Execution Version

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 feasability 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.

"**Receipient**" 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 60.7 (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 inventive 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:

[redacted]

(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 elegible 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 form 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 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 feasability 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 Sharehoders 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, the 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 incured 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.

[redacted]

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 Receipient 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 coventants 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, whithin 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: [redacted]
Phone:
E-mail:

To Bondue:

Attention: Germán Zapata Hurtado
Address: [redacted]
Phone:
E-mail:

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*]

IN WITNESS WHEREOF, the Parties execute this Shareholders Agreement on August 14, 2018 in 4 counterparts of the same value, one for each Party.

The Company [redacted]

[redacted]

Lucas Echeverri
Legal Representative
C.C. [redacted]

[redacted]

Avicanna

[redacted]

Setu Nimish Purohit
General Counsel
Passport No [redacted]

Lucas Echeverri

[redacted]

Lucas Echeverri
C.C. [redacted]

Bondue

[redacted]

Germán Zapata Hurtado
C.C. [redacted]