

SHARE EXCHANGE AGREEMENT THIS

AGREEMENT is dated as of April 25th, 2019 (the "Effective Date").

BETWEEN:

1198365 B.C. Ltd.

("Newco")

AND

Those persons set out in part (a) of Schedule "A" hereto (each a "Shareholder" and collectively, the "Shareholders")

AND

ELEMENTS BIOSCIENCE SAPI de CV

("Elements")

AND

SATIVA GROUP BIOSCIENCES SAPI de CV

("Sativa")

WHEREAS:

- A. The Shareholders are the registered and beneficial owners of the shares of Elements and Sativa set out opposite their names in part (a) of Schedule "A" hereto being all of the issued and outstanding shares of each of Elements and Sativa;
- B. Newco wishes to acquire and the Shareholders wish to sell those shares of Elements and Sativa set out opposite the names of the Shareholders in part (b) of Schedule "A" hereto (the "Elements Shares" and the "Sativa Shares" respectively) on the terms and conditions set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of \$10.00 now paid by the Buyer to the Sellers and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Sellers, the Parties agree as follows:

1. INTERPRETATION

1.1 Definitions

"Affiliate" or "affiliate" means an affiliate as that term is defined in the *Business Corporations Act* (British Columbia).

"Agreement" means this Share Purchase Agreement, including all schedules and exhibits, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties.



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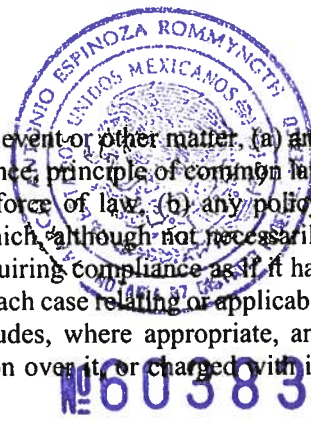
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“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively in the foregoing clauses (a) and (b), “Law”), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

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“Books and Records” with respect to a Company, means all books, ledgers, files, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, tax returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained in connection with such Company and its Business.

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“Business” means, with respect to a Company, that Company’s business as it is currently being conducted.

“Business Day” means any day excluding a Saturday, Sunday or statutory holiday in the Province of British Columbia, Canada, or Mexico.

“Chemonte” has the meaning ascribed to it in Section 2.3

“Claim” means any claim, demand, action, cause of action, suit, arbitration, investigation, proceeding, complaint, grievance, charge, prosecution, assessment or reassessment, including any appeal or application for review.

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“Closing” means the completion of the sale and purchase of the Elements Shares and the Sativa Shares pursuant to this Agreement.

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“Closing Date” means the date that the Parties may agree is the date upon which the Closing will take place.

“Closing Time” means 10:00 a.m. (Vancouver time) on the Closing Date or any other time on the Closing Date as may be agreed by the Parties.

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“COFEPRIS” means the Comision Federal para la Protección Contra Riesgos Sanitarios part of the Mexican government.

“Communication” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.

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“Companies” means Elements and Sativa and “Company” means any one of them.

“Confidential Information” means, in relation to any Party:

- (a) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that the Discloser discloses to, or that is gathered by inspection by a Recipient or any of the Recipient’s Representatives in the course of the Recipient’s review of the transactions contemplated by this Agreement, whether provided before or after the date of this Agreement, including information that contains or otherwise reflects information concerning the Discloser or its businesses, affairs, financial condition, assets,

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liabilities, operations, prospects or activities, and specifically includes financial information, budgets, business plans, ways of doing business, business results, prospects, customer lists, forecasts, engineering reports, environmental reports, evaluations, legal opinions, names of venture partners and contractual parties, and any information provided to the Discloser by third parties under circumstances in which the Discloser has an obligation to protect the confidentiality of such information;

- (b) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing the same ("Notes");
- (c) the existence and terms of this Agreement; and
- (d) the fact that information has been disclosed or made available to the Recipient or the Recipient's Representatives;

but does not include any information that:

- (e) at the time of disclosure to the Recipient or thereafter becomes generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient's Representatives in breach of this Agreement;
- (f) is or was received by the Recipient on a non-confidential basis from a source other than the Discloser or its Representatives if such source is not prohibited from disclosing the information to the Recipient by a confidentiality agreement with, or a contractual, fiduciary or other legal confidentiality obligation to, the Discloser; or
- (g) was known by the Recipient prior to disclosure in connection with the transactions contemplated by this Agreement and was not subject to any contractual, fiduciary or other legal confidentiality obligation on the part of the Recipient.

"Consent" means any consent, approval, permit, waiver, ruling, exemption or acknowledgement from any Person (other than the Company) which is provided for or required: (i) in respect of or pursuant to the terms of any Contract; or (ii) under Applicable Law, in either case in connection with the sale of the Elements Shares and Sativa Shares to Newco on the terms contemplated in this Agreement, to permit the Companies to carry on the Business after Closing or which is otherwise necessary to permit the Parties to perform their obligations under this Agreement.

"Consideration Shares" has the meaning set out in Section 3.2.

"Contracts" means any agreement, understanding, undertaking, commitment, licence, or Lease, whether written or oral.

"Corporate Articles" means the certificate and articles of incorporation of each of the Companies or Newco, or the equivalent document.

"Deficiency Notice" has the meaning set out in Section 6.1.

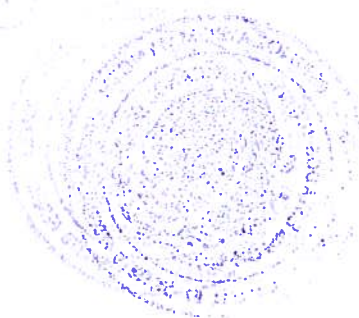
"Discloser" means a Person disclosing Confidential Information.

"Due Diligence Period" has the meaning set out in Section 6.1.

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“Due Diligence Review” has the meaning set out in Section 6.1.

“Elements Shares” has the meaning set out in Recital B.

“Employees” means all personnel employed, engaged or retained by a Company in connection with its Business.

“Encumbrance” means any security interest, mortgage, charge, pledge, hypothec, royalty, lien, encumbrance, restriction, option, adverse claim, right of others or other encumbrance of any kind.

“Environment” means the ambient air, all layers of the atmosphere, all water including surface water and underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, living organisms and organic and inorganic matter, and includes indoor spaces.

“Environmental Laws” means any Laws relating to the Environment and protection of the Environment, the regulation of chemical substances or products, health and safety including occupational health and safety, and the transportation of dangerous goods.

“Escrow Agreement” has the meaning set out in Section 3.6.

“Financial Statements” means with respect to any Company: (i) the audited consolidated balance sheet, consolidated statement of income, statement of cash flows of such Company for the most recently completed financial year; and (ii) the unaudited consolidated balance sheet, consolidated statement of income and statement of cash flows of such Company for the most recently completed interim period, all as prepared in accordance with applicable Generally Accepted Accounting Principles or International Financial Reporting Standards, as applicable.

“Finder’s Shares” has the meaning set out in Section 3.9.

“Final Shareholdings” means the Shareholdings of Newco following the issuance of the Consideration Shares, the closing of the MediCan Agreement and prior to the Initial Financing, substantially as set out in Schedule D to this Agreement.

“Governmental Authority” means: (i) any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and (ii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.

“Indemnified Party” means any Person entitled to indemnification under this Agreement;

“Indemnifier” means any Person obligated to provide indemnification under this Agreement;

“Initial Financing” means the first equity financing undertaking by Newco so as to raise a minimum of Cdn\$5,000,000.

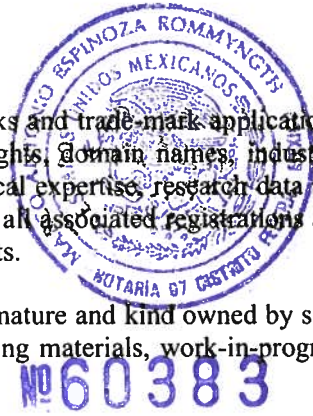
“Insurance Policies” means with respect to a Company, the insurance policies maintained by such Company with respect to its Business.

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“**Intellectual Property**” means with respect to a Company, all trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, owned by or licensed to such Company, including all associated registrations and applications for registration, and all associated rights, including moral rights.

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“**Inventories**” means with respect to a Company, all inventories of every nature and kind owned by such Company and pertaining to its Business including raw materials, packaging materials, work-in-progress and finished goods.

“**Law**” or “**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Governmental Authority, and the term “applicable” with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to the Person or Persons, or its or their business, undertaking, property or Securities, and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or Securities.

