, and shall stipulate the costs of arbitration and all other matters related thereto. Notwithstanding the foregoing, this arbitration clause will not be applicable to obligations that arise under this Agreement when said obligations may be enforced through a summary proceeding or an executory proceeding according to Colombian law.

7.5 Service of Notice

Any notice, direction, or communication (hereinafter, each a "Notification") given regarding the matters contemplated by this Agreement must be in writing, delivered personally, or by Courier and email addressed:

To Avicanna:

Attention: Aras Azadian, CEO
Address: MaRS Centre, West Tower, 661 University Avenue, Suite 1300, Toronto, Ontario, Canada M5G 0B7
Phone: + 001 416 875 9112
E-mail: aras.azadian@avicanna.com

To LER and/or the Company:

Attention: Lucas Echeverri
Address: Calle 24 # 4-86, Santa Marta, Colombia
Phone: 315 337 7664
E-mail: lucaseche@hotmail.com

To Bondue:

Attention: Germán Zapata Hurtado
Address: Carrera 1 No. 22 -58 Edificio Bahia Centro, Santa Marta, Colombia
Phone: 57(5) 432-8120
E-mail: gzapata@daabon.com.co

A Notification shall be construed delivered and received (i) if personally delivered or e-mailed, on the date of delivery, if it is a business day, and the delivery was made before 4:00 p.m. (reception place local time) and, otherwise, on the following business day, (ii) if sent by same-day delivery service courier, on the date of the delivery, if sent on a business day and delivery was made before 4:00 p.m. (reception place local time) and, otherwise, on the following business day, (iii) if sent by overnight courier, on the following business day. A Party may eventually change its address through notification as provided herein.

7.6 Severability

If it is determined by an arbitrator or by any court with jurisdiction and competence that any regulation of this Agreement is illegal, invalid, or unenforceable, such regulation shall be severed from this Agreement and the remaining regulations shall remain in full force and effect and, if necessary, the Parties shall agree on an alternative clause that complies with applicable laws and has the desired effect by the Parties.

7.7 Headings

The titles of the clauses or sections and other subtitles herein have been inserted as reference only and shall not affect the meaning or the interpretation of this Agreement.

7.8 Successors and Assignees

This Agreement shall be in force only when executed by the Parties. After such time, it shall be binding and shall inure to the benefit the Parties, and their respective successors and authorized assignees. The Parties may not assign their rights under this Agreement without the previous written consent of the other Parties.

7.9 Counterparts

This Agreement may be executed in any number of counterparts and each and all such counterparts, taken together, shall be deemed to constitute just one agreement.

7.10 Confidential Nature and Publication

No information or announcement with respect to the transactions contemplated herein will be made available to the public by the Parties without prior written consent of Bondue and Avicanna; such consent shall not be unreasonably denied. The Parties agree to maintain at all times the confidentiality of all of the information related to this Agreement and the transactions contemplated herein, with respect to the Company, the assets and the Business, unless a request to disclose the confidential information was made by a pertinent authority or that such disclosure is required by law or for the purposes of a financial reporting. The Party required to make the disclosure shall use its reasonable efforts to obtain authorization from the other Party as form, nature, and extent of the disclosure and shall only make such disclosure when legally bound to or when authorized by the other Party. The confidentiality commitments by the Parties contemplated under this Agreement supersede all prior agreements, understandings, and discussions, oral or written, by the Parties.

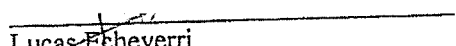
[Intentionally left blank]

EXECUTION VERSION
June 20, 2018

IN WITNESS WHEREOF, the Parties execute this Agreement on June 20, 2018 in 6 counterparts of the same value, one for each Party.

The Company

(signed) "Lucas Echeverri"


~~Lucas Echeverri~~

EXECUTION VERSION
June 20, 2018

Avicanna

(signed) "Setu Nimish Purohit"

Setu Nimish Purohit
General Counsel

EXECUTION VERSION
June 20, 2018

LER

(signed) "Lucas Echeverri"

~~Lucas Echeverri~~

Bondue

(signed) "German Zapata Hurtado" —

Germán Zapata Hurtado

EXECUTION VERSION
June 20, 2018

We Bay

(signed) "Giancarlo Davila Char"

Giancarlo Davila Char

EXECUTION VERSION
June 20, 2018

Sativa Nativa

(signed) "Jose Rafael Lopez Vergara"

Jose Rafael Lopez Vergara

EXECUTION VERSION
July 6, 2018

Annex I
Documents of Avicanna

[Redacted - Commercially Sensitive Information]

EXECUTION VERSION
July 6, 2018

Annex II
Documents of the Company

[Redacted - Commercially Sensitive Information]

EXECUTION VERSION
July 6, 2018

Annex III
Documents of Bondue

[Redacted - Commercially Sensitive Information]

EXECUTION VERSION
July 6, 2018

Annex IV
Documents of We Bay

[Redacted - Commercially Sensitive Information]

EXECUTION VERSION
July 6, 2018

Annex V
Documents of Sativa Nativa

[Redacted - Commercially Sensitive Information]

EXECUTION VERSION
July 6, 2018

Annex VI
Shareholders Agreement

SHAREHOLDERS AGREEMENT

Among

AVICANNA INC.

and

LUCAS ECHEVERRI ROBLEDO

and

SANTA MARTA GOLDEN HEMP S.A.S.

and

INMOBILIARIA BONDUE S.A.S.

related to

SANTA MARTA GOLDEN HEMP S.A.S.

Dated August 14, 2018

**SANTA MARTA GOLDEN HEMP S.A.S.
SHAREHOLDERS AGREEMENT**

This shareholders agreement (the "Shareholders Agreement") is executed on this 14 day of August, 2018 ("Execution Date") by and among:

- i) **AVICANNA INC.**, a company incorporated and existing in accordance with the laws of Canada, domiciled in 510 King Street East, Suite 323, Toronto, Ontario, Canada M5A 1M1, duly represented by Setu Nimish Purohit, of legal age, identified as it appears next to his signature, acting in his capacity as General Counsel, as evidenced in the documents attached hereto as Annex I, ("Avicanna"),
- ii) **LUCAS ECHEVERRI ROBLEDO**, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] (the "LER"),
- iii) **SANTA MARTA GOLDEN HEMP S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED], duly represented by Lucas Echeverri Robledo, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] acting in as legal representative, as evidenced in the documents attached hereto as Annex II, (the "Company").
- iv) **INMOBILIARIA BONDUE S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED] duly represented by German Zapata Hurtado, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] acting in as legal representative, as evidenced in the documents attached hereto as Annex III ("Bondue", LER and collectively with Avicanna, the "Shareholders"),

Each of Avicanna, LER, the Company and Bondue referred to herein as a "Party" and all of them collectively referred to herein as the "Parties".

RECITALS

WHEREAS, the Company is duly incorporated and existing under the laws of the Republic of Colombia, which main business is the cultivation of 100% sun grown cannabis with a focus on innovation, sustainable farming practices and using world class, pharmaceutical grade processing technology to produce the highest quality oil extract products (the "Business");

WHEREAS, on June 20, 2018 the Parties, executed an Investment Master Agreement (the "Investment Master Agreement") relating to an alliance for the strengthening and growth of the Business (the "Alliance");

WHEREAS, said Investment Master Agreement provides that as of the closing date: (i) Avicanna will acquire 60% of the issued and outstanding shares of the Company, equivalent to 37,500 shares; (ii) LER will hold 1.60% of the issued and outstanding shares of the Company, equivalent to

1,000 shares; and, (iii) Bondue will hold 38.4% of the issued and outstanding shares of the Company, equivalent to 24,000 shares.

WHEREAS LER, Avicanna and Bondue will be the legitimate and registered owners of one hundred percent (100%) of the issued and outstanding shares of the Company, equivalent to 62,500 common shares;

WHEREAS the Company and the Shareholders wish to execute this Shareholders Agreement in order to agree on the principal terms and conditions which shall govern the relationship of the Shareholders of the Company, any transfer of Shares, the principles which shall govern their relationship in connection with the management and direction of the Company as well as among them as shareholders of the Company;

NOW, THEREFORE, in consideration of the foregoing mutual covenants and agreements hereinafter set forth and for other good and valuable considerations, the receipt and the sufficiency of which are hereby acknowledged, the Shareholders and the Company have agreed as follows:

ARTICLES

Article I. Interpretation

Section 1.01 Defined Terms

Unless otherwise indicated, capitalized terms used herein shall have the meaning set forth in this Article I:

"Affiliate" shall mean any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For the purpose of this Agreement, "control", "controlled by" or "under common control with" means the possession of the power to direct or cause the direction of management and policies of such Person, whether through direct or indirect ownership of voting securities or otherwise.

"Alliance" shall have the meaning given in the Recitals of this Shareholders Agreement.

"Active Ingredients" means the simple extracts, distillates, isolates and other necessary components to produce Finished Products.

"Active Ingredients Supply Agreement" means the agreement that shall be entered into by the Company and Avicanna or its Related Parties to establish the terms and conditions in which the Company will supply, within the Republic of Colombia, Active Ingredients to Avicanna. This agreement will be negotiated in good faith, at a discounted price and under reasonable commercial terms.

"Avicanna" shall have the meaning given in the preamble of this Shareholders Agreement.

"Avicanna IP" means the *know-how* of Avicanna to produce cannabis derivative finished products from the Active Ingredients.

"Bylaws" means the current bylaws of the Company as of the date of execution of this Shareholders Agreement.

“**Business**” shall have the meaning given in the Recitals of this Shareholders Agreement.

“**Buy-Sell Notice**” shall have the meaning given in Section 4.02 (c) (i) of this Shareholders Agreement.

“**Bona Fide Offer**” shall have the meaning given in Section 5.05 (a) of this Shareholders Agreement.

“**Bondue**” shall have the meaning given in the preamble of this Shareholders Agreement.

“**LER**” shall have the meaning given in the preamble of this Shareholders Agreement.

“**Company**” shall have the meaning given in the preamble of this Shareholders Agreement.

“**Deadlock**” shall have the meaning given in Section 4.02 of this Shareholders Agreement.

“**Drag Along Notice**” shall have the meaning given in Section 5.07 (a) of this Shareholders Agreement.

“**Dragged Sale Price**” shall have the meaning given in Section 5.07 (a) of this Shareholders Agreement.

“**Drag Shareholders**” shall have the meaning given in Section 5.07 (a) of this Shareholders Agreement.

“**Execution Date**” shall have the meaning given in the preamble of this Shareholders Agreement.

“**Event**” shall have the meaning given in Section 5.09 of this Shareholders Agreement.

“**Fair Market Value**” of Shares or other property, as the case may be, means the cash price that a Third Party would pay to acquire all of such Shares (computed on a fully diluted basis after giving effect to the exercise of any and all outstanding conversion rights, exchange rights, warrants and other options) or other property in an arm’s-length transaction, assuming with respect to the Fair Market Value of Shares, that the Company was being sold in a manner reasonably designed to solicit all possible participants and permit all interested Persons an opportunity to participate and to achieve the best value reasonably available to the Shareholders at the time, taking into account all existing circumstances, including, without limitation, the terms and conditions of all agreements (including this Shareholders Agreement) to which the Company is then a party or by which it is otherwise benefited or affected, and determined, unless otherwise specified, as set forth in Section 5.09.

“**Finished Products**” means cannabis derivative products manufactured using the Active Ingredients, which shall be manufactured based on Avicanna IP.

“**First Deliberation Period**” shall have the meaning given in Section 4.02 (a) of this Shareholders Agreement.

“**First Deadlock Meeting**” shall have the meaning given in Section 4.02 (a) of this Shareholders Agreement.

“**Forced Shares Sale**” means the mechanism by which the Shareholders are forced to sell all, and no less than all, of the Shares to a third party under the terms and conditions set forth in Section 4.03 of this Shareholders Agreement.

“**IFRS**” means International Financial Reporting Standards promulgated by the International Accounting Standards Board (“**IASB**”) (which include standards and interpretations approved by the IASB and International Accounting Standards issued under previous constitutions), together with its pronouncements thereon from time to time, and applied on a consistent basis;

“**Indebtedness**” means, without duplication, all of the following, whether or not included as indebtedness or liabilities in the corresponding Person’s financial statements:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, promissory notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any swap contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the Ordinary Course of business and, in each case, not past due for more than ninety (90) days after the date on which such trade account payable was created);
- (e) indebtedness (excluding prepaid interest thereon) secured by a lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) capital leases;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any equity interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference; and
- (h) guarantees of such Person in respect of any of the foregoing.

“**Investment Master Agreement**” shall have the meaning given in the Recitals of this Shareholders Agreement.

“**MAE Notice**” shall have the meaning given in Section 4.02 (c) of this Shareholders Agreement.

“**MAE Shareholder**” shall have the meaning given in Section 4.02 (c) of this Shareholders Agreement.

“**Management Representatives**” shall have the meaning given in Section 4.02 (b) of this Shareholders Agreement.

“**Manager**” shall have the meaning given in Section 5.03 (a) of this Shareholders Agreement.

“**Material Adverse Effect**” shall mean a material adverse effect on any of the financial condition, business, properties or assets and liabilities on the Business or the Company that may affect the

stability, the economic feasibility and/or the continuity of the Business or of the Company itself, in each case, taken as a whole, excluding any effect relating to or arising from: (i) any change in the economy, capital markets, financial markets, banking markets, regulatory or national or international political or social conditions (including any change in foreign exchange rates), including in or pertaining to Colombia and elsewhere, whether or not relating to an act of war, military action, hostilities, terrorism, civil unrest or similar event; (ii) any change that relates or arises out of factors generally affecting the industries in which the Business or the Company, including changes in any commodity prices or costs; (iii) any change in applicable Accounting Standards or in any statute, rule or regulation (or the official interpretation thereof) of general applicability after the date hereof; and (iv) any adoption, proposal, implementation or change in Law (including, for the avoidance of doubt, a change in the enforcement or interpretation of a Law) after the date hereof, whether or not such change purports to be effective retrospectively.

“Material Misconduct” shall have the meaning given in Section 3.04 of this Shareholders Agreement.

“Notice of Potential Indebtedness” shall have the meaning given in Section 6.01 of this Shareholders Agreement.

“Offer” shall have the meaning given in Section 5.05 (a) of this Shareholders Agreement.

“Offer Response Notice” shall have the meaning given in Section 5.05 (b) of this Shareholders Agreement.

“One Hundred Per Cent Transfer” shall have the meaning given in Section 5.07 of this Shareholders Agreement.

“Ordinary Course” means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization, or any other entity and any government, governmental department or agency or political subdivision thereof.

“Prospective Purchaser” shall have the meaning given in Section 5.07 of this Shareholders Agreement.

“Prospective Purchaser Notice” shall have the meaning given in Section 5.07 (a) of this Shareholders Agreement.

“Purchaser” shall have the meaning given in Section 6.07. (a) of this Shareholders Agreement.

“Qualifying Sale” shall have the meaning given in Section 6.07 (a) of this Shareholders Agreement.

