AGREEMENT FOR SALE AND PURCHASE OF SHARES

between

NICHOLAS JON FOREMAN

and

CANNASOUTH LIMITED

MTB-266913-1-32-V3:RXC

Ellice Tanner Hart.
LAWYERS

AGREEMENT dated 24th August 2018

PARTIES:

1. **NICHOLAS JON FOREMAN** ("Vendor")

2. **CANNASOUTH LIMITED** ("Purchaser")

BACKGROUND:

A. **CANNASOUTH PLANT RESEARCH NEW ZEALAND LIMITED** ("Company") is a registered company under registration number 6284148 and has an issued share capital of 1000 fully paid ordinary shares issued at nil value each.

B. The Vendor is the beneficial owner of 485 ordinary shares in the capital of the company ("Shares").

C. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, the Shares upon the terms and conditions contained in this agreement.

AGREEMENT:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this agreement and its Schedule the following terms will have the following meanings:

Settlement Date means 2 pm on the 24th of August 2018.

Share Purchase Price means the sum of $1.00

Working Day has the meaning in s 29 of the Interpretation Act 1999.

1.2 **Interpretation**

(a) References

Unless otherwise stated a reference to a clause or to a Schedule is to a clause in, or a Schedule to, this agreement.

(b) Plurals

Words referring to the singular include the plural and vice versa.

(c) Writing

Expressions referring to writing shall be construed as including references to words printed, typewritten or otherwise reproduced.

(d) Currency

Unless otherwise stated, references to dollars and "$" are references to the lawful currency of New Zealand.

2. EXECUTION

This agreement may be executed:

(a) in two or more counterparts, all of which are deemed originals, but which together constitute one agreement; and

(b) by facsimile, PDF or email image copies signed by the parties, provided that immediately after transmission of the executed agreement each party will forward to the others the original executed copies for the purpose of forming the counterparts referred to in (a) above.

3. SALE AND PURCHASE OF SHARES

Subject to the terms and conditions set out in this agreement, and on the basis of the representations, warranties, and agreements contained within it, the Purchaser agrees to purchase the Shares from the Vendor, and the Vendor agrees to sell the Shares to the Purchaser, for the Share Purchase Price.

4. SETTLEMENT

(a) Settlement of the sale and purchase of the Shares will occur on the settlement date.

(b) Delivery of documents.

Upon receipt of the Share Purchase Price the Vendor must deliver to the Purchaser:

(c) properly signed transfers of the Shares to the Purchaser in registrable form; and

(d) a waiver signed by the shareholders of the company waiving all rights of pre-emption conferred on them by the constitution of the company in respect of the transfer of all of the Shares; and

(e) a resolution of the directors of the company approving the transfers of the Shares and directing that upon presentation of those transfers duly executed the name of the Purchaser be entered in the register of shareholders of the company as the owners of the Shares; and

(f) a resolution of the shareholders of the Company approving the transfer of the Shares to the Purchaser.

5. PAYMENT

On settlement the Purchaser must pay to the Vendor the Share Purchase Price in cash in one sum prior to 2 pm on the settlement date.

6. REPRESENTATION AND WARRANTIES

The Vendor warrants with the Purchaser that:

(a) the Vendor has full corporate power and authority to sign and perform this agreement;

(b) the Vendor is the legal and beneficial owner of the Shares in the capital of the company;

(c) as at the settlement date, the Shares will be held by the Vendor free of all security interests;

(d) there is no right or option for any such person to take Shares in the capital of the company;

(e) the Vendor does not directly or indirectly own, nor is beneficially entitled to, any of the assets normally employed in the day to day operation of the business of the company; and

(f) as at the settlement date the Vendor will have repaid to the company any and all outstanding inter-company indebtedness, other than such debts as may occur during, or arise out of, the normal course of business, and that no such debts will be owing by the company to the Vendor.

7. **NO ASSIGNMENT**

Neither party to this agreement has the right to assign its benefits under this agreement to any third party, except to a subsidiary or associated company within its group, nor to prevent it assigning pursuant to a corporate reconstruction.

8. **PUBLICITY – CONFIDENTIALITY**

Except as required by law, and the Rules of the New Zealand Exchange Limited, no announcement is to be made by the Vendor or the Purchaser as to the subject matter or terms of this agreement, except at such time and in such form and manner as they agree in writing.

9. **MERGER**

Notwithstanding any rule of law to the contrary, none of the representations, undertakings, warranties and covenants contained in this agreement will merge or be extinguished upon settlement, but will continue to remain in full force and effect.

10. **NOTICES**

(a) All notices required or permitted to be given under this agreement shall be in writing addressed to the party to whom it is to be sent at the address or facsimile number set out in this clause 10 or subsequently advised in writing to the other parties.

(b) Delivery may be effected by hand, by post with postage prepaid, or by facsimile or by email.

(c) Any notice given under this agreement shall be deemed to have been received:

(d) at the time of delivery, if delivered by hand;

   (i) on the second day after the date of mailing, if sent by fastpost or airmail with postage prepaid;

   (ii) on the fifth day after the date of mailing if sent by standard post;

   (iii) at the time of transmission if sent by facsimile. If there is any dispute or difference between the parties over the fact of transmission in any particular case, production by the sender of a confirmation of clear transmission shall be prima facie evidence of transmission and shall bind the parties accordingly; and

(iv) if sent by email, when acknowledged orally by the party to whom it is sent, or by return email or in writing.

(e) Address for service of notices:

(i) The Purchaser

(A) Facsimile number:

(B) Post Office box number:

(C) Email:

(ii) The Vendor

(A) Facsimile number:

(B) Post Office box number:

(C) Email:

11. PAYMENT OF EXPENSES

Each party will pay all fees and expenses incurred by it in connection with this agreement.

12. ENTIRE AGREEMENT, AMENDMENTS AND WAIVERS

This agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, negotiations, representations, and discussions, whether oral or written, of the parties. The Vendor makes the representations and warranties set forth in clause 7 and no others. Any and all implied warranties are expressly excluded. No supplement, modification, or waiver of this agreement is binding unless in writing and signed by the parties.

13. HEADINGS AND TABLE OF CONTENTS

The headings and the table of contents are inserted for convenience and reference only and shall not affect the meaning or interpretation of this agreement.

14. SEVERABILITY

In the event that any one or more of the provisions contained in this agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this agreement or any other such instrument.

EXECUTED as an agreement

Signed by **NICHOLAS JON FOREMAN** as Vendor in the presence of:

Witness Signature

ASHLEY THOR.

Print Name

24/08/2018

Date

Signature

24/08/2018

Date

Signed by **CANNASOUTH LIMITED** as Purchaser by:

Director Signature

MARK JOHN LUCAS

Print Name

24/08/2018.

Date

Director Signature

NICHOLAS JON FOREMAN

Print Name

24/08/2018

Date