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“**Leased Premises**” means with respect to a Company, all of the lands, premises, structures and buildings which are leased by such Company.

“**Leases**” means all of the leases relating to the Business of a Company other than Real Property Leases.

“**Licenses**” means licences issued by the COFEPRIS or the regulator in Mexico substituting COFEPRIS equal or similar to those currently requested by Elements and Sativa before such regulator consisting of at a minimum, 1 cannabis raw materials and supplies authorization and 1 cannabis beverage authorization for commercialization purposes.

“**Listing**” has the meaning set out in Section 3.5.

“**Loss**” means any loss, liability, damage, cost, expense, charge, fine, penalty or assessment including the costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise and all interest, fines, penalties and all professional fees and disbursements on a 100 percent, complete indemnity basis and including loss of value and the monetary value of lost opportunity.

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“**Material Adverse Change**” means with respect to a Company, a change in such Company’s Business or in the operations, affairs, prospects or condition (financial ongoing or otherwise) of such Company including any such change arising as a result of any change in Applicable Law, the amendment or revocation of any licence or as a result of fire, explosion, accident, casualty, labour problem, flood, drought, riot, storm, terrorist act, pandemic, disease, influenza, virus, act of God or otherwise, except for changes occurring in the ordinary course of business which, either individually or in the aggregate, have not materially adversely affected and will not materially adversely affect the Business or the operations, affairs, or condition (financial or otherwise) of the Company. For certainty, any changes to the Mexican Governmental Rules in connection with the issuance of licenses and authorizations for importing, labeling and commercializing cannabis-related products, including the Licenses, shall not be considered a Material Adverse Change.

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“**Material Contract**” means with respect to a Company, a Contract that: (i) involves or may result in the payment of money or money’s worth by or to such Company in the amount in excess of USD\$5,000, (ii) has an unexpired term of more than one (1) year (including renewals), (iii) cannot be terminated by a Company



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without penalty upon less than ten (10) day's notice, or (iv) the termination of which, or under which the loss of rights, would constitute a Material Adverse Change.

"MediCan Agreement" means an agreement between Newco and Organto Foods Inc. providing for Newco to acquire all of the shares of MediCannabis S.A.S. in accordance with the terms set out in attached as Schedule E.

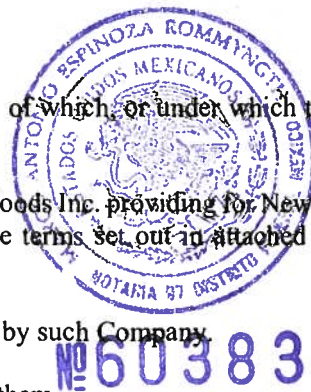
"Owned Lands" means with respect to a Company, all the premises owned by such Company.

"Parties" means parties hereto collectively, and **"Party"** means any one of them.

"Permits" means with respect to a Company, the applications, authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges (other than those relating to the Intellectual Property) issued or granted by any Governmental Authority to a Company.

"Permitted Encumbrances" includes with respect to a Company, but is not limited to:

- (i) unregistered liens for municipal taxes, assessments or similar charges incurred by such Company in the ordinary course of its Business that are not yet due and payable or, if due and payable, are to be adjusted for on Closing;
- (ii) inchoate mechanic's, construction and carrier's liens and other similar liens arising by operation of law or statute in the ordinary course of such Company's Business for obligations which are not delinquent and will be paid or discharged in the ordinary course of such Company's Business;
- (iii) unregistered Encumbrances of any nature claimed by any Governmental Authority under any applicable Law, except for unregistered liens for unpaid realty taxes, assessments and public utilities;
- (iv) title defects which are of a minor nature and in the aggregate do not materially impair the value or use of any of the Owned Lands or the Leased Premises;
- (v) any right of expropriation conferred upon any Governmental Authority under any applicable Law;
- (vi) zoning restrictions, easements and rights of way or other similar Encumbrances or privileges in respect of real property which in the aggregate do not materially impair the value or use of any of the Owned Lands or the Leased Premises;
- (vii) Encumbrances created by others upon other lands over which there are easements, rights-of-way, licences or other rights of user in favour of the Owned Lands or Leased Premises and which do not materially impede the use of the easements, rights-of-way, licences or other rights of user for the purposes for which they are held; and
- (viii) any Encumbrance which Newco has expressly agreed to assume or accept pursuant to this Agreement.



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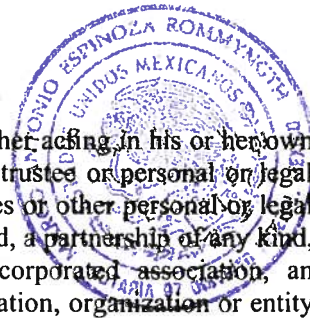
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“Person” will be broadly interpreted and includes: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees of other personal or legal representatives of a natural person; (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and (iii) a Governmental Authority.

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“Personal Information” means information about an individual who can be identified by the Person who holds that information.

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“Pooling Agreement” has the meaning set out in Section 3.5.

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“Purchase Price” has the meaning set out in Section 3.2.

“Recipient” means a Person receiving Confidential Information from a Discloser.

“Real Property Leases” means all of the leases between a Company, as tenant, and any Person, as landlord, and all amendments to those leases, relating to the leasing by the Company of the Leased Premises.

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“Sativa Shares” has the meaning set out in Recital B.

“Shareholders’ Disclosure Letter” means the disclosure letter delivered by the Shareholders to Newco contemporaneously with the execution and delivery of this Agreement.

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“Shareholders’ Agreement” means that agreement between the Shareholders and Newco.

“Tax” or “Taxes” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, payroll deductions, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority.

“Tax Law” means any Law that imposes Taxes or that deals with the administration or enforcement of liabilities for Taxes.

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“Unsatisfactory Aspect” has the meaning set out in Section 6.1.

2. CERTAIN RULES OF INTERPRETATION

2.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” or “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

2.2 The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

2.3 **Shareholders’ Representative.** Notwithstanding anything else contained herein, Jordi Chemonte Sayrols (“Chemonte”) shall be the designated representative of the Shareholders for all purposes of this Agreement and in such capacity he is authorized to execute such documents and take

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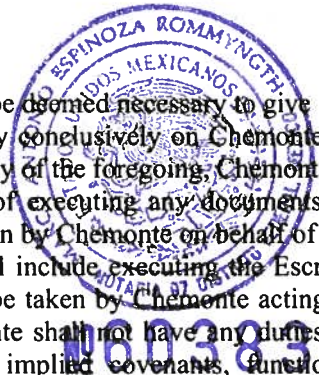


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such actions on behalf of the Shareholders as may be required or shall be deemed necessary to give full force and effect to this Agreement and Newco shall be entitled to rely conclusively on Chemonte as representing the Shareholders as a whole. Without limiting the generality of the foregoing, Chemonte is appointed as attorney for each of the Shareholders for the purpose of executing any documents or performing any acts contemplated herein. All action required to be taken by Chemonte on behalf of the Shareholders under this Agreement (which, for greater certainty, shall include executing the Escrow Agreement on the Closing Date on behalf of the Shareholders) shall be taken by Chemonte acting in concert on behalf of the Shareholders under this Agreement. Chemonte shall not have any duties or responsibilities except those set forth in this Agreement and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or shall otherwise exist against Chemonte. Chemonte shall be entitled to rely, and shall be fully protected in relying, upon any statements furnished to him by any of the Shareholders or Newco. Chemonte shall in all cases be fully protected *vis-à-vis* each of the Shareholders in acting, or refraining from acting, on behalf of the Shareholders under this Agreement and any action taken or failure to act pursuant thereto shall be binding upon all of the Shareholders. All fees and expenses incurred by Chemonte shall be borne by the Shareholders in accordance with the proportionate interest of shares being acquired by such Shareholder in Newco as set out in Schedule B. The Shareholders agree to indemnify and save harmless Chemonte and his heirs, executors, administrators and personal representatives, as the case may be, from and against, on a proportionate basis consistent with Schedule B, any and all claims, demands, damages, losses, liabilities, amounts paid in settlement of claims and judgments and the costs and expenses relating hereto and any other amounts paid in respect of civil, criminal or administrative action, proceeding or investigation to which Chemonte are made a party or are subject to by reason of or otherwise arising in connection with this Agreement, except for any fraud, gross negligence or willful misconduct of Chemonte.



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2.4 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise specified.