“Recipient” shall have the meaning given in Section 5.07 of this Shareholders Agreement.

“Related Party” shall mean any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person, or has equity interests in such person. For the purpose

of this Agreement, “control”, “controlled by” or “under common control with” means the possession of the power to direct or cause the direction of management and policies of such Person, whether through direct or indirect ownership of voting securities or otherwise.

“**Responding Notice**” shall have the meaning given in Section 4.02 (c) (ii) of this Shareholders Agreement.

“**ROFO Offer**” shall have the meaning given in Section 5.06 (a) of this Shareholders Agreement.

“**ROFO Offer Notice**” shall have the meaning given in Section 5.06 (a) of this Shareholders Agreement.

“**ROFO Offer Period**” shall have the meaning given in Section 5.06 (e) of this Shareholders Agreement.

“**ROFO Offer Price Notice**” shall have the meaning given in Section 5.06 (b) of this Shareholders Agreement.

“**ROFO Offered Shares**” shall have the meaning given in Section 5.06 (a) of this Shareholders Agreement.

“**Right of First Refusal Notice**” shall have the meaning given in Section 5.05 (a) of this Shareholders Agreement.

“**ROFO Seller**” shall have the meaning given in Section 5.06 (a) of this Shareholders Agreement.

“**Sale Notice**” shall have the meaning given in Section 6.07 (a) of this Shareholders Agreement.

“**Sale Shares**” shall have the meaning given in Section 6.07 (a) of this Shareholders Agreement.

“**Second Deliberation Period**” shall have the meaning given in Section 4.02 (b) of this Shareholders Agreement.

“**Second Deadlock Meeting**” shall have the meaning given in Section 4.02 (b) of this Shareholders Agreement.

“**Securities**” means, collectively, debt securities including bonds, commercial paper, debentures, convertible debentures, and equity securities including shares of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such shares that are, or may become, convertible or exchangeable into or exercisable for shares, and in general, securities (i) having voting rights in the election of the board of directors of a Person not contingent upon default, (ii) evidencing an ownership interest in a Person, or (iii) convertible into or exercisable or exchangeable for any of the foregoing (other than unexercised options issued to an employee, consultant, officer or director of a Person pursuant to an incentive option plan or otherwise), or any agreement or commitment to issue any of the foregoing.

“**Shareholders**” shall have the meaning given in the preamble of this Shareholders Agreement.

“**Shareholders Meeting**” shall have the meaning given in Section 3.02 of this Shareholders Agreement.

“Shares” shall mean the shares of the Company owned by the Shareholders;

“Third Party Purchaser” shall have the meaning given in Section 5.05 (a) of this Shareholders Agreement.

“Third Party Offeror” shall have the meaning given in Section 6.06 of this Shareholders Agreement.

“Third Party Offeror Notice” shall have the meaning given in Section 6.06 of this Shareholders Agreement.

“Third Party ROFO Purchaser” shall have the meaning given in Section 5.06 (a) of this Shareholders Agreement.

“Third Party ROFO Sale Notice” shall have the meaning given in Section 5.06 (c) of this Shareholders Agreement.

“Transferring Shareholder” shall have the meaning given in Section 5.05 (a) of this Shareholders Agreement.

“Transfer Shares” shall have the meaning given in Section 5.05 (a) of this Shareholders Agreement.

“Written Consent” shall have the meaning given in Section 3.02 of this Shareholders Agreement.

Section 1.02 Accounting Terms

All accounting terms not specifically defined in this Shareholders Agreement are to be interpreted in accordance with IFRS.

Section 1.03 Annexes

The annexes, schedules and appendixes attached to this Shareholders Agreement are an integral part of this Shareholders Agreement for all its purposes.

Section 1.04 Interpretation

For the purposes of this Shareholders Agreement and the annexes, schedules and appendixes thereto, except as expressly provided or to the extent the context otherwise requires:

- (a) in addition to the aforementioned terms, other terms may be defined in other parts of this Shareholders Agreement and shall have the meaning assigned thereto;
- (b) references made to the Bylaws and to legal provisions shall be to the current bylaws and legal provisions of the Company, including references to any statutory amendment or consolidation (whether before or after the date of this Shareholders Agreement), and
- (c) references to this Shareholders Agreement or annexes, appendixes and schedules shall be considered to include subsequent amendments or modifications to the Shareholders Agreement or respective annexes, appendixes or schedules.

Article II. Representations and Warranties

Section 2.01 Representations and Warranties of each Shareholder that is an individual

Each of the Shareholders that are individuals (*persona natural*) represent and warrant the accuracy of the representations and warranties contained in this Section 2.01. The following representations and warranties are, unless otherwise specified, given as of the Execution Date:

- (a) Is an individual (*persona natural*) with sufficient capacity to enter into and execute this Shareholders Agreement.
- (b) Shall execute any further document required or any such further action required to formalize this Shareholders Agreement.

Section 2.02 Representations and Warranties of each Shareholder which is not an individual

Each Shareholder which is not an individual represents and warrants the accuracy of the representations and warranties contained in this Section 2.02. The following representations and warranties are, unless otherwise specified, given as of the Execution Date.

- (a) Is a legal entity duly organized and validly existing under the applicable laws and has the corporate power and authority to enter into and perform its obligations under this Shareholders Agreement.
- (b) Validity. This Shareholders Agreement has been duly authorized and executed by the shareholder and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- (c) No Conflict. The execution and performance by the Shareholder of any of its obligations under the Shareholders Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the shareholder is a party or by which the shareholder is bound; (ii) violate any of the terms or provisions of the bylaws of the shareholder; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to the shareholder.
- (d) The assets and revenues of the shareholder are derived from lawful activities. None of the Shareholders appear listed in prevention lists of laundering of domestic or international assets,

nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.

- (e) Shall execute any further document required or any such further action required to formalize this Shareholders Agreement.

Section 2.03 Representations and Warranties of the Company

The Company represents and warrants the accuracy of the representations and warranties contained in this Section 2.03. The following representations and warranties are, unless otherwise specified, given as of the Execution Date:

- (a) **Organization and Authority.** The Company is a legal entity duly organized and validly existing under the laws of the Republic of Colombia and has the corporate power and authority to enter into and perform its obligations under this Shareholders Agreement.
- (b) **Validity.** This Shareholders Agreement has been duly authorized and executed by the Company and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- (c) **No Conflict.** The execution and performance by the Company of any of its obligations under the Shareholders Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the Company is a party or by which the Company is bound; (ii) violate any of the terms or provisions of the Bylaws; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to the Company.
- (d) **With the execution of this Shareholders Agreement the Company acknowledges the existence and content of this Shareholders Agreement and thus, the requirement of depositing it with the Company according article 24 of Law 1258 of 2008 is deemed performed.**

Article III. General Undertakings

Section 3.01 Corporate Fundamentals

The purpose of this Agreement is to establish the rules pursuant to which the Shareholders will vote their Shares, as well as the general framework governing the relationship between the Shareholders of the Company. The principles set forth herein are of the essence of the intent of the Shareholders and shall, at all times, be observed by them.

Section 3.02 Bylaws

Attached hereto as Annex II.1 are complete and true copies as of the date hereof of the Bylaws.

From and after the Effective Date of this Shareholders Agreement, each Shareholder shall vote or cause to be voted all Shares beneficially owned by such Shareholder at any annual or extraordinary meeting of the general shareholders assembly of the Company (a "Shareholders Meeting") or in any

written consent executed in lieu of such Shareholders Meeting (a "Written Consent"), and shall take all other actions necessary, to give effect to the provisions of this Shareholders Agreement and to ensure that the Bylaws do not, at any time hereafter, conflict in any respect with the provisions of this Shareholders Agreement. In addition, each Shareholder shall vote or cause to be voted Shares beneficially owned by such Shareholder at any Shareholders Meeting or act by Written Consent with respect to such Shares, upon any matter submitted for action by the Company's shareholders or with respect to which such Shareholder may vote or act by Written Consent, in conformity with the specific terms and provisions of this Shareholders Agreement and the Bylaws. To the extent permitted by applicable law, in the event that there is any conflict between the Bylaws and this Shareholders Agreement, the latter shall prevail and the Shareholders shall, to the extent necessary, cause the change, amendment or modification of the Bylaws to eliminate any such inconsistency.

Section 3.03 Stock Composition

As of the date hereof, the stock composition and the total equity of the Company shall be as follows:

Shareholders	Shares	%
LER	1,000	1.60%
Bondue	24,000	38.4%
Avicanna	37,500	60%
Total Shares (Paid-In Capital)	62,500	100%

Section 3.04 Management of the Company

- (a) The Company's ordinary course of business will be managed by the General Manager (the "Manager"). The Manager will serve as the appointed legal representative of the Company. The Company's Manager and successors shall be appointed by the General Shareholder's Assembly of the Company for periods of two (2) years as set forth in Article 37 of the Bylaws.
- (b) The Shareholders covenant and agree to take all required actions at the relevant General Shareholder's Assembly to vote in favor of the appointment of an eligible candidate as the Manager of the Company that in any case, must be an independent Person from the Shareholders. Nonetheless, any Shareholder representing ten per cent (10%) or more of the total issued and outstanding shares of the Company will have veto right in the appointment of any suggested Manager if the Shareholder reasonable and in good faith believes that such suggested Manager has incurred in the following activities (such activities, a "Material Misconduct"): (i) such Manager's conviction or indictment of, or pleading guilty or no contest to, a felony, a gross misdemeanor or any crime involving moral turpitude or dishonesty; (ii) such Manager's commission of fraud, material misappropriation, misconduct or any unlawful act, which is (or, if publicly disclosed, reasonably would be expected to be) materially injurious or detrimental to the reputation or financial interests of the Company; (iii) such Manager's intentional failure or refusal to comply in any material respect with any rules, regulations, policies or procedures of the General Shareholder's Assembly or the Company, including the provisions of this

Agreement, or with any duly authorized and issued written directive by the General Shareholder's Assembly, made within the scope of the powers of the Shareholders or the General Shareholder's Assembly, as applicable, which noncompliance is not cured within ten (10) days of written or oral notice of such noncompliance to such Manager; (iv) any disqualification or bar by any governmental or self-regulatory authority from serving in the capacity as a Manager, or the loss of any governmental or self-regulatory license that is reasonably necessary to perform the responsibilities of such position; or (v) any material breach by such Manager of any non-competition, non-solicitation or confidentiality obligations of such Manager, or, if such Manager is a Director, of the Shareholder who nominated such Director for election to the Board, to the Company or its Subsidiaries; or (vi) being subject to an ongoing investigation by a Governmental Authority for the commission of any of the acts above, including in the capacity as a director or officer of, or while acting in a similar role of trust with respect to, a Manager other than the Company, which investigation is reasonably likely to result in material reputational damage to the Company. For purposes of the preceding sentence: (i) a Manager that consults with reputable legal counsel, an accountant or other expert in respect of the affairs of the Company shall be deemed to have acted in good faith and without negligence with regard to any action or inaction that is taken in accordance with the advice or opinion of such advisor so long as such advisor was selected with reasonable care and (ii) a Manager's reliance upon the truth and accuracy of any written statement, representation or warranty of the Company or any Company's Shareholder shall be deemed to have been reasonable and in good faith absent such Manager's actual knowledge that such statement, representation or warranty was not, in fact, true and accurate.

- (c) The Manager shall be vested with all the powers of management and representation of the Company, but such powers shall be exercised in accordance with the provisions set forth in Article 40 of the Bylaws and any resolutions of the General Shareholder's Assembly.
- (d) The achievement of the Company's goals by the Manager of the Company will be assessed periodically by the General Shareholder's Assembly and, in any event, on a yearly basis at the end of each fiscal year at the Ordinary Shareholder's Assembly. The Shareholders will have the right of assessing the Manager's performance as the Manager of the Company at any time they estimate appropriate and evaluate the compliance with the Business and financial goals set and approved by the General Shareholder's Assembly.
- (e) Any Manager may be removed, at any time, by the General Shareholder's Assembly. Additionally, in the event that any Shareholder believes in good faith that a Material Misconduct has occurred with respect to the Manager, such Shareholder shall have the right to initiate, by giving written notice to the General Shareholder's Assembly setting forth in reasonable detail the alleged Material Misconduct, a proceeding of the General Shareholder's Assembly to which the General Shareholder's Assembly shall (i) conduct a reasonable investigation of the facts and circumstances of the alleged Material Misconduct, (ii) consider the finding of such investigation, (iii) make a determination as to whether a Material Misconduct has occurred with respect to such Manager, and (iv) in the event that the General Shareholder's Assembly has determined that a Material Misconduct has occurred with respect to such Manager, remove such Manager. The decision as to whether a Material Misconduct has occurred with respect to a Manager, as set forth herein, will be subject to Section 4.01 herein.

Article IV. Major Decisions and Resolution of Deadlock

Section 4.01 Major Decisions

The Shareholders and the Company shall take all required actions with their respective power, including voting all the shares held by them, to ensure that the Company does not make the following decisions or take the following actions in a Shareholders Meeting without the presence and affirmative vote of at least 80% of the issued and outstanding shares of the Company ("Major Decisions"), in the Shareholders General Meeting of the Company pursuant to applicable Law:

- (a) Decision and/or amendment of annual budget or mid-term management plan. Nonetheless, the Shareholders hereby agree that 20% of the annual budget may be adjusted from when it was originally approved if such deviation is for purposes in the Ordinary Course of business of the Company.
 - (i) If there is not an affirmative vote of at least 80% regarding the setting of the annual budget, the annual budget shall be automatically set at the previous year's budget plus the greater between 5% and the previous year's inflation rate in Colombia, until such a time that the 80% affirmative vote is achieved.
- (b) Approval of annual financial statements;
- (c) Decision and/or amendment of dividend policy;
- (d) Decision and/or amendment of remuneration, bonus, or retirement benefit for senior management and directors;
- (e) Sale of all or any substantial part of the Business (including corporate reorganization entailing transfer of business etc.);
- (f) Purchase of business or new business development different from the Business;
- (g) Acquisition, assignment or sale of any share capital in any other companies or entities,
- (h) Execution of agreements of value greater than USD\$500,000 as well as any amendment thereto, which exceed such thresholds for transactions out of the Ordinary Course;
- (i) Any merger, corporate reorganization, lifting of preemptive rights, spin-off or stock splits of the Company;
- (j) Entry into any joint venture with any companies or entities, excluding the limitation set forth in this section (h);
- (k) Creation of any companies or entities and contributions of funds to such company or entity;
- (l) Winding up or dissolving the Company, liquidating the assets of the Company or ceasing to carry on the business of the Company;
- (m) Any amendment of constitutional documents (Bylaws etc.);
- (n) Obtaining any loans, credits, borrowings, indebtedness, or granting any guarantees, sureties, indentures or any amendment thereto in excess of USD\$500,000 whether individually or in the aggregate, except as may be required to perform the general activities of the Company in the Ordinary Course of business and as may be necessary to carry out the activities contemplated in the annual budget or the business plan;

- (o) Any capitalization of the Company;
- (p) Any issuance or redemption of equity interests or capital reduction, including but not limited to issuance of shares with any preference or priority in payment of dividends, issuance or assignment of any right which are convertible to equity shares, including but not limited to convertible bond and equity warrant, or the distribution of assets or otherwise;
- (q) The reacquisition of the outstanding shares of the Company;
- (r) Allotment, issue or redemption of any Securities, or grant to any person of any option or right to call for the issue of any Securities to the Company's equity interest;
- (s) List the Shares by means of an Initial Public Offering (IPO); and
- (t) Entering into an agreement or transaction by the Company with any Related Party or a Related Party of any of the Shareholders.

Section 4.02 Resolution of a Deadlock

In the event the Shareholders cannot approve any of the matters subject to its consideration in two (2) successive Shareholders meetings, whether because it was impossible to reach an agreement or because either of the Shareholders or its delegates failed to attend the corresponding meetings called to deliberate and decide on any such matters, then for the purposes of this Shareholders Agreement a deadlock event shall be deemed to have occurred (a "Deadlock"). The Shareholders covenant and agree to resolve the Deadlock in accordance with the terms and conditions herein:

- (a) The Shareholders shall convene in good faith and deliberate for an initial deliberation period of ten (10) calendar days following the date of the last Shareholders Meeting where the Deadlock occurred in accordance with this Section, for purposes of resolving the Deadlock through discussions by the Shareholders or their respective representatives as the case may be (the "First Deliberation Period"). In case the Shareholders reach an agreement, at any time during the First Deliberation Period but in any event at the conclusion thereof, the legal representative of the Company shall convene an extraordinary meeting for purposes of formalizing the resolution of the Deadlock (the "First Deadlock Meeting"), which shall be held within ten (10) Business Days after the conclusion of the First Deliberation Period with the same quorum and voting powers as set forth in Article IV above.
- (b) If the Shareholders or their delegates are not able to resolve the dispute during the Deadlock on or before the First Deadlock Meeting, then the Shareholders shall convene in good faith and deliberate through a second deliberation period of ten (10) calendar days (the "Second Deliberation Period") counted from the expiration of the First Deliberation Period, for purposes of resolving the Deadlock through discussions between a management representative of each Shareholder (together the "Management Representatives"). In case the Shareholders reach an agreement, at any time during the Second Deliberation Period but in any event at the conclusion thereof, the legal representative of the Company shall convene an extraordinary Shareholders Meeting for purposes of formalizing the resolution of the Deadlock (the "Second Deadlock Meeting") which shall be held five (5) Business Days after the expiration of the Second

Deliberation Period with the same quorum and voting powers as set forth in this Shareholders Agreement.

- (c) The Shareholders acknowledge and hereby agree that if at the conclusion of the Second Deliberation Period, the Shareholders or their respective representatives do not reach an agreement with respect to the decision that originated the Deadlock the following rules shall apply:
 - (i) If the Deadlock does not result in a Material Adverse Effect, then the matter that gave rise to the Deadlock will be understood as not approved.
 - (ii) If a Shareholder considers that the Deadlock results or is reasonably expected to result in a Material Adverse Effect (the “MAE Shareholder”) and therefore the non-approval of such decision may affect the stability, the economic feasibility and/or the continuity of the Business or of the Company itself, the MAE Shareholder will notify the other Shareholders of the existence of a Material Adverse Effect and the relevant reasons to consider it as such (the “MAE Notice”). The Shareholders agree that the events contemplated in Sections 4.01 (e), (i), (l), (m), (o), (p), (q), or (r), can be raised in the case of a Deadlock by any of the Shareholders, as resulting or reasonably expected to result in a Material Adverse Effect. In the case of the events contemplated in Sections 4.01 (a), (b), (c), (d), (f), (g), (h), (j), (k), (n), (s), and (t), the Shareholders consider that, absent special circumstances, those should not result in a Material Adverse Effect; in the event that a MAE Shareholder considers that there are special circumstances that lead to a Material Adverse Effect arising from any of those events, the MAE Shareholder should provide to the other Shareholders reasonable evidence about the occurrence or potential existence of the Material Adverse Effect. Subject to the right to contest the MAE Notice as provided below, upon the MAE Notice, the MAE Shareholder will exercise its right to buy all, but no less than all of the other Shareholders’ Shares or to sell all, but no less than all of its Shares to the other Shareholders, as follows:
 - 1) The MAE Shareholder will deliver a written notice (the “Buy-Sell Notice”) to the other Shareholders, setting out a single price for each Share to be purchased/sold (as the case may be) and all other material terms of the transaction (provided that such terms shall require full payment of the purchase price in one single installment at the closing), in accordance to which the MAE Shareholder will be willing to either (a) buy all, but no less than all, of the other Shareholders’ Shares or (b) sell all, but no less than all, of the MAE Shareholder’s Shares to the other Shareholders. Unless otherwise agreed by the Shareholders, the day of the closing of the purchase or sale (as the case may be) to be completed in accordance with this Section, will not be less than forty-five (45) calendar days from the date of the Buy-Sell Notice.
 - 2) The other Shareholders will have thirty (30) calendar days from the date of the Buy-Sell Notice to deliver a written notice to the MAE Shareholder (the “Responding Notice”) with either (a) its acceptance of the MAE Shareholder’s offer to buy all, but no less than all, of the other Shareholders’ Shares or (b) its acceptance of the MAE Shareholder’s offer to sell all, but no less than all, the MAE Shareholder’s Shares, at the price per Share and upon the same terms contained in the Buy-Sell Notice or (c) its objection to MAE Notice on the grounds of the Deadlock does not result or it is not likely to result in a Material Adverse Effect. For the avoidance of doubt, it is agreed that any response by the other Shareholders other than the foregoing (a), (b) or (c), by at least one other Shareholder, will be deemed that the other Shareholders have failed to respond to the Buy-Sell Notice, in which case, consequence of such failure to accept either the MAE Shareholder’s offer as provided in subparagraph (3) below shall apply. If more than one Shareholder accepts the MAE

Shareholder's offer to sell all, but no less than all, of the MAE Shareholder's Shares, then those Shares shall be purchased by those Shareholders pro rata to their share ownership in the Company.

- 3) The delivery of the Responding Notice in accordance with subparagraphs (2)(a) or (2)(b) hereof, will constitute a binding agreement between the MAE Shareholder and the other Shareholders in accordance with the terms in the Buy-Sell Notice. In the event that the other Shareholders fail to accept either of the MAE Shareholder's offer, subject to subparagraphs 2(c) and (4) below, within such thirty (30) calendar day period as indicated in subparagraph (2) above, the other Shareholders will be deemed to have accepted the the MAE Shareholder's offer to purchase the other Shareholders' Shares in accordance with the Buy-Sell Notice.
- 4) The delivery of the Responding Notice in accordance with subparagraph (2)(c) hereof, shall be finally settled by arbitration pursuant to Section 9.04 hereof, provided that the Shareholder against whom the decision is made, shall indemnify the other(s) for any and all damages suffered as a consequence of such Shareholder's decisions, including reasonable legal fees incurred by the prevailing Shareholder(s).

Section 4.03 Meetings of the Shareholders General Meeting

An ordinary Shareholders General Meeting of the Company shall be held within the first three (3) months after the end of each year ending on December 31. An extraordinary Shareholders General Meeting may be convened at any time, when summoned in accordance with the Bylaws of the Company.

Section 4.04 Right to Summon a Shareholders General Meeting; Agenda

- (a) An ordinary or extraordinary Shareholders General Meeting may be summoned by the legal representative, any of the Shareholders under reasonable criteria, or any other Person authorized under the Bylaws of the Company, or the Law. Notwithstanding the provisions of article 20 of Law 1258 of 2008, notice of summon to a Shareholders General Meeting shall be provided by the legal representative or statutory auditor of the Company to each Shareholder within the period established under the Bylaws prior to such Shareholders General Meeting. The agenda of each meeting shall be included in the notice for such meeting in accordance with the requirements of the law and the Bylaws.

Section 4.05 Shareholders' Voting Power

- (a) The Shareholders acknowledge and agree that each Shareholder shall exercise its voting power, pro rata to its voting stock in the Company, in the Shareholders General Meeting. Accordingly, the Shareholders covenant and agree to attend, or to be duly represented in any and all Shareholders General Meetings and to vote in respect of the matters submitted for deliberation and approval in the Shareholders General Meeting, unless voting on such matter is expressly prohibited by applicable Law.
- (b) If any Shareholder fails to attend or to be represented in one or more consecutive Shareholders General Meetings, or fails to exercise its voting power with respect to the matters submitted to the Shareholders General Meeting for approval an additional Shareholders General Meeting shall be convened, and the quorum for such meeting shall be the present Shareholders who can validly decide with the favorable vote of a plural number of Shareholders that represent the

simple majority of Shareholders present in the meeting, except for the Major Decisions which shall always comply with the quorum set forth in Article IV.

Article V. Rights and Obligations

Section 5.01 Preemptive rights in the issuance of Shares

At any time that the Company issues any new shares, prior to any issuance of shares, the Company shall offer these shares to the Shareholders under the terms agreed in the Shareholders General Meeting in which the issuance of shares was approved. After the Shareholders General Meeting in which issuance of shares is authorized, the Shareholders shall have five (5) calendar days to send a written notification to the legal representative of the Company (i) exercising the preemptive right, or (ii) waiving the preemptive right. Each of the Shareholders shall be entitled but not obligated to subscribe for any future issuance of Shares pro rata to its shareholding ratio in the Company. If one or more of the Shareholders do not exercise their preemptive right within the aforementioned term, or less than all of the issued shares are subscribed by any of the Shareholders, the legal representative shall inform the other Shareholders that exercised their preemptive rights, within five (5) calendar days following the expiration of the aforementioned term the number of unsubscribed shares. Within five (5) calendar days following the receipt of this communication, the other Shareholders that exercised their preemptive right, will be allowed to subscribe the unsubscribed shares on a *pro rata* basis (excluding the participation of the Shareholders that did not exercised their preemptive right).

Section 5.02 Voting Rights

Each Shareholder covenants and agrees to vote, and to take all legally required actions to vote in order to accomplish and give effect to the terms and conditions of this Shareholders Agreement.

Section 5.03 Dividends and Other Distributions

The Shareholders covenant and agree to exercise their voting power at the relevant Shareholders General Meeting to assure that the profits of the Company are distributed to the Shareholders pro rata to the Shareholders' respective shareholdings as approved by the Shareholders General Meeting of the Company from time to time, provided that the Parties shall, from time to time, consider in good faith the financial situation of the Company so that the distribution of dividends does not affect the financial stability or the development of strategic projects or activities of the Company.

Section 5.04 Further Assurances and Capitalization

- (a) The Shareholders and the Company agree to take any steps necessary to comply with the provisions of the Investment Master Agreement executed on or about the date hereof among the Shareholders and the Company.
- (b) The Shareholders agree that any capitalization shall be approved with the vote of the majority established under Article IV herein of the subscribed and paid-in shares at the date of approval

and shall be made *pro rata* by each Shareholder to its participation in the Company to maintain its ownership percentage.

- (c) If any Shareholder cannot make its *pro rata* contribution, such Shareholder's participation shall be diluted accordingly.
- (d) Notwithstanding, the Shareholders agree that they will vote their shares in favor of the capitalization by Avicanna of the Company in an amount of up to USD\$2,000,000 in one or multiple transactions, successive or not, pursuant to the terms and conditions of the Investment Master Agreement. In order for this amount not to change the ownership percentages of the Shareholders, the other Shareholders shall have the right to capitalize the Company *pro rata* to their respective participation at par value without premium.

Section 5.05 Right of First Refusal

- (a) If any Shareholder (each a "Transferring Shareholder") receives a good faith offer (a "Bona Fide Offer") from a third party dealing at arm's length (the "Third Party Purchaser"), to transfer all or any portion of the Shares held by it (collectively, the "Transfer Shares"), before accepting the Bona Fide Offer the Transferring Shareholder will promptly give notice to such effect to the Company, stating its desire to accept such offer and include all relevant terms and conditions of the Bona Fide Offer, and the Company shall promptly provide a written notice to the same effect (the "Right of First Refusal Notice") to the other Shareholders, indicating the type and number of Securities to be transferred, and any other material terms or conditions of the Bona Fide Offer, including the price and terms of payment (the "Offer").
- (b) Within fifteen (15) days from receipt of the Right of First Refusal Notice, the other shareholders shall give written notice (the "Offer Response Notice") to the Company and the Company shall promptly provide notice thereof to the Transferring Shareholder stating whether or not any of them will exercise their right of first refusal to acquire no less than all of the Transfer Shares, and in accordance with the terms and conditions described in the Right of First Refusal Notice.
- (c) If the Offer is accepted by one or more other Shareholders, the corresponding transfer shall be consummated within thirty (30) days of the Offer Response Notice, and the Company shall record such transfer in the Company's stock ledger and accounting books. If more than one other Shareholders accept the Offer, the Transfer Shares will be divided amongst those Shareholders on a *pro rata* basis.
- (d) The Offer must be accepted on the same material terms and conditions and for all of the Transfer Shares by one or more other Shareholders, otherwise it will be deemed to be rejected. If the Offer is not accepted or is deemed rejected, the Transferring Shareholder(s) shall have sixty (60) days after the expiration of the 30-day period following the Right of First Refusal Notice, to sell all of the Transfer Shares to the Third Party Purchaser. If the Transferring Shareholder does not complete such transfer within such period, any subsequent proposed transfer by a new Third Party Purchaser shall again be subject to the provisions of this Section 5.05.
- (e) Any transfer to a Third Party Purchaser made pursuant to this Section 5.05 shall be subject to the following conditions:
 - (i) it must be a bona fide offer and must be consummated within the period indicated in Subsection (d) (ii) above, in the understanding that, if such transfer is not consummated within such period

for any reason, the provisions of this Section 5.05 shall again become effective with respect to any proposed transfer;

- (ii) any such transfer shall not be upon terms and conditions equal or more favorable to the Third Party Purchaser than those specified in the Right of First Refusal Notice;
- (iii) The Third Party Purchaser shall agree to comply with all of the applicable obligations as a Shareholder under and be bound by the terms of this Shareholders Agreement and thus, shall execute a Joinder Agreement; and
- (f) The Transferring Shareholder shall not make (or be required to make) any representation or warranty to the Third Party Purchaser, other than good title to the Transfer Shares, absence of liens with respect to the Transfer Shares and customary representations and warranties concerning the Transferring Shareholder's power and authority to undertake the proposed transfer.