2.5 Unless otherwise specified in this Agreement, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

2.6 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

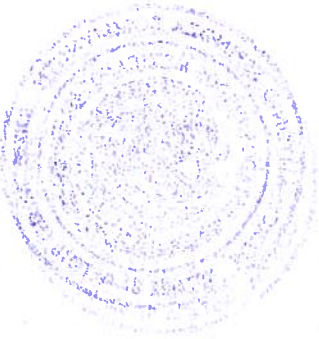
2.7 Governing Law. This Agreement is governed by and is to be construed and interpreted in accordance with, the Laws of the Province of British Columbia and the Laws of Canada applicable in that Province.

2.8 Entire Agreement. This Agreement and any other agreement or agreements and other documents to be delivered under this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties.

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2.9 Schedules. The following is a list of Schedules:

Schedules

- A - The Shareholders and their Shareholdings
- B - Consideration allocated to the Shareholders
- C - MediCan Agreement Proposed Terms
- D - Proposed Capital Structure
- E - Estimated Assets and Liabilities



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3. PURCHASE AND SALE

3.1 Purchase and Sale. At the Closing Time, on and subject to the terms and conditions of this Agreement, the Shareholders shall sell to Newco, and Newco shall purchase from the Shareholders, the Elements Shares and the Sativa Shares.

3.2 Purchase Price. The consideration payable by Newco for the Elements Shares and the Sativa Shares collectively (the "Purchase Price") is 18,000,000 common shares in the capital of Newco, having a deemed price of CDN\$0.02 per share (the "Consideration Shares"), which is the full and final consideration due and payable to the Shareholders on account of the purchase and sale of the Elements Shares and the Sativa Shares. The Consideration Shares are issuable to the Shareholders in the amount set opposite their names in Schedule "B", which Consideration Shares will be subject to the Pooling Agreement and the Escrow Agreement.

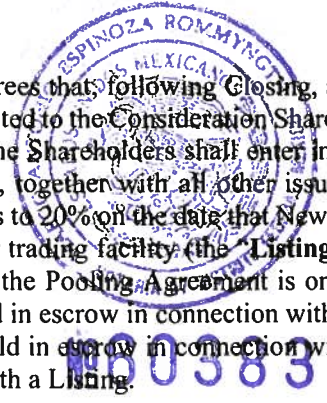
3.3 Elements Expenses. It is acknowledged that Elements will incur ongoing business expenses from the date hereof until Closing. Newco agrees to lend Cdn\$190,000.00 to Elements upon execution of this Agreement (the "Elements Expense Amount"). The Elements Expense Amount will be unsecured and non-interest bearing. Subject to Sections 3.6, 6.1 and 6.2, the Elements Expense Amount shall be deemed forgiven or capitalized by Newco on the date of when the Licensees have been granted and received. If the Consideration Shares are cancelled because the Licenses have not been granted and received by the Release Date, as hereafter defined, then the Elements Expense Amount will be repaid to Newco by Elements within 90 calendar days. If this Agreement is terminated in accordance with Sections 6.1 or 6.2, then the Elements Expense Amount will be repaid to Newco by Elements within 6 months after such event is notified and the payment of the Elements Expense Amount is requested by Newco. For clarity, the obligation to repay the Elements Expense Amount is a several obligation of Elements and shall not be subject to any indemnities provided in this Agreement by the Shareholders or Sativa.

3.4 Reimbursement. In connection with the purchase and sale of the Elements Shares and Sativa Shares, Newco will pay US\$250,000 on the closing of the Initial Financing (the "Reimbursement") to Elements, which Elements shall distribute to those of the Shareholders who held Elements Shares immediately prior to Closing, pro rata in accordance with their holdings in the Elements Shares as detailed in Schedule "A" hereto. The Reimbursement and the Elements Expense Amount together shall represent full satisfaction of any obligations of Newco with respect to reimbursement for past expenses of Elements and Sativa.



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3.5 Pooling Agreement. Each of the Shareholders and Newco agrees that, following Closing, all of the shares in Newco as presented in Schedule D, including but not limited to the Consideration Shares, will be subject to a pooling agreement (the "Pooling Agreement"). The Shareholders shall enter into the Pooling Agreement at Closing, whereby the Consideration Shares, together with all other issued shares in Newco identified in Schedule D, will be pooled and released as to 20% on the date that Newco or its successor corporation is listed on a recognized stock exchange or trading facility (the "Listing") and a further 20% every 6 months thereafter. It is acknowledged that the Pooling Agreement is only intended to apply to the shares of Newco that are not required to be held in escrow in connection with a Listing (the "Listing Escrow"). The shares of Newco required to be held in escrow in connection with a Listing will be released from the Pooling Agreement in connection with a Listing.

3.6 Escrow Agreement. Each of the Shareholders agrees that the Consideration Shares issued to them together with the Elements Shares and the Sativa Shares will be subject to an escrow agreement to be entered into by them at Closing whereby the certificates representing the Consideration Shares and certificates representing the Elements Shares and the Sativa Shares will be held in escrow and the Consideration Shares released to the Shareholders and the Elements Shares and the Sativa Shares released to Newco on the later of the dates that Newco has acquired all the shares of MediCannabis S.A.S. or the last of the Licences is granted (the "Release Date") provided, that if the Release Date has not occurred by April 1, 2020:

- (a) the Consideration Shares will be returned to Newco;
- (b) the Elements Shares and the Sativa Shares shall be returned to the Shareholders; and
- (c) Elements will return the Elements Expense Amount to Newco within 90 calendar days.

Notwithstanding the above, the Shareholders may waive or extend the Release Date as it relates to Newco acquiring the shares of MediCannabis and Newco may waive or extend the Release Date as it relates to the granting of the Licenses. For greater clarity, the Escrow Agreement is separate from the Listing Escrow.

3.7 Shareholders' Agreement. Each of the Shareholders agrees they shall be subject to a shareholders' agreement in a form that shall be finalized prior to Closing (the "Shareholders' Agreement") which shall provide, inter alia, that they agree to vote the Consideration Shares held by them in favour of resolutions put forward by the management of Newco at any shareholders meeting of Newco for a period expiring on the date of Listing.

3.8 Resale Restrictions. The Shareholders and Newco acknowledge that Newco is not a reporting issuer under the laws of British Columbia and thus all the issued shares, including but not limited to the Consideration Shares, are restricted from transfer until Newco becomes a reporting issuer, and that there are no assurances this will occur.

3.9 Finders Fee. It is acknowledged that on Closing Newco shall pay finders' fees by issuing shares in Newco (the "Finder's Shares") to certain finders in consideration of their efforts in connection with the acquisition of Elements and Sativa by Newco. It is intended that such Finders' Shares will be subject to the Pooling Agreement, the Escrow Agreement and the Shareholders' Agreement.

3.10 Appointment of Director. Upon execution of this Agreement, the Shareholders shall provide the name of the appointee (the "Additional Director") of the Shareholders to the board of Newco along with such consents and other documents signed by such appointee as shall be requested by Newco, acting



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reasonably, in connection with appointment of the Additional Director to the board of Newco. The Additional Director shall be appointed as a director of Newco upon signing of this Agreement.

If this Agreement is terminated in accordance with Section 6.1, or if the Consideration Shares are returned to Newco in accordance with Section 3.6, and if requested by Newco, the Additional Director shall resign as a director of Newco immediately.



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4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Shareholders. As a material inducement to Newco entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that Newco are entering into this Agreement in reliance upon the representations and warranties of the Shareholders set out in this Section 4.1, except as detailed in the Shareholders' Disclosure Letter, the Shareholders represent and warrant to Newco as follows it being acknowledged that the representations and warranties set forth in (a), (b), (c) and (d) hereof are representations of each Shareholder severally or to themselves alone whereas the remaining representations and warrants are joint and several:

- (a) **Capacity to Enter Agreement.** The Shareholder has all necessary authority and capacity to enter into and perform their obligations under this Agreement.
- (b) **Binding Obligation.** This Agreement has been duly executed and delivered by the Shareholder and constitutes a valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms, subject to applicable bankruptcy, insolvency and other Laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- (c) **Residence of Shareholders.** Save and except for Mr. Jesús Pablo Gomez Vallarta, each Shareholder is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- (d) **Title to Elements Shares and Sativa Shares.** The Shareholder is legal and beneficial owner of the Elements Shares and Sativa Shares set opposite the Shareholder's name in part (a) of Schedule "A" and has good title to them, free and clear of any Encumbrance. At Closing, the Shareholder will have the absolute and exclusive right to sell the Elements Shares and the Sativa Shares set opposite their name in part (b) of Schedule "A" to Newco as contemplated in this Agreement.
- (e) **Corporate Capacity to Enter Agreement.** Each of Elements and Sativa has all necessary authority and capacity to enter into and perform their obligations under this Agreement.
- (f) **Corporate Binding Obligation.** This Agreement has been duly executed and delivered by each of Elements and Sativa and constitutes a valid and binding obligation of each of Elements and Sativa, enforceable against each of Elements and Sativa in accordance with its terms, subject to applicable bankruptcy, insolvency and other Laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- (g) **Absence of Conflict.** None of the execution and delivery of this Agreement, the performance of the Shareholders' obligations under this Agreement, or the completion of the transactions contemplated by this Agreement will:

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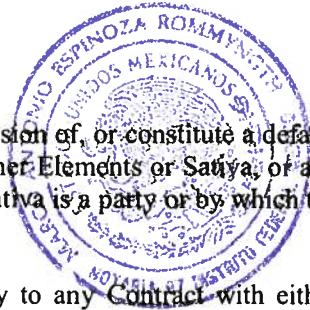
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- (i) result in or constitute a breach of any term or provision of, or constitute a default under, the Corporate Articles or the by-laws of either Elements or Sativa, or any Contract to which the Shareholders, Elements or Sativa is a party or by which the Elements Shares or Sativa are bound;
- (ii) constitute an event which would permit any party to any Contract with either Elements or Sativa to amend, cancel, terminate or sue for damages with respect to that Contract, or to accelerate the maturity of any indebtedness of the Company, or other obligation of either Elements or Sativa under that Contract; or
- (iii) result in the creation or imposition of any Encumbrance on the Elements Shares or the Sativa Shares;
- (iv) contravene any applicable Law; or
- (v) contravene any judgment, order, writ, injunction or decree of any Governmental Authority.

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- (h) **Restrictive Covenants.** Neither Elements nor Sativa is a party to, or bound or affected by, any Contract containing any covenant expressly limiting its ability to compete in any line of business, or transfer or move any of its assets or operations, or which could reasonably be expected to have a Material Adverse Change.
- (i) **Regulatory Approvals.** No authorization, approval, order, consent of, or filing with, any Governmental Authority is required on the part of the Shareholders or Elements or Sativa in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered by the Shareholders or Elements or Sativa under this Agreement.
- (j) **Consents.** Except as disclosed in the Shareholders' Disclosure Letter, there is no requirement to obtain any consent, approval or waiver of a party under any Material Contract to which the Shareholders, Elements or Sativa is a party in order to complete the transactions contemplated by this Agreement.
- (k) **Subsidiaries and Investments.** Neither Elements or Sativa has any Subsidiaries. Except as disclosed in the Shareholders' Disclosure Letter, neither Elements or Sativa owns or hold, directly or indirectly, any securities of, or has any interest in, any Person and neither Elements or Sativa has entered into any agreement to acquire any such interest.
- (l) **Corporate Existence of Company.** Each of Elements and Sativa has been duly incorporated and organized and is validly existing and in good standing as a company under the Applicable Laws conferring corporate existence on it. No proceedings have been taken or authorized by either Elements or Sativa in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of such entity.
- (m) **Company Articles.** The Corporate Articles of each of Elements and Sativa constitute all of the charter documents of such entity and are in full force and effect; no action has been taken to further amend the Corporate Articles and no changes to the Corporate Articles are planned.
- (n) **Capacity and Powers of Company.** Each of Elements and Sativa has all necessary corporate power, authority and capacity to own or lease its respective assets and to carry on its Business as currently being conducted.

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- (o) **Jurisdictions.** Elements or Sativa are qualified to do business in the United Mexican States. The nature of the Business conducted by each of Elements and Sativa do not require qualification to do business in any other jurisdiction other than those received under Applicable Law at the date of this Agreement.
- (p) **Authorized and Issued Share Capital.** The Elements Shares and the Sativa Shares set opposite the Shareholders' names in part (a) of Schedule "A" collectively represent all of the issued and outstanding shares of Elements and Sativa.
- (q) **Corporate Records.** The corporate records and minute books of each of Elements and Sativa which have been made available to Newco contain in all respects complete and accurate minutes of all meetings of shareholders of such entity, held or passed since incorporation (or the equivalent documents). All those meetings were held and the share certificate books, registers of shareholders, registers of transfers and registers of directors of such entity are complete and accurate in all respects.
- (r) **Books and Records.** The Books and Records fairly and correctly set out and disclose the financial position of each of Elements and Sativa and all material financial transactions of such entity have been accurately recorded in the Books and Records.
- (s) **Financial Statements.** The Financial Statements of each of Elements and Sativa present fairly: (i) the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of Elements and Sativa, as at the respective dates of the Financial Statements; and (ii) the sales, earnings and results of the operations of Elements and Sativa during the periods covered by the Financial Statements.
- (t) **Tax Matters.** Each of Elements and Sativa has filed all tax returns, has paid all Taxes, and has deducted, withheld or collected, and remitted, all amounts to be deducted, withheld, collected or remitted, with respect to any Taxes, as required under all applicable Tax Laws. There are no Claims either in progress or pending, or, threatened against the Company, in connection with any Taxes. Neither Elements or Sativa has any outstanding liability, obligation or commitment for the payment of any Taxes, except as reflected in the Financial Statements or which relate to Taxes not yet due which have arisen in the usual and ordinary course of its Business since the end of the most recent financial period addressed in the Financial Statements and for which adequate provision in the accounts of such entity has been made.
- (u) **Absence of Changes.** Except as disclosed in the Shareholders' Disclosure Letter, since the date of the last interim period, there has not been: (i) any change in the financial condition, operations, results of operations, or business of either Elements or Sativa nor has there been any occurrence or circumstances which, with the passage of time might reasonably be expected to have a Material Adverse Change; or (ii) any Loss, labor trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by Elements or Sativa which, has had, or may reasonably be expected to have, a Material Adverse Change.
- (v) **Absence of Undisclosed Liabilities.** Except to the extent reflected or reserved in the Financial Statements or incurred subsequent to the date of the last interim period and: (i) disclosed in the Shareholders' Disclosure Letter; or (ii) incurred in the ordinary course of Elements or Sativa's Business, neither entity has any material outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt).



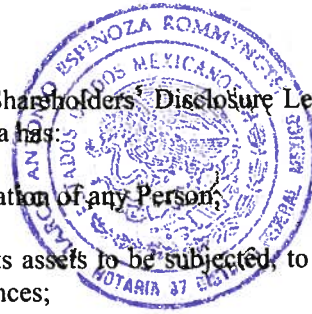
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- (w) **Absence of Unusual Transactions.** Except as disclosed in the Shareholders' Disclosure Letter, since the date of the last interim period neither Elements nor Sativa has:
- (i) given any guarantee of any debt, liability or obligation of any Person;
 - (ii) subjected any of its assets, or permitted any of its assets to be subjected, to any Encumbrance other than the Permitted Encumbrances;
 - (iii) acquired, sold, leased or otherwise disposed of or transferred any assets other than in the ordinary course of its Business;
 - (iv) made or committed to any capital expenditures, except in the ordinary course of its Business;
 - (v) declared or paid any dividend or otherwise made any distribution or other payment of any kind or nature to any of its shareholders or any other Person, or taken any corporate proceedings for that purpose;
 - (vi) redeemed, purchased or otherwise retired any of its shares or otherwise reduced its stated capital;
 - (vii) entered into or become bound by any Contract, except in the ordinary course of its Business;
 - (viii) modified, amended or terminated any Contract (except for Contracts which expire by the passage of time) resulting in a Material Adverse Change;
 - (ix) waived or released any right or rights which it has or had, or a debt or debts owed to it resulting, collectively or individually, in a Material Adverse Change;
 - (x) made any change in any compensation arrangement or agreement with any Employee, officer, director or shareholder of either Company; and
 - (xi) made any change in any method of accounting or auditing practice.
- (x) **Title and Condition of Assets.** Each of Elements and Sativa owns, possesses and has good and marketable title to all of its undertakings, property and assets not otherwise the subject of specific representations and warranties in this Section 4.1, including all the undertakings, property and assets reflected in the most recent consolidated balance sheet included in the Financial Statements, free and clear of all Encumbrances other than Permitted Encumbrances. The undertakings, property and assets of each Company comprise all of the undertakings, property and assets necessary for each to carry on its Business as it is currently operated. Neither Elements nor Sativa own or lease any facilities, machinery, equipment, fixtures, or vehicles .
- (y) **Real Property.** Neither Elements nor Sativa own, possess or have right to any Owned Lands, Leased Premises or Real Property Leases.
- (z) **Intellectual Property.** The Shareholders' Disclosure Letter lists all Intellectual Property held by Elements and Sativa that is registered with any Governmental Authority, the jurisdictions (if any) in which that Intellectual Property is registered (or in which application for registration has been made), and the applicable expiry dates of all listed registrations. All necessary legal steps have been