Section 5.06 Right of First Offer

- (a) If a Shareholder (the "ROFO Seller") intends to transfer all or any portion of the Shares it beneficially owns or holds to a third party (the "Third Party ROFO Purchaser"), the ROFO Seller shall deliver a written notice (a "ROFO Offer Notice") thereof to the other Shareholders, which notice shall set forth all of the material terms and conditions, including the number of Shares to be transferred (the "ROFO Offered Shares"), on which the ROFO Seller offers to transfer the ROFO Offered Shares to the other Shareholders (the "ROFO Offer").
- (b) Within fifteen (15) business days of receipt of the ROFO Offer Notice, the other Shareholders shall have the right, but not the obligation, to provide an irrevocable and unconditional commitment to acquire all, but no less than all, of the ROFO Offered Shares specified in such ROFO Offer Notice, specifying the purchase price and any other consideration per Share and any other material terms and conditions such as escrow, limitations of representations and warranties, indemnities and covenants (the "ROFO Offer Price Notice") under which the Shareholders will acquire the ROFO Offered Shares.
- (c) In the event the ROFO Seller wishes to accept the ROFO Offer Price Notice, the Shareholders shall be required to purchase all, but no less than all, of the ROFO Offered Shares as set forth in the ROFO Offer Price Notice, within fifteen (15) business days following the acceptance of the ROFO Offer Price Notice by the ROFO Seller.
- (d) If the other Shareholders do not accept the ROFO Offer during the ROFO Offer Period, the ROFO Seller shall have the right, for a period of ninety (90) calendar days from the earlier of (i) the expiration of the ROFO Offer Period and (ii) the date on which the ROFO Seller shall have received written notice from the other Shareholders stating that the other Shareholders do not intend to exercise their right to offer to purchase all of the ROFO Offered Shares, to enter into an agreement to sell the ROFO Offered Shares with any Third Party ROFO Purchaser, for a price per Share that shall not be lower than the price per Share set forth in the ROFO Offer Notice and on terms that shall not be materially more favourable to the Third Party ROFO Purchaser than those set forth in the ROFO Offer Notice. The entering into such agreement shall be notified by

the ROFO Seller to the other Shareholders in writing for purposes of Section 5.01 below (the "Third Party ROFO Sale Notice").

- (e) If the ROFO Seller shall not have entered into a finally binding and irrevocable agreement to transfer the ROFO Offered Shares in accordance with the provisions of this Section 5.06, within the aforementioned ninety (90) day period, the provisions of this Section 5.06 shall again apply in connection with any subsequent proposed transfer of the ROFO Offered Shares.

Section 5.07 Drag-Along Right

In the event any Shareholder who owns more than sixty per cent (60%) of the Shares of the Company (the "Recipient"), receives a bona-fide offer or invitation from a third party (the "Prospective Purchaser") to buy all, but not less than all, of the Shares of the Company (the "One Hundred Per Cent Transfer"), the Recipient shall:

- (a) At least thirty (30) days prior to making the One Hundred Per Cent Transfer, deliver a written notice (the "Drag Along Notice") to each of the other Shareholders (the "Dragged Shareholders") and the legal representative of the Company. The Drag Along Notice shall set forth in reasonable detail (i) the identity of the Prospective Purchaser; (ii) the number of Shares to be purchased by the Prospective Purchaser which shall be all but no less than all the Shares; (iii) the price per share (the "Dragged Sale Price") (iv) the proposed closing date and time of such transfer, (v) any other material terms and conditions such as escrow, limitations of representations and warranties, indemnities and covenants of the proposed One Hundred Per Cent Transfer (the "Prospective Purchaser Notice");
- (b) The Dragged Shareholders, within the ten (10) days after the Drag Along Notice, shall have the right to determine the Fair Market Value of the price of the Shares. Once the Fair Market Value is established for the Shares, the final price of the One Hundred Per Cent Transfer will be the greater value between the Fair Market Value and the Dragged Sale Price.
- (c) If the One Hundred Per Cent Transfer is in terms acceptable to the Prospective Purchaser, or under Fair Market Value according to (b) above, the Recipient shall have the right, but not the obligation, to require the Dragged Shareholders to transfer all of their Shares to the Prospective Purchaser, or as the Prospective Purchaser directs, at the same time and in the same terms stated in the Prospective Purchaser Notice (with the adjustment in the price of the Shares according to the terms set forth in (b) above, if applicable); and
- (d) The legal representative of the Company shall register the transfer of Shares in the stock-ledger of the Company, within the five (5) calendar days after the receipt of the proof of payment of the Shares in the terms set forth in the Prospective Purchaser Notice and issue the relevant Shares certificate.

Section 5.08 Tag-Along Rights of Minority Shareholders

Following completion of proceedings set forth in Section 5.05 hereof, in the event any Shareholder holding a majority of the Shares of the Company (a "Majority Transferring Shareholder") wishes to Transfer fifty percent (50%) or more of the Shares then owned by it (in a single transaction or a series of related transactions), then the other Shareholders, acting separately have the right (but not the obligation) to have its Shares totally or partially included in the proposed Transfer, up to a *pro rata* portion of its Shares with respect to the portion of the Shares being offered by the Majority Transferring Shareholder. If the prospective transferee (the "Purchaser"), does not offer to acquire all

of the Shares put up for sale (including the other Shareholders Shares), then no transfer may be completed. The following procedure will take place:

- (a) At least thirty (30) days prior to making such Transfer (each such Transfer, a “Qualifying Sale”), the Majority Transferring Shareholder shall deliver a written notice (the “Sale Notice”) to each of the other Shareholders. The Sale Notice shall set forth in reasonable detail (i) the identity of the Purchaser, (ii) the number of Shares to be purchased by the Purchaser (such shares, the “Sale Shares”), (iii) the price (the “Sale Price”) per share of the Sale Shares, (iv) the proposed closing date and time of such Transfer, (v) the number of Shares owned by the Majority Transferring Shareholder on the date of the Sale Notice; and (vi) any other material terms and conditions of the proposed Transfer. If, after delivery of any Sale Notice, any term set forth in numbers (i) through (vi) of the preceding sentence should change in any material respect, the Majority Transferring Shareholder shall deliver a new Sale Notice incorporating such changed terms, and the provisions of this Section shall apply in all respects to such revised Sale Notice.
- (b) Each of the Shareholders shall have the right to participate in the Qualifying Sale and to request to sell to the Purchaser, and the Majority Transferring Shareholder shall upon the request of such Shareholder request that the Purchaser purchases from such Shareholder, on the same terms and conditions offered to the Majority Transferring Shareholder by the Purchaser at the Sale Price, a number of Shares up to (i) the number of the Sale Shares multiplied by (ii) a fraction, the numerator of which shall be the aggregate number of Shares owned by such Shareholder on the date of the Sale Notice and the denominator of which shall be the number of Shares owned in the aggregate by the Majority Transferring Shareholder and all the Shareholders on the date of the Sale Notice.
- (c) Each Shareholder may exercise its tag-along rights under this Section by delivering an irrevocable written notice to the Majority Transferring Shareholder and the Company no later than thirty (30) days after receipt of the Sale Notice (including without limitation, a revised Sale Notice contemplated by this Section setting forth the number of Shares the remaining Shareholder(s) elects to sell in the Qualifying Sale). No exercise of rights with respect to a Sale Notice shall bind any Shareholder with respect to any subsequent related revised Sale Notice served on such Shareholder pursuant to this Section.
- (d) If any or all of the Shareholders have elected to exercise their tag-along rights hereunder pursuant to this Section, the Majority Transferring Shareholder shall not consummate any Qualifying Sale unless the Purchaser shall have concurrently purchased from such Shareholders the number of Shares as set forth in the written notice from the Shareholders as provided in this Section, on the same date and at the price described herein and, on the same terms and conditions and such other terms and conditions as may be required by applicable Law to allow such Shareholders to sell their Shares to the Purchaser.

Section 5.09 Procedure to determine Fair Market Value

Where the provisions of this Shareholders Agreement indicate that the “Fair Market Value” is to be determined, each Shareholder will take all actions reasonably necessary to determine the Fair Market Value in accordance with this Section 5.09.

- (a) Unless otherwise agreed, each Shareholder participating in an event requiring a determination of Fair Market Value (“Event”) shall designate an investment banking firm to determine the Fair Market Value. If there are more than two Shareholders participating in the Event, then one investment banking firm of recognized international standing selected by the Shareholder that

initiates the appraisal request (or takes the action necessitating that the Fair Market Value be determined) and one investment banking firm of recognized international standing selected by the mutual agreement of the other Shareholders participating, or if they cannot agree, by the Shareholder beneficially owning the largest number of Shares among such other Shareholders, shall be designated to determine Fair Market Value.

- (b) Within thirty (30) Business Days after appointment, each investment banking firm shall determine its initial view as to the Fair Market Value and consult with one another with respect thereto. Within forty-five (45) Business Days after the Notice Date, each investment banking firm shall determine its final view as to the Fair Market Value and shall deliver such final view to each Shareholder participating in the appraisal process. If the difference between the higher of the respective final views of the two investment banking firms and the lower of the respective final views of the two investment banking firms is less than ten percent (10%) of the higher of the respective final views, then the Fair Market Value determined shall be the average of those two views. If the difference between the higher of the respective final views of the two investment banking firms and the lower of the respective final views of the two investment banking firms is equal to or greater than ten percent (10%) of the higher of the respective final views, the participating Shareholders shall instruct the investment banking firms jointly to designate a Mutually Designated Appraiser. The Mutually Designated Appraiser shall be designated within sixty (60) Business Days from the Notice Date (or, if later, within fifteen (15) Business Days following the determination of the final views of the two investment banking firms as described above) and shall, within fifteen (15) Business Days of such designation, determine its final view as to the Fair Market Value by selecting either the higher of the respective final views of the two investment banking firms or the lower of the respective final views of the two investment banking firms.
- (c) The Company shall provide reasonable access to each of the designated investment banking firms to members of management of the Company and to the books and records of the Company so as to allow such investment banking firms to conduct due diligence examinations in scope and duration as are customary in valuations of this kind. Each of the Shareholders and any Permitted Transferee (on its own behalf and on behalf of its respective Affiliates) agree to cooperate with each of the investment banking firms and to provide such information as may reasonably be requested. Costs of the appraisals shall be borne by the Shareholders participating in the event requiring a determination of Fair Market Value, pro rated in accordance with their ownership of Shares.
- (d) Notwithstanding the foregoing, in the event a Shareholder does not appoint an investment banking firm within the time periods specified above, such Shareholder shall have waived its rights to appoint an investment banking firm and the determination of the Fair Market Value shall be made solely by the investment banking firm of the Shareholder who did appoint an investment banking firm.
- (e) For the avoidance of doubt, the Fair Market Value determined in accordance with the provisions of this Section 5.09 shall be final and binding for all purposes of this Shareholders Agreement.

Article VI. Right of First Refusal In Indebtedness Transactions

Section 6.01 Notice of Potential Indebtedness

If the Company proposes or desires to incur Indebtedness in the local or foreign markets, from any type of entity or from any individual, including its shareholders, or if it or any of the Shareholders

receives an offer that may result in the incurrence of Indebtedness by the Company, complying with the special quorum set forth in Article IV, the Company or the corresponding Shareholder, as the case may be, shall give notice to the Shareholders, indicating the purpose and amount of such Indebtedness (the “Notice of Potential Indebtedness”).

Section 6.02 Term for the Exercise of the Right to Provide Financing

Avicanna and Bondue shall have thirty (30) days counted as of receipt of the Notice of Potential Indebtedness to decide if they, directly or through any of their Affiliates, will provide, individually or jointly, the corresponding financing. For this, within the mentioned thirty (30) days period, Avicanna and Bondue may present inquiries to the principal or alternate legal representatives of the Company, which they shall respond as soon as possible, considering the type of information requested. This term may be extended at Avicanna’s or Bondue’s sole discretion for an additional period of thirty (30) days. Within this term, Avicanna and/or Bondue shall inform the Company, in writing, whether it desires or not to provide the mentioned financing.

Section 6.03 Incurrence of Indebtedness

If neither Avicanna nor Bondue notify the Company that they wish to provide such financing, the Company may incur the Indebtedness mentioned in the Notice of Potential Indebtedness, to be obtained from the entity or individual and for the purpose mentioned in the Notice of Potential Indebtedness provided that the indebtedness has been approved according to the quorum set forth in Article IV. The disbursement under such Indebtedness must be performed within the term of sixty (60) days counted as of the notice from Avicanna and Bondue stating that they do not desire to provide the financing, in the understanding that, if such disbursement is not performed within such period for any reason, the provisions of this Section shall again become effective with respect to any Indebtedness of the Company.

Article VII. Non-Compete and Restrictive Covenants and Transactions with Shareholders

To the extent permitted by applicable law:

Section 7.01 No Competition

Neither LER, Avicanna nor Bondue nor any of their Affiliates, will apply for any license in Colombia for the: (i) fabrication of cannabis derivatives (licencia de fabricación de derivados de cannabis), (ii) use of seeds for planting (licencia de uso de semilla para siembra), (iii) cultivation of psychoactive cannabis plants (licencia de cultivo de plantas de cannabis psicoactivo), (iv) cultivation of non-psychoactive cannabis plants (licencia de cultivo de plantas de cannabis no psicoactivo) as permitted by Decree 613 of 2017 currently in force (and not as may be modified in the future to permit any other type of license), or perform in Colombia any activity that may compete directly with the Business, for as long as this Shareholders Agreement is in force.

Solely Sativa Nativa S.A.S. and the Company, but no other subsidiary of Avicanna, may apply for any type of medical cannabis license in Colombia, that becomes available in the future.

Section 7.02 Customers Non-Solicitation

LER, Avicanna and Bondue agree to avoid, for as long as they are shareholders of the Company and for a period of one (1) year after ceasing to be a shareholder of the Company, directly or indirectly,

any action of concretion, capture, or operation inherent to the products that as of the date of execution are manufactured by the Company in Colombia.

Section 7.03 Employee Non-Solicitation

LER, Avicanna and Bondue shall not, for as long as they are shareholders of the Company and for a period of one (1) year after ceasing to be a shareholder of the Company, unless prior express authorization from the other Parties, act on its own behalf or on behalf of or connection to any other Person, directly or indirectly, in any capacity whatsoever, and shall refrain from:

- (a) Employing, offering employment to, soliciting, hiring, or encouraging employees hired by the Company to leave the Company, the other Parties or any of their successors, subsidiaries (if any), and Affiliates (hereinafter, the “Beneficiaries”), regardless if such individual breaches the work terms of the respective work relationship with any of the Beneficiaries; or
- (b) Procuring or assisting any Person to employ, offer employment, solicit hiring, or otherwise entice an individual currently hired by the Beneficiaries to leave the Company.

Section 7.04 Transactions with Shareholders

The entering into any transaction by the Company with any Related Party or a Related Party of any of the Shareholders, including the Shareholders, shall be authorized by the Shareholders General Meeting of the Company, as set forth in Section 4.01 of this Agreement, except for the Active Ingredients Supply Agreement which the Company is already authorized to enter into with Avicanna or its Related Parties.

Article VIII. Termination

This Shareholders Agreement shall terminate upon the occurrence of any of the following events:

- (a) The liquidation of the Company;
- (b) The written agreement of the Company and all of the then-Parties to this Shareholders Agreement; or
- (c) For a term of ten (10) years, counted as of the date of the execution of this Shareholders Agreement according to article 24 of Law 1258, 2008. This term shall be extended automatically for equal periods in accordance with Law 1258, 2008.

Article IX. Miscellaneous Provisions

Section 9.01 Expenses

Each Party shall pay for its own costs and expenses incurred in connection with this Shareholders Agreement and the transactions contemplated herein.

Section 9.02 Amendments, Waivers and Joinder Agreements

This Shareholders Agreement may only be amended or supplemented by written document executed by the Parties. No provision of this Shareholders Agreement may be extended or verbally waived. No extension or waiver will be binding unless executed in writing by the Party to be bound by the

extension or by the waiver. Execution of a Joinder Agreement shall be a condition precedent to any Person becoming a shareholder of the Company.

Section 9.03 Governing Law

This Shareholders Agreement shall be governed by, and interpreted according to, the laws of the Republic of Colombia.

Section 9.04 Arbitration

All disputes, claims, questions, or differences shall be finally settled by arbitration in accordance with the arbitration rules of the Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá (the “Rules”) before one (1) arbitrator who will be mutually designated by the Parties. If no such agreement is reached within thirty (30) days after a Party has provided a written communication (the “Communication”) to the other Party, the arbitrator shall be appointed by the Arbitration and Conciliation Centre of the Chamber of Commerce of Bogotá.

It is the intent of the Parties that, barring extraordinary circumstances, the arbitration proceeding will be concluded within ninety (90) days from the date the arbitrator is appointed. The arbitration tribunal may extend this time limit in the interests of justice. Failure to adhere to this time limit shall not constitute a basis for challenging the award. The place of arbitration will be the city of Bogotá, D.C., Republic of Colombia, and the arbitration will be conducted in Spanish. The arbitration award will be decided in law according to the laws of Colombia, will be considered final and binding for the Parties, and shall stipulate the costs of arbitration and all other matters related thereto. Notwithstanding the foregoing, this arbitration clause will not be applicable to obligations that arise under this Agreement when said obligations may be enforced through a summary proceeding or an executory proceeding according to Colombian law.

Section 9.05 Service of Notice

Any notification, direction, or communication (hereinafter, each a “Notification”) given regarding the matters contemplated by this Shareholders Agreement must be in writing, delivered personally, or by Courier and email addressed to:

To Avicanna:

Attention: Aras Azadian, CEO
Address: J LABS @ Toronto, MaRS Centre, West Tower, 661 University Avenue, Suite 1300,
Toronto, Ontario, Canada M5G 0B7
Phone: + 001 416 875 9112
E-mail: aras.azadian@avicanna.com

To LER and/or the Company:

Attention: Lucas Echeverri
Address: Calle 24 # 4-86, Santa Marta, Colombia
Phone: 315 337 7664
E-mail: lucaseche@hotmail.com

To Bondue:

Attention: Germán Zapata Hurtado
Address: Carrera 1 No. 22 -58 Edificio Bahía Centro, Santa Marta, Colombia
Phone: 57(5) 432-8120
E-mail: gzapata@daabon.com.co

A Notification shall be construed delivered and received (i) if personally delivered or e-mailed, on the date of delivery, if it is a business day, and the delivery was made before 4:00 p.m. (reception place local time) and, otherwise, on the following business day, (ii) if sent by same-day delivery service courier, on the date of the delivery, if sent on a business day and delivery was made before 4:00 p.m. (reception place local time) and, otherwise, on the following business day, (iii) if sent by overnight courier, on the following business day. A Party may eventually change its address through notification as provided herein.

Section 9.06 Severability

If it is determined by an arbitrator or by any court with jurisdiction and competence that any regulation of this Shareholders Agreement is illegal, invalid, or unenforceable, such regulation shall be severed from this Shareholders Agreement and the remaining regulations shall remain in full force and effect and, if necessary, the Parties shall agree on an alternative provision that complies with applicable laws and has the desired effect by the Parties.

Section 9.07 Headings

The titles of the clauses or sections and other subtitles herein have been inserted as reference only and shall not affect the meaning or the interpretation of this Shareholders Agreement.

Section 9.08 Successors and Assignees

This Shareholders Agreement shall be in force only when executed by the Parties. After such time, it shall be binding and shall inure to the benefit the Parties, and their respective successors and authorized assignees. The Parties may not assign their rights under this Shareholders Agreement without the previous written consent of the other Parties.

Section 9.09 Counterparts and Language

This Shareholders Agreement may be executed in any number of counterparts and each and all such counterparts, taken together, shall be deemed to constitute just one agreement.

Section 9.010 Confidential Nature and Publication

No information or announcement with respect to the transactions contemplated herein will be made available to the public by a Party without prior written consent of the other Parties; such consent shall not be unreasonably denied. The Parties agree to maintain at all times the confidentiality of all of the information related to this Shareholders Agreement and the transactions contemplated herein, with respect to the Company, the assets and the Business, unless a request to disclose the confidential information was made by a pertinent authority or that such disclosure is required by law or for the purposes of a financial reporting. The Party required to make the disclosure shall use its reasonable efforts to obtain authorization from the other Parties as form, nature, and extent of the disclosure and shall only make such disclosure when legally bound to or when authorized by the other Parties. The

confidentiality commitments by the Parties contemplated under this Shareholders Agreement supersede all prior agreements, understandings, and discussions, oral or written, by the Parties.

Section 9.011 Conflict

In case of conflict between the Bylaws of the Company and this Shareholders Agreement, this Shareholders Agreement shall prevail.

[Remainder of Page Intentionally left blank]

EXECUTION VERSION
July 6, 2018

Annex VII
Amended and Restated Share Purchase Agreement

EXECUTION VERSION
June 20, 2018

AMENDED AND RESTATED SHARE PURCHASE AGREEMENT

among

**AVICANNA INC.
and**

**LUCAS ECHEVERRI ROBLEDO
and**

**SANTA MARTA GOLDEN HEMP S.A.S.
and**

**INMOBILIARIA BONDUE S.A.S.
and**

ALMALU HEMP S.A.S.

Dated June 20, 2018

AMENDED AND RESTATED SHARE PURCHASE AGREEMENT

This amended and restated Share Purchase Agreement (hereinafter, the "Agreement") is executed on this June 20, 2018 ("Execution Date") by and among:

- (i) **AVICANNA INC.**, a company incorporated and existing in accordance with the laws of Canada, domiciled in 510 King Street East, Suite 323, Toronto, Ontario, Canada M5A 1M1, duly represented by Setu Nimish Purohit, of legal age, identified as it appears next to his signature, acting in his capacity as General Counsel, as evidenced in the documents attached hereto as Annex I ("Avicanna"),
- (ii) **LUCAS ECHEVERRI ROBLEDO**, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] ("LER"),
- (iii) **SANTA MARTA GOLDEN HEMP S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED] duly represented by Lucas Echeverri Robledo, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED], acting in as legal representative, duly authorized by the shareholders assembly, as evidenced in the documents attached hereto as Annex II (the "Company"),
- (iv) **INMOBILIARIA BONDUE S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED] duly represented by German Zapata Hurtado, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED] acting in as legal representative, as evidenced in the documents attached hereto as Annex III ("Bondue").
- (v) **ALMALU HEMP S.A.S.**, a company incorporated and existing in accordance with the laws of the Republic of Colombia, domiciled in Santa Marta, Magdalena, identified with tax identification number (NIT) [REDACTED] duly represented by Lucas Echeverri Robledo, of legal age, domiciled in Santa Marta, Colombia, identified with Colombian Citizenship Card No. [REDACTED], acting in as legal representative, as evidenced in the documents attached hereto as Annex IV ("Almalu" and collectively with Avicanna, LER, Bondue and the Company the "Parties" and individually a "Party").

RECITALS

WHEREAS the Company is dedicated to the cultivation of 100% sun grown cannabis with a focus on innovation, sustainable farming practices and using world class, pharmaceutical grade processing technology to produce the highest quality oil extract products (the "Business");

WHEREAS Avicanna, LER, Almalu and the Company entered into (i) a Letter of Intent on March 5, 2018 (the "LOI"), and (ii) a share purchase agreement on April 24, 2018 (the "Share Purchase Agreement") to record their understanding, inter alia, with respect to the purchase of 60% of the issued and outstanding shares of the Company by Avicanna;

WHEREAS post the execution of the Share Purchase Agreement the Parties have revised their understanding with respect to the Transaction for the purchase of the Shares and the amount of shares of the Company and of Avicanna to be issued and placed and agreed to restructure the Share Purchase Agreement's parties and the way to invest in the Company;

WHEREAS Bondue and LER are on the Execution Date the legitimate and registered owners of one hundred percent (100%) of the issued and outstanding shares of the Company, equivalent to 62,500 common shares;

WHEREAS Bondue wishes to sell to Avicanna sixty percent (60%) of the issued and outstanding shares of the Company, equivalent to 37,500 shares, which are owned by it (the "Bondue's Company Shares");

WHEREAS Avicanna wishes to cause the issuance and placement, in favor of Bondue, of 11.2% of the issued and outstanding shares of Avicanna as at April 30, 2018, equivalent to 1,477,818 shares (the "Avicanna's Shares" jointly with Bondue's Company Shares the "Shares");

WHEREAS Avicanna and Bondue agreed that the following transfers shall take place (the "Transaction");

- (i) Bondue, shall sell, assign, transfer, convey and deliver to Avicanna, the Bondue's Company Shares, free and clear of all Encumbrances; and
- (ii) Avicanna shall cause the issuance and placement, in favor of Bondue, of the Avicanna's Shares;

WHEREAS Almalu will no longer be part of the Transaction considering it will not have any rights or obligations under this Agreement; and

WHEREAS the Parties are, therefore, entering into this Agreement to record the revised understanding of the purchase of the Shares. Accordingly, the Share Purchase Agreement shall be superseded in its entirety and shall be deemed to be amended and restated in accordance with the provisions herein.

AS A RESULT and in consideration to the representations, warranties, and additional covenants contained herein, the Parties agree to execute this Agreement, which shall be governed by the following:

CLAUSES

Clause I - Interpretation

1.1 Defined Terms

“Books and Records” means all information available as of the Execution Date in any form, related to the Business and the Company, including accounting books, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, potential customer lists, referral sources, research and development reports and records, production reports and records, equipment daily logs, equipment operating guidelines and manuals, business reports, plans and projections, marketing and advertising materials, and all other documents, files, correspondence, and any other information (whether written, printed, soft copy, hard copy, or stored on computer discs, or any other data storage, software storage, and media devices);

“Avicanna” shall have the meaning given in the preamble of this Agreement;

“Avicanna’s Shares” shall have the meaning given in the Recitals of this Agreement;

“Avicanna’s Shares Transfer Date” shall have the meaning given in Section 2.3.2. of this Agreement;

“Bondue” shall have the meaning given in the preamble of this Agreement;

“Bondue’s Company Shares” shall have the meaning given in the Recitals of this Agreement;

“Bondue’s Company Shares Transfer Date” shall have the meaning given in Section 2.3.1. of this Agreement;

“Business” shall have the meaning given in the Recitals of this Agreement;

“Business Day” means a day when banks are open for business in Canada and the Republic of Colombia;

“Corporate Organization” means the performance by the Company of the following activities to the reasonable satisfaction of Avicanna: (i) the payment of all debts of the Company so that its accounting does not reflect any indebtedness, except for any debt with Avicanna, Sativa Nativa S.A.S. or any other related party of Avicanna, and (ii) the performance of any correction to the Corporate Documents of the Company, as may be reasonably required by Avicanna;

“Closing Financial Statements” means the Company’s financial statements for the period comprised between January 1, 2017 and December 31, 2017, and the unaudited financial statements for the period comprised between January 1, 2018 and the Execution Date;

“Company” shall have the meaning given in the preamble of this Agreement;

“Consideration” has the meaning set forth in Section 2.2. (ii) of this Agreement;

“Corporate Documents” means (i) the By-laws, (ii) copy of the stock ledger, (iii) authorized copies of any corporate authorization required to effect the transfer of the Shares, and (iv) any other document necessary for the transfer of the Shares.;

“Due Diligence of the Company” means the review and analysis process of legal aspects of the Company and of the Business and other relevant aspects that allowed Avicanna to gain adequate knowledge of the legal status of the Company and the Business as of May 9, 2018, which as of the Execution Date has been completed to the satisfaction of Avicanna;

“Due Diligence of Avicanna” means the review and analysis process of legal aspects of Avicanna and other relevant aspects that allowed the other Parties to gain adequate knowledge of the legal status of Avicanna and the Business as of May 14, 2018, which as of the Execution Date has been completed to the satisfaction of the other Parties;

“Employees” means the respective employees of the Company as of the Execution Date included in Annex V;

“Encumbrance” means any security interest, pledge, hypothecation, mortgage, lien (including environmental and tax liens), violation, charge, lease, gravamen, license, encumbrance, servient easement, adverse claim, reversion, restrictive covenant, or condition or restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership;

“Execution Date” shall have the meaning given in the preamble of this Agreement;

“Fundamental Representations and Warranties” means the representations and warranties set forth in Sections 3.1.1., 3.1.2, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.3.2, and 3.3.3.

“Harm” means losses, damages, liabilities, actions, judgments, interest, awards, penalties, fines, costs or expenses (including amount paid to legal counsel), excluding punitive, indirect, exemplary, consequential, punitive or other special damages, such as loss of profits, loss of revenue or income, cost of capital, or loss of business reputation or opportunity.

“IFRS” means International Financial Reporting Standards promulgated by the International Accounting Standards Board (“IASB”) (which include standards and interpretations approved by the IASB and International Accounting Standards issued under previous constitutions), together with its pronouncements thereon from time to time, and applied on a consistent basis;

“LER” shall have the meaning given in the preamble of this Agreement;

“Licenses” has the meaning set forth in Section 3.1.4.1. of this Agreement;

“Material Adverse Effect” shall mean a material adverse effect on any of the financial condition, business, properties or assets and liabilities on the Business or the Company, in each case, taken as a whole, excluding any effect relating to or arising from: (i) any change in the economy, capital markets, financial markets, banking markets, regulatory or national or international political or social conditions (including any change in foreign exchange rates), including in or pertaining to Colombia and elsewhere, whether or not relating to an act of war, military action, hostilities, terrorism, civil unrest or similar event; (ii) any change that relates or arises out of factors generally affecting the industries in which the Business or the Company, including changes in any commodity prices or costs; (iii) any change in applicable Accounting Standards or in any statute, rule or regulation (or the official interpretation thereof) of general applicability after the date hereof; and (iv) any adoption, proposal, implementation or change in Law (including, for the avoidance of doubt, a change in the enforcement or interpretation of a Law) after the date hereof, whether or not such change purports to be effective retrospectively;

“Ordinary Course” means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person;

“Person” means an individual, any form of partnership or company, or other entity;

“Shares” shall have the meaning given in the recitals of this Agreement; and

“Share Equivalents” means preferred shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, common shares of the Company or any instrument or certificate representing a beneficial ownership interest in the common shares of the company;

“Transaction” shall have the meaning given in the Recitals of this Agreement.

1.2 Accounting Terms. All accounting terms not specifically defined in this Agreement are to be interpreted in accordance with IFRS.