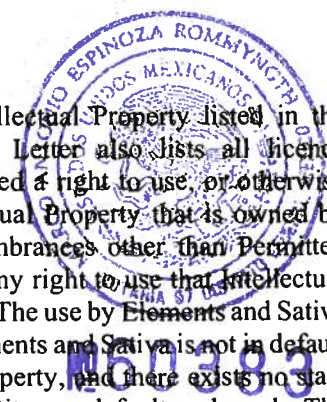
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taken by Elements and Sativa to preserve its rights to the Intellectual Property listed in the Shareholders' Disclosure Letter. The Shareholders' Disclosure Letter also lists all licence agreements under which either Elements or Sativa has been granted a right to use, or otherwise exploit Intellectual Property owned by third parties. The Intellectual Property that is owned by either Elements or Sativa is owned free and clear of any Encumbrances other than Permitted Encumbrances, and no Person other than Elements or Sativa has any right to use that Intellectual Property except as disclosed in the Shareholders' Disclosure Letter. The use by Elements and Sativa of any Intellectual Property owned by third parties is valid, and Elements and Sativa is not in default or breach of any licence agreement relating to that Intellectual Property, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach. The conduct by each of Elements and Sativa of its Business does not infringe the Intellectual Property of any Person.

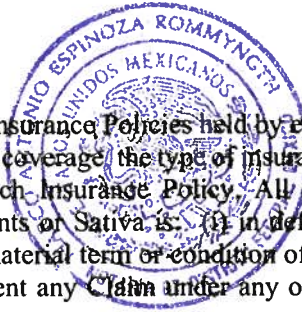
- (aa) **Accounts Receivable.** All accounts receivable of Elements or Sativa reflected in their Financial Statements, or which have come into existence since the date of their most recent Financial Statements, were created in the ordinary and customary course of their Business from bona fide arm's length transactions, and, except to the extent that they have been paid in the ordinary course of their Business since the date of the Financial Statements, are valid and enforceable and payable in full, without any right of set-off or counterclaim or any reduction for any credit or allowance made or given, except to the extent of the allowance for doubtful accounts reflected in the Financial Statements and, in the case of accounts receivable which have come into existence since the date of the most recent Financial Statements, of a reasonable allowance for doubtful accounts, which allowances are, and will as of the Closing Date be, adequate and calculated in a manner consistent with their previous accounting practice.
- (bb) **Inventories.** Neither Elements nor Sativa have any Inventories.
- (cc) **Material Contracts.** The Shareholders' Disclosure Letter lists all Material Contracts to which either Elements or Sativa is a party or bound. Except as disclosed in the Shareholders' Disclosure Letter, neither Company is in default or breach of any Material Contract, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach.
- (dd) **Accounts and Powers of Attorney.** The Shareholders' Disclosure Letter lists: (i) the name of each bank or other depository in which Elements or Sativa maintains any bank account, trust account or safety deposit box and the names of all individuals authorized to draw on them or who have access to them; and (ii) the name of each Person holding a general or special power of attorney from either Elements or Sativa and a summary of its terms.
- (ee) **Compliance with Laws, Permits.** Each of Elements and Sativa is conducting its Business in material compliance with all applicable Laws. All existing material Permits are listed in the Shareholders' Disclosure Letter. All material Permits are valid, subsisting, in full force and effect and unamended, and neither Elements or Sativa is in default or breach of any material Permit; no proceeding is pending or, threatened to revoke or limit any material Permit, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any material Permit or the breach of any term, provision, condition or limitation affecting the ongoing validity of any material Permit.
- (ff) **Environmental Conditions.** Each of Elements and Sativa have been in compliance with all applicable Environmental Laws, and there are no facts which would give rise to non-compliance with any Environmental Laws.;

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(gg) **Insurance Policies.** The Shareholders' Disclosure Letter lists all Insurance Policies held by either Elements or Sativa, and also specifies the insurer, the amount of the coverage, the type of insurance, the policy number and any pending Claims with respect to each Insurance Policy. All such Insurance Policies are in full force and effect and neither Elements or Sativa is: (i) in default, whether as to the payment of premiums or otherwise, under any material term or condition of any of the Insurance Policies; or (ii) has failed to give notice or present any Claim under any of the Insurance Policies in a due and timely fashion.

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(hh) **Litigation.** Except as disclosed in the Shareholders' Disclosure Letter, there are no Claims, whether or not purportedly on behalf of either Elements or Sativa, pending, commenced, or, threatened, which might reasonably be expected to have a Material Adverse Change or which might involve the possibility of an Encumbrance against the assets of either Company. There is no outstanding judgment, decree, order, ruling or injunction involving either Company or relating in any way to the transactions contemplated by this Agreement.

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(ii) **No Expropriation.** No property or asset of either Elements or Sativa has been taken or expropriated by any Governmental Authority and no notice or proceeding in respect of any expropriation has been given or commenced or, is there any intent or proposal to give any notice or commence any proceeding in respect of any expropriation.

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4.2 Representations and Warranties of Newco. As a material inducement to the Shareholders entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Shareholders are entering into this Agreement in reliance upon the representations and warranties of Newco set out in this Section 4.2, Newco represents and warrant to the Shareholders as follows:

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(a) **Corporate Existence of Newco.** Newco is a newly formed corporation duly incorporated and validly existing under the laws of the Province of British Columbia, Canada which has not carried on any business since incorporation.

(b) **Capacity to Enter Agreement.** Newco has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement.

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(c) **Binding Obligation.** The execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of Newco. This Agreement has been duly executed and delivered by Newco and constitutes a valid and binding obligation of Newco, enforceable against Newco in accordance with its terms, subject to applicable bankruptcy, insolvency and other Laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.

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(d) **Absence of Conflict.** None of the execution and delivery of this Agreement, the performance of Newco's obligations under this Agreement, or the completion of the transactions contemplated by this Agreement, will:

(i) result in or constitute a breach of any term or provision of, or constitute a default under, the articles or by-laws of Newco or any Contract, agreement or other commitment to which Newco is a party or which Newco is bound;

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- (ii) constitute an event which would permit any party to any Contract with Newco to amend, cancel, terminate or sue for damages with respect to that Contract, or to accelerate the maturity of any indebtedness of the Company, or other obligation of Newco under that Contract;
- (iii) result in the creation or imposition of any Encumbrance on any shares of Newco including the Consideration Shares;
- (iv) contravene any applicable Law; or
- (v) contravene any judgment, order, writ, injunction or decree of any Governmental Authority.
- (e) **Restrictive Covenants.** Newco is not party to, or bound or affected by, any Contract containing any covenant expressly limiting its ability to compete in any line of business, or transfer or move any of its assets or operations, or which could reasonably be expected to have a Material Adverse Change;
- (f) **Consideration Shares.** The Consideration Shares, as and when issued to the Shareholders in accordance with the terms of this Agreement, will be issued as fully paid and non-assessable shares.
- (g) **Authorized Capital.** The authorized capital of Newco consists of an unlimited number of common.
- (h) **Issued Shares.** Schedule D – Final Shareholdings represents the issued shares of Newco following the issuance of the Consideration Shares and prior to the Initial Financing.
- (i) **Regulatory Approvals.** No authorization, approval, order, consent of, or filing with, any Governmental Authority is required on the part of Newco in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement.
- (j) **Consents.** There is no requirement to obtain any consent, approval or waiver of a party under any Material Contract to which Newco is a party in order to complete the transactions contemplated by this Agreement.
- (k) **Subsidiaries and Investments.** Newco does not have any Subsidiaries, save and except for MediCannabis S.A.S. following completion of the purchase of the shares in accordance with the MediCan Agreement, nor has Newco entered into any agreement to acquire, directly or indirectly, any securities of, or any interest in, any Person.
- (l) **Company Articles.** The Articles of Newco constitute all of the charter documents of Newco and are in full force and effect; no action has been taken to further amend the Articles and no changes to the Articles are planned, save for as otherwise set out herein.
- (m) **Capacity and Powers of Company.** Newco has all necessary corporate power, authority and capacity to own or lease its respective assets and to carry on its Business as currently being conducted.
- (n) **Authorized and Issued Share Capital.** The shares of Newco set out in part (c) in Schedule “A” represent all of the issued and outstanding shares of Newco as at the date of execution of this Agreement.