1.3 Annexes. The annexes, schedules and appendixes attached to this Agreement are an integral part of this Agreement for all its purposes.

1.4 Interpretation. For the purposes of this Agreement and the annexes, schedules and appendixes thereto, except as expressly provided or to the extent the context otherwise requires:

- (i) in addition to the aforementioned terms, other terms may be defined in other parts of this Agreement and shall have the meaning assigned thereto;

- (ii) references made to the by-laws and to legal provisions shall be to the current by-laws and legal provisions of the Company and of Avicanna, including references to any statutory amendment or consolidation (whether before or after the date of this Agreement), and
- (iii) references to this Agreement or annexes, appendixes and schedules shall be considered to include subsequent amendments or modifications to the Agreement or respective annexes, appendixes or schedules.

Clause II - Transfer of Shares, Consideration, and Payment Terms

2.1 Swap and transfer of Shares

Subject to the terms and conditions of this Agreement and to the fulfillment of the conditions established in Section 2.3 of this Agreement:

- (i) Bondue, shall sell, assign, transfer, convey and deliver, or cause to be sold, assigned, transferred, conveyed and delivered to Avicanna, the Bondue's Company Shares, free and clear of all Encumbrances; and
- (ii) Avicanna shall issue and place in favor of Bondue, the Avicanna's Shares, free and clear of all Encumbrances.

2.2 Consideration Amount

- (i) Consideration payable for Avicanna's Shares: Bondue shall cause the assignment, transfer, conveyance, and delivery to Avicanna of the Bondue's Company Shares (37,500 shares) equivalent to sixty percent (60%) of the issued and outstanding shares of the Company at a par value of COP\$37,500,000 and a premium COP\$23,721,228,000 for a total value of USD \$8,400,000 liquidated at an exchange rate of COP\$2,828.42 per US dollar equivalent to a total amount of COP\$23,758,728,000.
- (ii) Consideration payable for Bondue's Company Shares: Avicanna shall cause the issuance and placement in favor of Bondue of the Avicanna's Shares (1,477,818 shares) equivalent to 11.2% of the issued and outstanding shares of Avicanna as at April 30, 2018 for a total value of COP\$23,758,728,000 (together with Avicanna's consideration mentioned in Clause 2.2 (i) the "Consideration").

2.3 Conditions to the transfer of Shares

- 2.3.1 Conditions to transfer Bondue's Company Shares. Bondue shall transfer to Avicanna, free and clear of any Encumbrance, and the corresponding share certificates registered in the stock ledger of the Company delivered to Avicanna along with a copy of the stock ledger evidencing Avicanna's title of Bondue's Company Shares, within three Business Day counted as of the date in which all of the following conditions have been complied with or waived by Avicanna (the "Bondue's Shares Transfer Date"):
- 2.3.1.1 Satisfactory payment of Bondue's Company Shares in accordance to the agreements that have been held with the Company as stated in the shareholders general assembly's minutes and in compliance to the Company's Corporate Documents. The failure to comply with this condition for reasons not attributable to Bondue, such as delays in the registrations by the competent authorities, will not incur Bondue in a breach of this Agreement;
 - 2.3.1.2 Satisfactory review of the Corporate Documents of Bondue, at Avicanna's sole discretion;
 - 2.3.1.3 LER, Bondue and the Company have performed the procedure established in Article 13 of the Company's By-laws in order to waive their right of first refusal;
 - 2.3.1.4 The Corporate Organization shall have taken place, to Avicanna's satisfaction;
 - 2.3.1.5 The Shareholders Agreement of the Company has been executed by Avicanna, in the form of Annex VI, and deposited in the Company according to article 24 of Law 1258 of 2008;
 - 2.3.1.6 Bondue's Company Shares to be transferred to Avicanna, are free of any Encumbrance;
 - 2.3.1.7 Execution by Bondue, as the case may be, of the forms, letters, documents and/or agreements required by Avicanna in order to comply with Canadian law or that may be reasonably requested by Avicanna, under reasonable and objective criteria, such as a subscription agreement of Avicanna's Shares and/or a shareholders' agreement of Avicanna;
 - 2.3.1.8 The authorized capital of the Company has been increased, and such increase has been registered before the Chamber of Commerce;

2.3.1.9 The giving of customary representations and warranties and compliance with Canadian corporate and securities laws by Bondue.

2.3.2 Conditions to transfer Avicanna's Shares. Avicanna shall cause the issuance and placement of the Avicanna's Shares, within three Business Day counted as of the date in which all of the following conditions have been complied with or waived by Bondue (the "Avicannas's Shares Transfer Date" jointly with the Bondue's Company Shares Transfer Date, the "Transfer Date"):

2.3.2.1 The delivery by Avicanna to Bondue of the Corporate Documents of Avicanna that Bondue might reasonably request, which has been satisfied as of May 14, 2018 and pursuant to the previously satisfied Due Diligence of Avicanna.

2.3.2.2 Satisfactory review of the Corporate Documents of Avicanna, at Bondue's sole discretion, which has been satisfied as of May 14, 2018 and pursuant to the previously satisfied Due Diligence of Avicanna;

2.3.2.3 The Shareholders Agreement of Avicanna has been executed by Bondue, according to Canadian applicable law.

2.3.2.4 Avicanna's Shares in favor of Bondue are free of any Encumbrance; and

2.3.2.5 Avicanna has caused Aras Azadian, Setu Purohit, Kyle Langstaff, or a combination of the foregoing individuals to exercise their nomination rights described in Avicanna's Shareholder's Agreement dated March 15, 2017, to nominate a director as identified by Bondue provided that such nomination shall be granted in compliance with the requirements of Canadian applicable laws as well as the requirements with respect to company governance prescribed by Avicanna's Shareholders' Agreement dated March 15, 2017.

2.4 Actions to be effected at the Transfer Date:

2.4.1 On the Transfer Date, the Parties will exchange the Bondue's Company Shares and the Avicanna's Shares. The Consideration will be deemed paid after the exchange of the respective share certificates, and the registry of the transfer in the stock-ledger of Avicanna and the Company, respectively.

2.4.1.1 At the Transfer Date, Bondue shall deliver to Avicanna:

- (i) The corresponding Bondue's Company Shares certificates, free of any Encumbrance, duly cancelled and a new Bondue's Company Shares certificate, issued by the Company in favor of Avicanna's, free of any Encumbrance, registered in the stock-ledger of the Company and a copy of the stock-ledger of the Company evidencing Avicanna's title of Bondue's Company Shares; and
- (ii) the Shareholders Agreement of Avicanna executed by Bondue;
- (iii) the Shareholders Agreement of the Company executed by Bondue; and
- (iv) any other certificate, document or instrument required by applicable Law, or as required by Avicanna's Corporate Documents, to be delivered by Bondue.

2.4.1.2 At the Transfer Date, Avicanna shall deliver to Bondue:

- (i) The corresponding Avicanna's Shares certificates, free of any Encumbrance, duly endorsed, registered in the stock-ledger of Avicanna and a copy of the stock-ledger of Avicanna evidencing Bondue's title of Avicanna's Shares;
- (ii) Evidence of the nomination in favor of the appointment of the member of the board of directors of Avicanna designated by Bondue;
- (iii) the Shareholders Agreement of the Company executed by Avicanna; and
- (iv) any other certificate, document or instrument required by applicable Law to be delivered by Avicanna.

Clause III - Representations and Warranties

3.1 Representations and Warranties of the Company

The Company represents and warrants to Avicanna the accuracy of the representations and warranties contained in Section 3.1. The following representations and warranties are, unless otherwise specified, given as of the Transfer Date:

- 3.1.1 Organization and Authority. The Company is a legal entity duly organized and validly existing under the laws of the Republic of Colombia and has the corporate power and authority to enter into and perform its obligations under this Agreement.

3.1.2 Validity. This Agreement has been duly authorized and executed by the Company and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.

3.1.3 No Conflict. The execution and performance by the Company of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which the Company is a party or by which the Company is bound; (ii) violate any of the terms or provisions of the by-laws of the Company; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to the Company.

3.1.4 Status of Authorizations.

The following authorizations are all of the authorizations (other than authorizations that are of a routine nature and are obtained in the Ordinary Course of business) needed by the Company to conduct its business and execute, perform and comply with its obligations under this Agreement: (i) authorization from the general shareholders assembly of the Company authorizing its legal representative to execute this Agreement and waive of the preemptive right by the Company, (ii) license for the fabrication of cannabis derivatives number 42842 dated October 27, 2017, issued by the Ministry of Health and Social Protection (*Ministerio de Salud y Seguridad Social*) for national use and export, and (iii) license for the cultivation of psychoactive cannabis number 973 dated November 24, 2017 issued by the Ministry of Justice and Law (*Ministerio de Justicia y del Derecho*) for the production of seeds for planting, production of grain and fabrication of derivatives (the licenses mentioned in (ii) and (iii) the "Licenses").

3.1.4.1 These authorizations have been obtained and are in full force and effect and there are no facts or circumstances which indicate that any of such authorizations would or might be revoked, cancelled, varied or not renewed.

3.1.5 By-laws. The Company has delivered to Avicanna a complete and up-dated copy of its by-laws.

3.1.6 Capital Structure of the Company.

3.1.6.1 The authorized and issued capital of the Company shall be as of the Transfer Date, the following: (i) authorized capital: COP\$70,000,000 and (ii) issued capital: COP\$62,500,000. Notwithstanding the above, the issued capital might change over the capitalizations made or will be made by Avicanna, Bondue and

LER, as agreed by the Parties.

- 3.1.6.2 The paid in capital of the Company shall be as of the Transfer Date the sum of COP\$62,500,000. Such sum of the paid in capital will depend on the completion of the payment, before the Transfer Date of Bondue's Company Shares, in accordance with the agreements that have been held with the Company and established in the shareholder's general assembly's minutes in compliance with the Corporate Documents. The failure to comply with this representation for reasons not attributable to Bondue, such as decisions or delays in the registrations of the contributions in kind by the competent authorities, will not incur Bondue in a breach of this Agreement.
- 3.1.6.3 There are no shares of the Company or Share Equivalents, or any agreements or undertakings obligating the Company to issue, deliver, sell, repurchase or redeem or cause to be issued, delivered, sold, repurchased or redeemed any shares in its authorized capital or obligating it to grant or enter into any such option, warrant, call, right, commitment or agreement, except as mentioned in this Agreement. All outstanding shares of the Company are duly authorized, validly issued, fully paid and are free of any liens and are not subject to preemptive rights, rights of first refusal or other restrictions on transfer or third-party rights, except as set forth in the Company's by-laws or the Shareholder's Agreement.
- 3.1.7 No Immunity. Neither the Company nor any of its properties enjoy any right of immunity from set off, suit or execution with respect to their respective obligations under this Agreement.
- 3.1.8 Financial Condition. Up to the date of this Agreement:
 - 3.1.8.1 The business of the Company has been carried on in the Ordinary Course so as to maintain the business as a going concern;
 - 3.1.8.2 The Company has not suffered any change having a Material Adverse Effect or incurred any substantial loss or liability;
 - 3.1.8.3 The Company has not undertaken or agreed to undertake any substantial obligation; and
 - 3.1.8.4 No dividend or distribution has been declared or paid by the Company.

- 3.1.9 Taxes. Except for the contingency in relation with the income tax return for fiscal year 2016 included in the report made as a result of the Due Diligence of the Company, all tax returns and reports of the Company required by law to be filed have been duly filed and all taxes, obligations, fees and other governmental charges upon the Company, or its properties, or its income or assets, which are due and payable or to be withheld, have been paid or withheld, other than those presently payable without penalty or interest.
- 3.1.10 Litigation.
- 3.1.10.1 The Company is not involved in any litigation, arbitration, administrative, regulatory or governmental proceedings or investigations. To the Company's knowledge, no such proceedings or investigations are threatened against the Company. The Company is not aware of any fact or circumstance which is likely to give rise to any such proceedings or investigations.
- 3.1.10.2 No judgment or order has been issued against the Company which has or may reasonably be expected to have a Material Adverse Effect.
- 3.1.10.3 The Company has not been charged, convicted, fined or otherwise sanctioned in any litigation, administrative, regulatory or criminal investigation or proceeding or freezing of assets by any authority involving the Company or its respective employees with regard to money laundering or financing of terrorism.
- 3.1.10.4 Compliance with Law. Except for the contingencies included in the report made as a result of the Due Diligence of the Company, the Company is in compliance with all applicable laws (whether civil, criminal, corporate or administrative, among others), statutes, subordinate legislation, treaties, regulations, directives, decisions, by-laws, circulars, codes, orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of any authority in Colombia.
- 3.1.11 Environmental Matters. To the Company's knowledge, there are no material social or environmental risks or issues in respect of the Company operations or the Business and the Company has not used nor intervened non-renewable natural resources.
- 3.1.12 Disclosure. None of this Agreement, Shareholder's Agreement, the by-laws, or certificates or schedules made and delivered pursuant thereto contains any information which is untrue, inaccurate or misleading in any material respect nor does it omit any information the omission of which makes the information contained in it untrue, inaccurate or misleading in any material respect.

- 3.1.13 Subsidiaries. The Company does not own or control (and has never owned or controlled), directly or indirectly, any share capital or other equity interest in any other Person and has not agreed or committed to acquire any such interest.
- 3.1.14 Insolvency. The Company is not subject to any type of insolvency proceedings or related to bankruptcy or any voluntary or compulsory winding up process in accordance with Law 1116 of 2006 or any other applicable insolvency law.
- 3.1.15 Legality of Activities. The assets and revenues of the Company are derived from lawful activities. None of them have negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.
- 3.1.16 Labor Issues.
- 3.1.16.1 As of the Execution Date, the Company has no employees or independent contractors.
- 3.1.16.2 The Company, to the extent it may have had any employees, has complied with the applicable labor norms and regulations, including, without limitation, those related to salaries, working hours, vacation, bonuses, severance payments, interests on severance payments, overtime, the non-application of unfair labor practices or discriminatory practices, payments to the social security system and applicable taxes and contributions to state entities such as the Colombian National Apprentice Service– SENA, Colombian Family Welfare Institute – ICBF, and Family Compensation Institutions. There are no arbitration proceedings, labor strikes, or any other modality of labor rhythm reduction affecting the Company or the employees.
- 3.1.16.3 To the Company's knowledge, there are no outstanding claims or investigations promoted by or on behalf of direct or indirect employees, and/or LER, and/or any third party, against the Company before the Ministry of Social Protection, any labor agency, any family judge, the Pension and Parafiscal Management Unit, any social security entity, any other labor authority, or any other authority, whether local, national, or departmental.
- 3.1.16.4 The Company is not aware of any legal liability involving the Company resulting from any joint labor liability that it may have with its contractors and/or administrators.
- 3.1.16.5 There are no and there have been no unionized employees and the Company is not part, or has been part, of a collective agreement or of a collective labor

convention.