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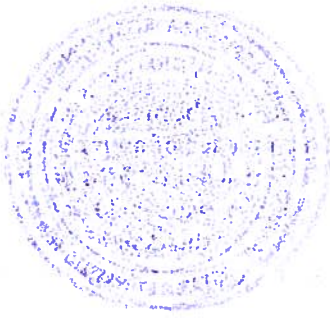
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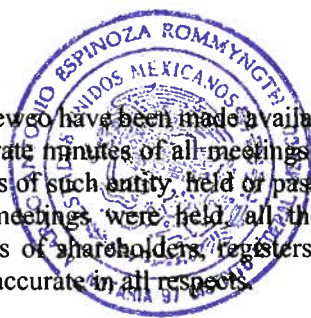
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(o) **Corporate Records.** The corporate records and minute books of Newco have been made available to the Shareholders, and contain in all respects complete and accurate minutes of all meetings of, and all written resolutions passed by, the directors and shareholders of such entity, held or passed since incorporation (or the equivalent documents). All those meetings were held, all those resolutions were passed, and the share certificate books, registers of shareholders, registers of transfers and registers of directors of such entity are complete and accurate in all respects.

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(p) **Tax Matters.** Newco has filed all tax returns, has paid all Taxes, and has deducted, withheld or collected, and remitted, all amounts to be deducted, withheld, collected or remitted, with respect to any Taxes, as required under all applicable Tax Laws. There are no Claims either in progress or pending, or, threatened against Newco, in connection with any Taxes. Newco does not have any outstanding liability, obligation or commitment for the payment of any Taxes, except as reflected in the Financial Statements or which relate to Taxes not yet due which have arisen in the usual and ordinary course of its Business since the end of the most recent financial period addressed in the Financial Statements and for which adequate provision in the accounts of such entity has been made.

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(q) **Assets and Liabilities.** Schedule E fairly and correctly set out all material financial assets and liabilities of Newco as at the date of execution of this Agreement.

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(r) **Absence of Changes.** There has not been: (i) any change in the financial condition, operations, results of operations, or business of Newco nor has there been any occurrence or circumstances which, with the passage of time might reasonably be expected to have a Material Adverse Change; or (ii) any Loss, labor trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by Newco which, has had, or may reasonably be expected to have, a Material Adverse Change.

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(s) **Absence of Undisclosed Liabilities.** Except to the extent reflected or reserved in the Financial Statements or incurred subsequent to the date of the last interim period and incurred in the ordinary course of Newco's Business, neither entity has any material outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt).

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(t) **Absence of Unusual Transactions.** Newco has not:

- (i) given any guarantee of any debt, liability or obligation of any Person;
- (ii) subjected any of its assets, or permitted any of its assets to be subjected, to any Encumbrance other than the Permitted Encumbrances;
- (iii) acquired, sold, leased or otherwise disposed of or transferred any assets other than in the ordinary course of its Business;
- (iv) made or committed to any capital expenditures, except in the ordinary course of its Business;
- (v) declared or paid any dividend or otherwise made any distribution or other payment of any kind or nature to any of its shareholders or any other Person, or taken any corporate proceedings for that purpose;

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- (vi) redeemed, purchased or otherwise retired any of its shares or otherwise reduced its stated capital;
- (vii) entered into or become bound by any Contract, except in the ordinary course of its Business;
- (viii) modified, amended or terminated any Contract (except for Contracts which expire by the passage of time) resulting in a Material Adverse Change;
- (ix) waived or released any right or rights which it has or had, or a debt or debts owed to it resulting, collectively or individually, in a Material Adverse Change;
- (x) made any change in any compensation arrangement or agreement with any Employee, officer, director or shareholder of either Company; or
- (xi) made any change in any method of accounting or auditing practice.
- (u) Title and Condition of Assets.** Except for cash, Newco does not own, possess or have good and marketable title to any property or assets.
- (v) Real Property.** Newco does not have any material Real Property.
- (w) Intellectual Property.** Newco does not have any material Intellectual Property.
- (x) Accounts Receivable.** All receivables of Newco reflected in Schedule E, or which have come into existence since the date of their most recent Financial Statements, except to the extent that they have been paid in the ordinary course of their Business since the date of the Financial Statements, are valid and enforceable and payable in full.
- (y) Inventories.** Newco does not have any material inventories.
- (z) Material Contracts.** Newco is not in default or breach of any Material Contract, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach.
- (aa) Compliance with Laws, Permits.** Newco conducts its Business in material compliance with all applicable Laws. All material Permits are valid, subsisting, in full force and effect and unamended, and Newco is not in default or breach of any material Permit; no proceeding is pending or, threatened to revoke or limit any material Permit, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any material Permit or the breach of any term, provision, condition or limitation affecting the ongoing validity of any material Permit.
- (bb) Environmental Conditions.** Newco has been and is in compliance with all applicable Environmental Laws, and there are no facts which would give rise to non-compliance with any Environmental Laws.
- (cc) Litigation.** There are no Claims, whether or not purportedly on behalf of Newco, pending, commenced, or, threatened, which might reasonably be expected to have a Material Adverse Change or which might involve the possibility of an Encumbrance against the assets of either Company. There is no outstanding judgment, decree, order, ruling or injunction involving Newco or relating in any way to the transactions contemplated by this Agreement.



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(dd) **No Expropriation.** No property or asset of Newco has been taken or expropriated by any Governmental Authority and no notice or proceeding in respect of any expropriation has been given or commenced or, is there any intent or proposal to give any notice or commence any proceeding in respect of any expropriation.

5. COVENANTS

5.1 **Conduct of Business Before Closing.** During the period up to Closing, the Shareholders shall cause Elements and Sativa to operate its Business in the ordinary course in compliance with Applicable Law and the terms and conditions of all Contracts, and in a manner that maintains relations with Employees and the suppliers, customers and landlords of such Company in accordance with past custom and practice provided that, from the date hereof up to Closing.

5.2 Confidentiality

- (a) **Information to be Confidential.** Each Recipient shall treat confidentially and not disclose and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any Confidential Information of a Discloser.
- (b) **Use of Confidential Information.** A Recipient may disclose Confidential Information only to those of its Representatives who need to know such Confidential Information for the purpose of implementing the transaction contemplated by this Agreement. No Recipient shall use, nor permit its Representatives to use, Confidential Information for any other purpose nor in any way that is, directly or indirectly, detrimental to the applicable Discloser.
- (c) **Required Disclosure.** If a Recipient or any of its Representatives receives a request or is legally required to disclose all or any part of the Confidential Information of a Discloser, such Recipient shall (a) immediately notify the Discloser of the request or requirement, (b) consult with the Discloser on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement, and (c) if requested by the Discloser, take all necessary steps to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or if the Discloser waives compliance with the provisions of this Section 5.2, (i) the Recipient receiving the request for disclosure or its Representatives, as the case may be, may disclose to the Person requiring disclosure only that portion of the Confidential Information which such Recipient is advised by written opinion of counsel is legally required to be disclosed, and (ii) such Recipient shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Recipient or its Representatives not permitted by this Agreement.
- (d) **Return or Destruction.** Following the termination of this Agreement in accordance with the provisions of this Agreement, each Recipient shall (and shall cause each of its Representatives to) (a) return promptly to the Discloser all physical copies of the Confidential Information of the Discloser, excluding Notes, then in such Recipient's possession or in the possession of its Representatives, (b) destroy all (i) electronic copies of such Confidential Information, and (ii) Notes (including electronic copies thereof) prepared by such Recipient or any of its Representatives, including electronic back-ups of the foregoing in a manner that ensures the same may not be retrieved or undeleted by such Recipient or any of its Representatives, and (c) deliver to the Discloser a certificate executed by one of the Recipient's duly authorized senior officers indicating that the requirements of this Section 5.2 have been satisfied in full.
- (e) The obligations of confidentiality specified in this Section 5.2 shall survive indefinitely.

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OFFICE OF THE SECRETARY
WASHINGTON, D.C.