3.1.16.6 No employee is paid totally or partially out of payroll or outside of Colombia.

3.1.16.7 The Company has not sponsored or ever participated in a defined benefits plan in terms of pensions and consequently, there are no pension contingencies for the Company regarding its current and/or former employees.

3.1.17 Immovable Property. The real estate property may be used by the Company for the purposes for which it is used, including their current use without affecting or infringing the applicable regulations with respect to the use of the land. The Company is authorized to use and explore for purposes of the business the real estate property identified with land registry number (*folio de matrícula inmobiliaria*) 080-5423 of the Land Registry Office (*Oficina de Registro de Instrumentos Públicos*) of Santa Marta, for which the Licenses have been granted.

3.1.18 Financial Matters.

3.1.18.1 Books and Records. All accounting and financial Books and Records have been fully, adequately, and accurately kept and completed in all material respects.

3.1.18.2 Financial Statements. The Financial Statements have been prepared in compliance with IFRS, consistently with those prepared in the past, and each one fairly presents the assets, liabilities (whether accrued, absolute, contingent, or otherwise), and the financial situation of the Company on the respective dates.

3.1.19 Contracts, Validity, and Absence of Breach. Annex VII lists all of the contracts to which the Company is a party to as of the date of execution. The Company has (i) duly complied in all material respects with the terms and conditions of the contracts listed in Annex VII; (ii) such contracts are in full force and are enforceable in accordance with their terms and conditions; (iii) have been duly executed and the obligations contained therein have been complied with in all material respects by the parties thereto (as applicable), and (iv) that no event or circumstance has occurred with respect to those contracts representing a material breach or default under the terms thereof.

3.1.20 Insurance Coverage.

3.1.20.1 Annex VIII includes true, correct, and complete copies of all insurance policies and back to back guarantees of the Company currently in force, reasonably sufficient to protect the Company, its assets, the Business, its goods, and its operations.

- 3.1.20.2 As of the date of execution, there is no claim made by the Company that is outstanding or which coverage has been the subject of any objection, refusal, or dispute by the insurance companies or by third parties providing such coverage under the insurance policies or back to back guarantees set out in Annex VIII.
- 3.1.20.3 The Company is not aware of any potential termination of any of the insurance policies or back-to-back guarantees set out in Annex VIII. The Company has strictly complied with such insurance policies and back-to-back guarantees as of the date of execution.
- 3.1.20.4 The list of insurance policies and back-to-back guarantees set out in Annex VIII consist of all the guarantees required to be provided by the contracts, authorizations, licenses, and permits of the Company.
- 3.1.21 Intellectual Property, Technology Property and Habeas Data. The Company has no knowledge of any fact that could affect the validity or use of the Company's trademarks and/or any other intellectual property rights of the Company. Additionally, the Company is not aware of any fact that constitutes a violation of the protection of personal data regime.
- 3.1.22 Financial Institution, Customers, and Vendors. Annex IX contains a complete and accurate list of all of the commercial banks with which the Company has accounts, savings accounts, checking accounts, fixed term deposits, and any other type of investments, as well as the description of the respective investment, the account numbers, and the names of the persons authorized to issue checks from such accounts and/or redeem investments or conduct bank business activities on behalf of the Company. The aforementioned is reflected in the Books and Records of the Company the same have been duly managed by the Company.
- 3.1.23 Other Information.
- 3.1.23.1 The information provided to Avicanna and its advisors as part of the Due Diligence of the Company, as well as the responses to the questions made by Avicanna and its advisors: (i) were provided in good faith and accurately reveal all the pertinent facts and circumstances that enabled Avicanna to negotiate the terms and conditions of this Agreement and determine the transfer of Bondue's Company Shares and (ii) nothing has been withheld or omitted from the information provided to Avicanna and its advisors from the commencement of the negotiations up until the date of execution.

3.1.23.2 The copies of the documents provided or delivered to Avicanna as part of the Due Diligence of the Company process and the written responses given by the Company and LER are true and accurate copies of the mentioned documents.

3.1.24 No Material Changes. Since December 31, 2017 and up to the date of this Agreement, (i) there has not been any adverse material change in the Business, assets, liabilities, operations and its results, earnings statements, prospects, or condition (financial or otherwise) of the Company and (ii) no event has or threatens to cause an adverse material effect in the Company, its Business, assets, liabilities, operations, earnings statements, prospects, or condition (financial or otherwise), or its value or utility for Avicanna.

3.2 Representations and Warranties of Bondue

Bondue represents and warrants to Avicanna the accuracy of the representations and warranties contained in Section 3.2. The following representations and warranties are, unless otherwise specified, given as of the Transfer Date:

3.2.1 Organization and Authority. Bondue is a legal entity duly organized and validly existing under the laws of the Republic of Colombia and has the corporate power and authority to enter into and perform its obligations under this Agreement.

3.2.2 Validity. This Agreement has been duly authorized and executed by Bondue and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.

3.2.3 No Conflict. The execution and performance by Bondue of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which each of them is a party or by which each of them is bound; (ii) violate any of the terms or provisions of the by-laws of Bondue; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to Bondue.

3.2.4 Status of Authorizations.

3.2.4.1 The authorization from the shareholders' general assembly of Bondue authorizing its legal representative to execute this Agreement is the only authorization (other than authorizations that are of a routine nature and are obtained in the Ordinary Course of business) needed by Bondue to execute, perform and comply with its obligations under this Agreement.

- 3.2.4.2 These authorizations have been obtained and are in full force and effect and there are no facts or circumstances which indicate that any of such authorizations would or might be revoked, cancelled, varied or not renewed.
- 3.2.5 Bondue's Company Shares. As of Bondue's Company Shares Transfer Date, the Bondue's Company Shares will be 37,500 shares equivalent to 60% of the issued and outstanding shares of the Company and will be transferred free and clear of all Encumbrances.
- 3.2.6 No Immunity. Bondue does not enjoy any right of immunity from set off, suit or execution with respect to its respective obligations under this Agreement.
- 3.2.7 Litigation.
- 3.2.7.1 Bondue is not involved in any litigation, arbitration, administrative, regulatory or governmental proceedings or investigations which outcome might create any type of Encumbrance over the Shares. To Bondue's knowledge, no such proceedings or investigations are threatened against Bondue. Bondue is not aware of any fact or circumstance which is likely to give rise to any such proceedings or investigations.
- 3.2.7.2 No judgment or order has been issued against Bondue which has or may reasonably be expected to have a Material Adverse Effect on the Company.
- 3.2.7.3 Bondue has not been charged, convicted, fined or otherwise sanctioned in any litigation, administrative, regulatory or criminal investigation or proceeding or freezing of assets by any authority involving Bondue or its respective employees with regard to money laundering or financing of terrorism.
- 3.2.8 Disclosure. None of this Agreement, the by-laws, or certificates or schedules made and delivered pursuant thereto contains any information which is untrue, inaccurate or misleading in any material respect nor does it omit any information the omission of which makes the information contained in it untrue, inaccurate or misleading in any material respect.
- 3.2.9 Solvency. Bondue is not subject to any type of insolvency proceedings or related to bankruptcy or any voluntary or compulsory winding up process in accordance with Law 1116 of 2006 or any other applicable insolvency law.
- 3.2.10 Legality of Activities. The assets and revenues of Bondue are derived from lawful activities. Bondue does not have any negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.

3.2.11 The Corporate Documents provided to Avicanna and its advisors, as well as the responses to the questions made by Avicanna and its advisors: (i) were provided in good faith and accurately reveal all the pertinent facts and circumstances that enabled Avicanna to negotiate the terms and conditions of this Agreement and determine the Consideration for the acquisition of the Shares and (ii) nothing has been withheld or omitted from the information provided to Avicanna and its advisors from the commencement of the negotiations up until the date of execution for the purposes of this Transaction.

3.2.12 The copies of the Corporate Documents provided or delivered to Avicanna given by Bondue are true and accurate copies.

3.3 Representations and Warranties of Avicanna

Avicanna represents and warrants to Bondue and to the Company the accuracy of the representations and warranties contained in this Section 3.3. The following representations and warranties are, unless otherwise specified, given as of the Transfer Date:

- 3.3.1 Organization and Authority. Avicanna is a legal entity duly organized and validly existing under the laws of Canada and has the corporate power and authority to enter into and perform its obligations under this Agreement.
- 3.3.2 Validity. This Agreement has been duly authorized and executed by Avicanna and constitutes its valid and legally binding obligation, enforceable in accordance with its terms.
- 3.3.3 No Conflict. The execution and performance by Avicanna of any of its obligations under the Agreement, do not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which each of them is a party or by which each of them is bound; (ii) violate any of the terms or provisions of the by-laws of Avicanna; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to Avicanna.

3.3.4 Status of Authorizations.

3.3.4.1 The following authorizations are all of the authorizations (other than authorizations that are of a routine nature and are obtained in the Ordinary Course of business) needed by Avicanna to conduct its business and execute, perform and comply with its obligations under this Agreement: (i) authorization from the general shareholders assembly of Avicanna authorizing its legal representative to execute this Agreement.

3.3.4.2 These authorizations have been obtained and are in full force and effect and there are no facts or circumstances which indicate that any of such authorizations would or might be revoked, cancelled, varied or not renewed.

3.3.5 Avicanna's Shares. As of Avicanna's Shares Transfer Date, the Avicanna's Shares will be 1,477,818 shares equivalent to 11.2% of the issued and outstanding shares of Avicanna as of April 30, 2018 and will be transferred free and clear of all Encumbrances.

3.3.6 No Immunity. Avicanna does not enjoy any right of immunity from set off, suit or execution with respect to its respective obligations under this Agreement.

3.3.7 Compliance with Law. Avicanna is in compliance with all applicable laws (whether civil, criminal, corporate or administrative, among others), statutes, subordinate legislation, treaties, regulations, directives, decisions, by-laws, circulars, codes, orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of any authority in Canada.

3.3.8 Solvency. Avicanna is not subject to any type of insolvency proceedings or related to bankruptcy or any voluntary or compulsory winding up process in accordance with any Canadian applicable insolvency law.

3.3.9 The assets and revenues of Avicanna are derived from lawful activities. Avicanna does not have any negative registries in prevention lists of laundering of domestic or international assets, nor have they carried out or have been linked to unlawful activities, of laundering of assets and/or funding of terrorism.

- 3.3.10 The Corporate Documents provided to Bondue and its advisors, as well as the responses to the questions made by Bondue and its advisors: (i) were provided in good faith and accurately reveal all the pertinent facts and circumstances that enabled Bondue to negotiate the terms and conditions of this Agreement and determine the Consideration for the acquisition of the Shares and (ii) nothing has been withheld or omitted from the information provided to Bondue and its advisors from the commencement of the negotiations up until the date of execution for the purposes of this Transaction.
- 3.3.11 The copies of the Corporate Documents provided or delivered to Bondue given by Avicanna are true and accurate copies.

3.4 Reliance

- 3.4.1 The Parties acknowledge that make the representations and warranties under Sections 3.1, 3.2 and 3.3. with the intention to enter into this Agreement and that Avicanna and Bondue will subscribe the Shares on the basis of, and in full reliance on, each of such representations and warranties.
- 3.4.2 Each of the representations and warranties is to be construed independently and (except where this Agreement provides otherwise) is not limited by any provision of this Agreement or another representation and/or warranty.

Clause IV - Additional Covenants

4.1 Restrictive Covenants

To the extent permitted by applicable law:

- 4.1.1 No Competition. Neither LER, Avicanna, nor Bondue shall perform, directly or indirectly, in Colombia, for as long as they are shareholders of the Company, without prior written consent from the Company, any activity that may compete, directly or indirectly, with the products that as of the Effective Date are manufactured by the Company.

- 4.1.2 Neither Avicanna, nor any of: (a) its subsidiaries, (b) its shareholders or directors, nor (c) Bondue will apply for any license in Colombia for the: (i) fabrication of cannabis derivatives (*licencia de fabricación de derivados de cannabis*), (ii) use of seeds for planting (*licencia de uso de semilla para siembra*), (iii) cultivation of psychoactive cannabis plants (*licencia de cultivo de plantas de cannabis psicoactivo*), (iv) cultivation of non-psychoactive cannabis plants (*licencia de cultivo de plantas de cannabis no psicoactivo*) as permitted by Decree 613 of 2017 currently in force (and not as may be modified in the future to permit any other type of license) or any law or decree that modifies it, from time to time.

Solely Sativa Nativa S.A.S. and the Company, but no other subsidiary of Avicanna, may apply for any type of medical cannabis license in Colombia; that becomes available in the future.

- 4.1.3 Customers Non-Solicitation. LER, Avicanna and Bondue agree to avoid, for as long as they are shareholders of the Company, directly or indirectly, any action of creation, capture, or operation inherent to the products that as of the date of execution are manufactured by the Company in Colombia.

- 4.1.4 Employee Non-Solicitation. LER, Avicanna and Bondue shall not, for as long as they are shareholders of the Company, unless prior express authorization from the other Parties, act on his own behalf or on behalf of or connection to any other Person, directly or indirectly, in any capacity whatsoever, and shall refrain from:

- 4.1.4.1 Employing, offering employment to, or soliciting hiring, or encouraging employees hired by the Company to leave the Company, the other Parties or any of their successors, subsidiaries (if any), and affiliates (hereinafter, the “Beneficiaries”), regardless if such individual breaches the work terms of the respective work relationship with any of the Beneficiaries; or

- 4.1.4.2 Procuring or assisting any Person to employ, offer employment, solicit hiring, or otherwise entice an individual currently hired by the Beneficiaries to leave the Company.

The Parties acknowledge that, in the context of the foregoing paragraph, the term “Employee” includes the employees of the Beneficiaries as of the Execution Date as well as those individuals who may become employees for as long as they are shareholders of the Company.

4.2 Covenants

- 4.2.1 The Parties at any time, whether before, upon, or after the Execution Date, shall, at their own cost, execute and deliver any further document and take all such further action as other Party may reasonably request in order to effectively complete the Transaction contemplated by this Agreement.
- 4.2.2 The Parties shall take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to complete and make effective as promptly as possible the transactions contemplated by this Agreement including, but not limited to, the completion of the obligations established herein and to co-operate with the other Parties in connection with the foregoing.
- 4.2.3 The Company shall pay all Taxes, fees or other charges payable on or in connection with the execution, issue, purchase, delivery, registration, taxes, capital gain arising of the transfer of Bondue's Company Shares.
- 4.2.4 Avicanna shall cause Aras Azadian, Setu Purohit, Kyle Langstaff or a combination of the foregoing individuals to exercise their nomination rights described in Avicanna's Shareholder's Agreement dated March 15, 2017 to nominate Bondue's candidate to be a Director of Avicanna, provided that such nomination shall be granted in compliance with the requirements of Canadian applicable laws as well as the requirements with respect to company governance prescribed in the Shareholders Agreement of Avicanna.
- 4.2.5 The Parties shall undertake all post-issue filings and other requirements associated with the transfer of the Shares in the time prescribed for the same under applicable law, as well as all filings from time to time required from the Company with the Central Bank of Colombia, and, along with Bondue, shall cooperate with Avicanna in the filing of the corresponding foreign exchange form of foreign investments and/or exchange (*permuta*) or any other required form, with the Central Bank of Colombia and register the control situation it exercises over the Company with the Chamber of Commerce.

- 4.2.6 The Company shall register the Bondue's Company Shares in the name of Avicanna as set forth in this Agreement. If the Company, for any reason, does not register the Bondue's Company Shares as set forth in this Agreement, including by reason of failure of LER or Bondue to authorize such registration or the failure of Bondue to request such registration, such failures shall constitute a breach of the obligations of the Company or LER or Bondue (respectively) under this Agreement, and Avicanna shall have the right to exercise any and all rights or legal or equitable remedies of any kind, including but not limited to requesting to register the Bondue's Company Shares in the name of Avicanna, which may accrue to it against the Company, LER or Bondue (respectively).
- 4.2.7 Until all the Bondue's Company Shares have been registered in the name of Avicanna, the Company shall conduct its business in the Ordinary Course and shall use its reasonable best efforts to preserve intact its business organizations and relationships with third parties and to keep available the services of its present officers and employees.
- 4.2.8 Avicanna shall register the Avicanna's Shares in the name of Bondue as set forth in this Agreement. If Avicanna, for any reason, does not register the Avicanna's Shares as set forth in this Agreement, including by reason of failure of Avicanna's shareholders to authorize such registration or the failure of Avicanna to request such registration, such failures shall constitute a breach of the obligations of Avicanna under this Agreement, and Bondue shall have the right to exercise any and all rights or legal or equitable remedies of any kind, including but not limited to requesting the registration of Avicanna's Shares in the name of Bondue, which may accrue to it against Avicanna.
- 4.2.9 Until all Avicannas's Shares have been registered in the name of Bondue, aside from the initial public offering of Avicanna, Avicanna shall conduct its business in the Ordinary Course and shall use its reasonable best efforts to preserve intact its business organizations and relationships with third parties and to keep available the services of its present officers and employees.
- 4.2.10 Avicanna shall file the corresponding forms and documents with the Central Bank of Colombia in order to register the foreign investments and/or exchange (*permuta*) or any other required form, in a term not to exceed the term established in the applicable law for such registration.

- 4.2.11 The Company shall bear any tax imposed on Bondue that may arise directly from the sale of Bondue's Company Shares. If Bondue is required to pay such tax directly to the tax authority, Avicanna and Bondue shall cause the Company to repay Bondue such amount as soon as the Company generates the cash-flow from operating activities, without prejudice to the Business. 100% of such repayment shall be payable no later than December 31, 2019.

4.3 Closing Financial Statements

Promptly after the Execution Date, but no later than one month after, the Company shall submit to Bondue and Avicanna the Closing Financial Statements of the Company. The Company agrees to provide to Bondue and Avicanna according to applicable law, access to the Company's financial personnel, Books and Records in order to allow them to review such Closing Financial Statements. Each Party shall fully cooperate with the other Party to the extent required to prepare the Closing Financial Statements of the Company.

The Parties acknowledge that the Closing Financial Statements of the Company will be prepared in accordance with IFRS and all applicable requirements and shall include the following:

- 4.3.1 All debts and accounts payable must be reflected with respect to payments owed to all of the Employees and Persons who render services to the Company, including, but not limited to, debts from outstanding severance payments, bonuses, and additional statutory benefits;
- 4.3.2 Any and all accounts payable, advance payments, loans or dividends with the Company's shareholders or any of their related parties.
- 4.3.3 All taxes accrued up until the Execution Date.

Within forty-five (45) days after receiving the Closing Financial Statements, Bondue will provide his comments on the Closing Financial Statements to Avicanna to determine whether the Closing Financial Statements provided are satisfactory or whether Bondue has any discrepancies with the Closing Financial Statements.

If the Parties do not reach an agreement on any discrepancy, then the dispute may be submitted for final determination to an independent audit firm (the "Firm") mutually agreed upon by the Parties. The Parties shall use commercially reasonable efforts to cause the Firm to complete its work within twenty (20) days of its engagement. To the extent that the dispute involves legal questions and not strictly accounting issues or calculations falling under the expertise of the Firm, the solution of the dispute will be achieved in accordance with the procedures set out in Section 7.4 of this Agreement.

Clause V - Indemnities

5.1 The Parties' Indemnity Obligation

- (i) As of the date of execution, Bondue, LER and the Company (and their successors and assignors) shall hold harmless and indemnify, to the extent permitted by law, Avicanna, its shareholders, directors, officers, employees, agents, and representatives (hereinafter, "Avicanna's Indemnified Parties"), for any claim, liability, harm, damage, order, penalty, sanction, tax, cost (including amounts paid in a transaction or to legal counsel) derived from any claim, suit, procedure, or investigation (whether civil, penal, administrative, or other) (hereinafter, any of them, a "Harm") caused by, based in, or resulting from, in full or in part by: (a) any false or inaccurate representation provided by Bondue or the Company in this Agreement; or (b) any breach to the commitments and covenants of the Shareholder or the Company set forth under this Agreement *provided however*, that the failure to comply with Clauses 2.1, 2.2. and 2.3. herein, related to the payment of Bondue's Company Shares, except for events of gross negligence, fraud or willful misconduct (*culpa grave o dolo*) by the Parties or for any reason non-attributable to the same Parties, shall not result in breach of the Agreement or constitute a default of the obligations of the Parties under this Agreement.
- (ii) As of the date of execution, Avicanna (and its successors and assignors) shall hold harmless and indemnify, to the extent permitted by law, Bondue LER and the Company, their shareholders, directors, officers, employees, agents, and representatives (hereinafter, the "Bondue's Indemnified Parties" and together with Avicanna's Indemnified Parties, as applicable, the "Indemnified Parties"), for Harm caused by, based in, or resulting from, in full or in part by: (a) any false or inaccurate representation provided by Avicanna in this Agreement; or (b) any breach to the commitments and covenants by Avicanna set forth under this Agreement.

5.2 Certain Limitations

The Representations and Warranties of the Parties hereto contained in or made pursuant this Agreement, shall survive the Transfer Date in full force and effect until the date that is two years after the Transfer Date and shall expire at such time, except for the Fundamental Representations and Warranties which shall survive until the respective statute of limitations.

Except with regard to Harm based upon, arising out of, with respect to or by reason of any inaccuracy or breach of any Fundamental Representations and Warranties or warranty, the aggregate amount of all Losses for which the Parties shall be liable shall not exceed fifteen percent (15%) of the Consideration (the "Cap"). Harm based upon, arising out of, with respect to or by reason of any inaccuracy or breach of any Fundamental Representations and Warranties or warranty, the aggregate amount of all Harm for which Parties shall be liable shall not exceed the Consideration.

5.3 Claims

5.3.1 Claims not Originated by Third-Party Claims

Indemnified Party shall notify the other Parties, any claim that, by virtue of this Section, may generate an indemnity liability on the other Parties that does not imply third party claims, indicating the cause and the amount of such claim. If, within ten (10) Business Days after having been notified on the claim the failing Party does not object the claim cause or amount, it shall be understood that the failing Party, as the case may be, are committed to indemnify the respective Indemnified Parties for the amount requested on the claim notice and to deposit the corresponding amount within five (5) Business Days. On the other hand, if within ten (10) Business Days after having been notified, the failing Party objects the cause of the claim or its amount, the Parties shall solve the issue as soon as possible (either by mutual agreement or through arbitration process as established herein) and, if required, the failing Party shall pay, within five (5) Business Days after the resolution of the issue, the amount so determined.

5.3.2 Claims Initiated by a Third-Party

- (i) If an Indemnified Party were notified of a litigation, claim, or process started by a third party, that may trigger the indemnity obligations established under this Section, the Indemnified Party shall notify the existence of such litigation, claim, or process to the failing Party, indicating the facts and circumstances alleged in it and specifying the cause and amount covered by the indemnity obligation in virtue of this Section. Absence of notice does not release the failing Party from the indemnity obligation.
- (ii) Unless the failing Party exercise their right to assume the control of the defense of a litigation, claim, or process started by a third party, the Indemnified Party shall assume the control of its defense and shall determine the corresponding strategy with legal advisors selected by the Indemnified Party whose costs shall be fully covered in compliance of the indemnity obligation.
- (iii) The failing Party shall have the right, previous notice to the Indemnified Party, within five (5) Business Days of the notice of litigation, claim, or process started by the third party, to assume control of the litigation, claim, or process defense with legal advisors selected by the failing Party and reasonably accepted by the Indemnified Party.
- (iv) In case the failing Party assumes the control of the litigation, claim, or process defense under the terms contemplated in this Section, the Indemnified Party shall have the right to participate in the defense with legal advisors selected by it fully payable by the failing Party.
- (v) The Parties agree to keep each other informed about the status of an eventual litigation, claim, or process that may trigger the indemnities established under this Section and shall make their best efforts to cooperate on the defense of such litigation, claim, or process.

- (vi) The failing Party shall pay Indemnified Parties the indemnity amount they have the right to receive from the failing Party in compliance with what has been established under this Section, within five (5) Business Days of the date the Indemnified Party has made the payment that triggered the indemnity obligation in charge of the failing Party.

Clause VI - Termination of Purchase Undertaking

The obligation of Bondue to transfer the Bondue's Company Shares to Avicanna and the obligation of Avicanna to cause the issuance and placement of Avicanna's Shares in favor of Bondue will terminate:

- (i) If, at any time, in the reasonable opinion of Avicanna or Bondue, anything has occurred which has or may be expected to have a Material Adverse Effect or there exists any situation which indicates that performance by Avicanna or Bondue of their obligations under this Agreement or in relation to the Business cannot be expected; or
- (ii) If any of the Parties has breached this Agreement and/or the Shareholder's Agreements, and such breach is incapable of cure or, where such breach is capable of cure, it has not been cured within thirty (30) days following receipt by the failing Party, as the case may be, of notice of such breach from the fulfilled Party.

Clause VII - Miscellaneous Provisions

7.1 Expenses.

The Company, LER, Bondue and Avicanna shall pay for their own costs and expenses incurred in connection with this Agreement and the transactions contemplated herein.

7.2 Amendments, Waivers.

This Agreement may only be amended or supplemented by written document executed by the Parties. No provision of this Agreement may be extended or verbally waived. No extension or waiver will be binding unless executed in writing by the Party to be bound by the extension or by the waiver.

7.3 Governing Law

This Agreement shall be governed by, and interpreted according to, the laws of the Republic of Colombia.

7.4 Arbitration

All disputes, claims, questions, or differences shall be finally settled by arbitration in accordance with the arbitration rules of the Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá (the “Rules”) before one (1) arbitrator who will be mutually designated by the Parties. If no such agreement is reached within thirty (30) days after a Party has provided a written communication (the “Communication”) to the other Party, the arbitrator shall be appointed by the Arbitration and Conciliation Centre of the Chamber of Commerce of Bogotá.

It is the intent of the Parties that, barring extraordinary circumstances, the arbitration proceeding will be concluded within ninety (90) days from the date the arbitrator is appointed. The arbitration tribunal may extend this time limit in the interests of justice. Failure to adhere to this time limit shall not constitute a basis for challenging the award. The place of arbitration will be the city of Bogotá, D.C., Republic of Colombia, and the arbitration will be conducted in Spanish. The arbitration award will be decided in law according to the laws of Colombia, will be considered final and binding for the Parties, and shall stipulate the costs of arbitration and all other matters related thereto. Notwithstanding the foregoing, this arbitration clause will not be applicable to obligations that arise under this Agreement when said obligations may be enforced through a summary proceeding or an executory proceeding according to Colombian law.

7.5 Service of Notice

Any notice, direction, or communication (hereinafter, each a “Notification”) given regarding the matters contemplated by this Agreement must be in writing, delivered personally, or by Courier and email addressed:

To Avicanna:

Attention: Aras Azadian, CEO
Address: J LABS @ Toronto, MaRS Centre, West Tower, 661 University Avenue, Suite 1300,
Toronto, Ontario, Canada M5G 0B7
Phone: + 001 416 875 9112
E-mail: aras.azadian@avicanna.com

To LER, the Company and/or Almalu:

Attention: Lucas Echeverri
Address: Calle 24 # 4-86, Santa Marta, Colombia
Phone: 315 337 7664
E-mail: lucaseche@hotmail.com

To Bondue:

Attention: Germán Zapata Hurtado

Address: Carrera 1 No. 22 -58 Edificio Bahia Centro, Santa Marta, Colombia
Phone: 57(5) 432-8120
E-mail: gzapata@daabon.com.co

A Notification shall be construed delivered and received (i) if personally delivered or e-mailed, on the date of delivery, if it is a business day, and the delivery was made before 4:00 p.m. (reception place local time) and, otherwise, on the following business day, (ii) if sent by same-day delivery service courier, on the date of the delivery, if sent on a business day and delivery was made before 4:00 p.m. (reception place local time) and, otherwise, on the following business day, (iii) if sent by overnight courier, on the following business day. A Party may eventually change its address through notification as provided herein.

7.6 Severability

If it is determined by an arbitrator or by any court with jurisdiction and competence that any regulation of this Agreement is illegal, invalid, or unenforceable, such regulation shall be severed from this Agreement and the remaining regulations shall remain in full force and effect and, if necessary, the Parties shall agree on an alternative clause that complies with applicable laws and has the desired effect by the Parties.

7.7 Headings

The titles of the clauses or sections and other subtitles herein have been inserted as reference only and shall not affect the meaning or the interpretation of this Agreement.

7.8 Successors and Assignees

This Agreement shall be in force only when executed by the Parties. After such time, it shall be binding and shall inure to the benefit the Parties, and their respective successors and authorized assignees. The Parties may not assign their rights under this Agreement without the previous written consent of the other Parties.

7.9 Counterparts

This Agreement may be executed in any number of counterparts and each and all such counterparts, taken together, shall be deemed to constitute just one agreement.

7.10 Confidential Nature and Publication

No information or announcement with respect to the transactions contemplated herein will be made available to the public by the Parties without prior written consent of the other Parties; such consent shall not be unreasonably denied. The Parties agree to maintain at all times the confidentiality of all of the information related to this Agreement and the transactions contemplated herein, with respect

EXECUTION VERSION

June 20, 2018

to the Company, the assets and the Business, unless a request to disclose the confidential information was made by a pertinent authority or that such disclosure is required by law or for the purposes of a financial reporting. The Party required to make the disclosure shall use its reasonable efforts to obtain authorization from the other Party as form, nature, and extent of the disclosure and shall only make such disclosure when legally bound to or when authorized by the other Party. The confidentiality commitments by the Parties contemplated under this Agreement supersede all prior agreements, understandings, and discussions, oral or written, by the Parties.

[Intentionally left blank]

Annex VIII
Transaction Expenses

[Redacted - Commercially Sensitive Information]

Annex IX
Stock Participation of the Company

Final Stock Composition of the Company		
Shareholder	Number of shares	Percentage
LER	1.000	1,60%
Bondue	24.000	38,40%
Avicanna	37.500	60%
Total	62.500	100%