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6. CONDITIONS



6.1 Due Diligence Review. Each of the Shareholders (by the Shareholder representative) and Newco will be entitled to a period of 30 days (the “**Due Diligence Period**”) from the Effective Date to conduct such investigations, inspections, surveys or tests of the Business, including reviewing the Books and Records, the Contracts, and the financial and legal condition of the Companies, as the party conducting the review deems necessary or desirable to familiarize themselves with such properties, assets and other matters (the “**Due Diligence Review**”). Notwithstanding the above, Newco will be entitled to a period of 5 Business Days from the Effective Date to conduct investigations, inspections, reviews or other actions customary to due diligence review, to be satisfied with the status of the application for the Permits and Licenses and the proposed Mexican legislation, and the time frame for such implementation. Without limiting the generality of the foregoing, the Shareholders and Newco, as the case may be shall be permitted complete access to all documents relating to information scheduled or required to be disclosed under this Agreement. Each Company shall co-operate fully in facilitating the Due Diligence Review of such Company and shall furnish copies of all such documents and materials relating to such matters as may be requested by or on behalf of the party conducting such Due Diligence Review. Should the Shareholders or Newco not be satisfied with the results of their Due Diligence Review, they may elect to terminate this Agreement prior to the end of Due Diligence Period by notice in writing (the “**Deficiency Notice**”) to the other Parties hereto specifying the aspect of its Due Diligence Review that was not satisfactory (the “**Unsatisfactory Aspect**”). In such case the Company with the Unsatisfactory Aspect will have 7 days to address the Unsatisfactory Aspect to the satisfaction of the Party which gave the Deficiency Notice, acting reasonably, failing which the Agreement will terminate and be of no further force and effect, and Elements shall return the Elements Expense Amount to Newco within 6 months after payment notice has been delivered by Newco to Elements. In circumstances where a party conducting a Due Diligence Review does not give a Deficiency Notice by the end of the Due Diligence Period it will be conclusively deemed to have been satisfied with its Due Diligence Review for all purposes related to this Agreement.

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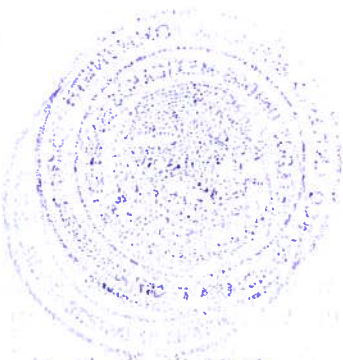
6.2 Shareholders’ Agreement. The obligations of the Shareholders to complete the transactions provided for herein will be subject to the Shareholders, Newco and the current shareholders of Newco agreeing to the terms of the Shareholders’ Agreement by the expiry of the Due Diligence Period. In the event this condition is not performed or fulfilled at or before the expiry of the Due Diligence Period, this Agreement will terminate and be of no further force and effect, and Elements shall return the Elements Expense Amount to Newco within 6 months after payment notice has been delivered by Newco to Elements. This condition is for the benefit of both Newco and the Shareholders, and may be waived by the Newco and the Shareholders at any time before the expiration of the Due Diligence Period. In the event Newco and the Shareholders waive this condition, such waiver shall not constitute a waiver of any other condition, covenant, agreement, representation or warranty made by any party to this Agreement

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6.3 Pooling Agreement. The obligations of the Shareholders to complete the transactions provided for herein will be subject to the Shareholders, Newco and the current shareholders of Newco agreeing to the terms of the Pooling Agreement by the expiry of the 30 day Due Diligence Period. In the event this condition is not performed or fulfilled at or before the expiry of the Due Diligence Period, this Agreement will terminate and be of no further force and effect, and Elements shall return the Elements Expense Amount to Newco within 6 months after payment notice has been delivered by Newco to Elements. This condition is for the benefit for both newco and the Shareholders, and may be waived by the Newco and the Shareholders at any time before the expiration of the Due Diligence Period. In the event Newco and the Shareholders waive this condition, such waiver shall not constitute a waiver of any other condition, covenant, agreement, representation or warranty made by any party to this Agreement. For further clarity, the commencement date of the Pooling Agreement shall be on the date of Listing.

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6.4 Closing Conditions for Benefit of Newco. The obligation of Newco to complete the transactions provided for herein will be subject to the fulfilment of the following conditions at or before the Closing Time:

- (a) **Representations, Warranties and Covenants.** The representations and warranties of the Shareholders made in this Agreement, and any other agreement or document delivered pursuant to this Agreement, will be true and accurate at the Closing Time with the same force and effect as though those representations and warranties had been made as of the Closing Time. The Shareholders will have complied with all covenants and agreements to be performed or caused to be performed by them under this Agreement, and any other agreement or document delivered pursuant to this Agreement, at or before the Closing Time. In addition, the Shareholders will have delivered to Newco a certificate confirming the same. The receipt of each of those certificates and the completion of the Closing will not be deemed to constitute a waiver of any of the representations, warranties or covenants contained in this Agreement, or in any other agreement or document delivered pursuant to this Agreement.
- (b) **Compliance and Deliveries.** The Shareholders shall have performed and complied with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Shareholders at the Closing all the documents contemplated in this Agreement.
- (c) **No Material Adverse Change.** Since the date of this Agreement there will not have been any change in any of the assets, Business, financial condition, earnings, results of operations or prospects of Elements or Sativa, or any other event, development or condition of any character (whether or not covered by insurance) with respect to any of the Companies that has, or might reasonably be expected to have, a Material Adverse Change.
- (d) **Consents.** All filings, notifications and consents with, to or from Governmental Authorities and third parties, including parties to the Material Contracts, will have been made, given or obtained on terms acceptable to Newco, acting reasonably, so that the transactions contemplated by this Agreement may be completed without resulting in the violation of Applicable Law, or without resulting in a violation or default under, or any termination, amendment or acceleration of any obligation under any license, Permit, or Material Contract of or affecting the Business of any of the Companies.
- (e) **No Law.** No Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.

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6.5 Waiver or Termination by Newco. The conditions contained in Section 6.3 are inserted for the exclusive benefit of Newco and may be waived in whole or in part by Newco at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 6.5 are not fulfilled or complied with by the time that is required under this Agreement, Newco may, at or before Closing Time, terminate this Agreement by notice in writing to the Parties.

6.6 Conditions for Benefit of the Shareholders. The obligation of the Shareholders to complete the transactions provided for herein will be subject to the fulfilment of the following conditions at or before the Closing Time:

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- (a) **Representations, Warranties and Covenants.** The representations and warranties of each of Newco made in this Agreement, and any other agreement or document delivered pursuant to this Agreement, will be true and accurate at the Closing Time with the same force and effect as though those representations and warranties had been made as of the Closing Time. Newco will have complied with all covenants and agreements to be performed or caused to be performed by it under this Agreement, and any other agreement or document delivered pursuant to this Agreement, at or before the Closing Time. In addition, Newco will have delivered to the Shareholders a certificate confirming the same. The receipt of those certificates and the completion of the Closing will not be deemed to constitute a waiver of any of the representations, warranties or covenants of Newco contained in this Agreement, or in any other agreement or document delivered pursuant to this Agreement.
- (b) **Compliance and Deliveries.** Newco shall have performed and complied with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Shareholders at the Closing all the documents contemplated in this Agreement.

6.7 Waiver or Termination by the Shareholders. The conditions contained in Section 6.5 are inserted for the exclusive benefit of the Shareholders and may be waived in whole or in part by the Shareholders at any time without prejudice to any of their rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 6.5 are not fulfilled or complied with by the time that is required under this Agreement, the Shareholders may, at or before Closing Time, terminate this Agreement by notice in writing to the Parties.

7. CLOSING AND POST-CLOSING ARRANGEMENTS

7.1 Closing. The Closing shall take place at the Closing Time on the Closing Date at the offices of McMillan LLP in Vancouver, British Columbia, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Parties.

7.2 Shareholders Closing Deliveries. At the Closing, the Shareholders shall deliver or cause to be delivered to Newco the following:

- (a) the certificate or certificates representing the Elements Shares and the Sativa Shares in the name of Newco;
- (b) the cancelled certificates representing the Elements Shares and the Sativa Shares in the name of the Shareholders;
- (c) the Pooling Agreement executed by or on behalf of each Shareholder and evidence that the Consideration Shares issuable to the Shareholders have been deposited pursuant to the Pooling Agreement and the Escrow Agreement;
- (d) the Escrow Agreement executed by or on behalf of each Shareholder;
- (e) the Shareholders' Agreement executed by or on behalf of each Shareholder;
- (f) the Books and Records of Elements and Sativa along with audited annual financial statements since incorporation of the Companies to the most recently completed fiscal year;

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- (g) the written resignation of each director and officer of Elements and Sativa as requested by Newco and a release of all claims by each such director and officer;
- (h) the estimated budget for the operations of Elements and Sativa for 2019;
- (i) certificate confirming approval of Newco's Colombian business plan; and
- (j) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by Newco to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to Newco, acting reasonably.

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7.3 Newco Closing Deliveries. At the Closing, Newco shall deliver or cause to be delivered to the Shareholders the following:

- (a) the Consideration Shares in the names and amounts contemplated herein, which shares shall be deposited pursuant to the Pooling Agreement and held in accordance with the Escrow Agreement;
- (b) the Pooling Agreement executed by Newco;
- (c) the Shareholders' Agreement signed by Newco;
- (d) the Escrow Agreement signed by Newco; and
- (e) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Shareholders to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Shareholders, acting reasonably.

7.4 Joint Closing Deliveries. At the Closing each of Newco, and the Shareholders will deliver to the other Parties the certificates contemplated by Sections 6.3(a) or 6.5(a) as applicable.

8. CONDITIONS SUBSEQUENT

8.1 Listing. It is acknowledged that it is intended to take such steps as shall be necessary to cause the shares of Newco, directly or indirectly, to be listed on a recognized stock exchange or trading facility (the "Listing") and in this regard the Parties agree to take such actions and execute such documents as shall be deemed necessary to give effect to such Listing including, without limiting, the generality of the foregoing, executing such form of escrow agreement restricting the transfer of such of the Consideration Shares as may be required as a condition of Listing.

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8.2 Directors and Unanimity. Until such time as Newco completes the Listing, the articles of Newco shall provide that all resolutions of the directors of Newco must be passed unanimously, and prior to the completion of the Listing, Newco shall have no more than 5 directors.

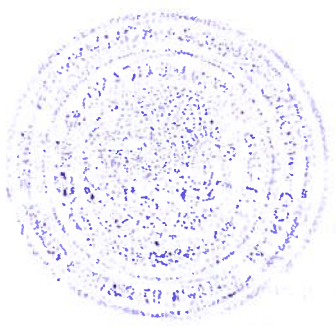
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8.3 CEO. It is acknowledged that Newco and the Shareholders shall jointly select a CEO for Newco prior to Listing.

8.4 Final Shareholdings. It is acknowledged and confirmed that the Final Shareholdings of Newco will be substantially as set out in Schedule D to this Agreement immediately prior to the Initial Financing, and the Parties agree to take such actions and execute such documents as shall be deemed necessary to give effect to this structure.

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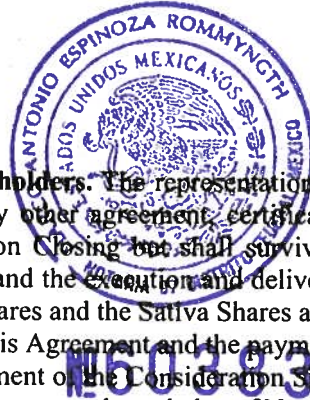


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9. SURVIVAL AND INDEMNIFICATION

9.1 Survival of Representations and Warranties of the Shareholders. The representations and warranties made by the Shareholders in this Agreement and of any other agreement, certificate or instrument delivered pursuant to this Agreement, shall not merge on Closing but shall survive the execution, delivery and performance of this Agreement, the Closing and the execution and delivery of any transfer documents or other documents of title to the Elements Shares and the Sativa Shares and all other agreements, certificates and instruments delivered pursuant to this Agreement and the payment of the Consideration Shares and, notwithstanding such Closing and payment of the Consideration Shares, or any investigation made by or on behalf of Newco or any other Person or any knowledge of Newco or any other Person, shall survive and continue in full force and effect for the benefit of Newco for a period of twelve (12) months after Closing, and notice of any Claim in respect thereof shall be made in writing by Newco within such time frame. Notwithstanding the foregoing sentence:

- (a) the representations and warranties made in Sections 4.1(a), 4.1(b), 4.1(c), 4.1(d), 4.1(e), 4.1(f), 4.1(g), 4.1(h), 4.1(j), 4.1(k), 4.1(l), 4.1(m), 4.1(n), 4.1(p), and 4.1(hh) survive and continue in full force and effect until, but not beyond, the maximum period permitted by law and notice of any claim in respect thereof shall be made in writing by Newco prior to the expiry of such time period; and
- (b) any claim which is based upon intentional misrepresentation or fraud by the Shareholders or any of them may be made or brought by Newco at any time up to the maximum period permitted by law.

9.2 Survival of Representations and Warranties of Newco. The representations and warranties made by Newco in this Agreement and of any other agreement, certificate or instrument delivered pursuant to this Agreement, shall not merge on Closing but shall survive the execution, delivery and performance of this Agreement, the Closing and the execution and delivery of any transfer documents or other documents of title to the Elements Shares and the Sativa Shares and all other agreements, certificates and instruments delivered pursuant to this Agreement and the payment of the Consideration Shares and, notwithstanding such Closing and payment of the Consideration Shares, or any investigation made by or on behalf of the Shareholders or any other Person or any knowledge of the Shareholders or any other Person, shall survive and continue in full force and effect for the benefit of the Shareholders for a period of twelve (12) months after Closing, and notice of any Claim in respect thereof shall be made in writing by the Shareholders within such time frame. Notwithstanding the foregoing sentence:

- (a) the representations and warranties made in Sections 4.2(a), 4.2(b), 4.2(c), 4.2(d), 4.2(e), 4.2(f), 4.2(k), 4.2(l), 4.2(m), 4.2(aa), and 4.2(cc) survive and continue in full force and effect until, but not beyond, the maximum period permitted by law and notice of any claim in respect thereof shall be made in writing by the Shareholders prior to the expiry of such time period; and
- (b) any claim which is based upon intentional misrepresentation or fraud by the Newco or any of them may be made or brought by the Shareholders at any time up to the maximum period permitted by law.

9.3 Notice of Untrue Representation or Warranty.

- (a) During the period between the Effective Date and Closing, Newco shall promptly notify the Shareholders if Newco becomes aware that any of the Shareholders' representations or warranties is untrue or inaccurate or that the Shareholders have, or any one of them has, failed to perform or fulfil any of their covenants or obligations under this Agreement.

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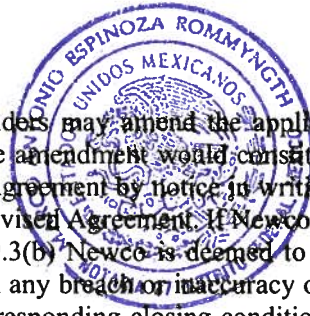
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(b) Following notice by Newco under Section 9.3(a), the Shareholders may amend the applicable representations or warranties in this Agreement; provided, if the amendment would constitute a material representation or warranty, Newco may terminate this Agreement by notice in writing to the Shareholders within five (5) Business Days of receiving the revised Agreement. If Newco does not terminate this Agreement in accordance with this Section 9.3(b) Newco is deemed to have accepted and agreed to the revised Agreement and waived in full any breach or inaccuracy of the representations and warranties of the Shareholders, and any corresponding closing conditions in favour of the Shareholders, addressed by the amendment to the Agreement.

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9.4 Indemnity by the Shareholders and Elements. Subject to the limitation periods in Section 9.1, from the Effective Date until the Closing Date, the Shareholders and Elements, on a joint and several basis, and the Shareholders only after the Closing Date, shall indemnify Newco and its affiliates, directors, officers, representatives and save them fully harmless against any damages arising from, in connection with or related in any manner whatsoever to:

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- (a) any incorrectness in or breach of any representation or warranty of the Shareholders contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the Shareholders contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement.

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9.5 Indemnity by Newco. Subject to the limitation periods in Section 9.2, Newco shall indemnify the Shareholders and save them fully harmless against any damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of Newco contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (b) any breach or non-fulfilment of any covenant or agreement on the part of the Buyer contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement.

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9.6 Limitations:

- (a) An Indemnifier has no obligation or liability for indemnification to an Indemnified Party or otherwise with respect to any representation or warranty made by such Indemnifier in this Agreement after the end of the applicable time period specified in Sections 9.1 and 9.2 except for claims relating to the representations and warranties that the Indemnifier has been notified of prior to the end of the applicable time period.
- (b) An Indemnified Party shall not be entitled to make a claim for indemnification from an Indemnifier under this Article 9 until the aggregate amount of all claims exceeds \$20,000.00. Once the total of all claims exceeds \$20,000.00, then such Indemnified Party shall be entitled to make a claim for all claims, losses, liabilities and expenses incurred (and for greater certainty, it being agreed that in the event such threshold is reached or exceeded, such Indemnified Party shall be entitled to recover the first \$20,000.00 of the claim and any claims, losses, liabilities and expenses in excess of such amount) up to a maximum of US\$1,000,000.00 (the "Maximum Amount"). For greater certainty,

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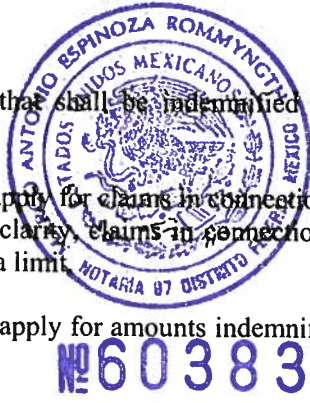


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the total amount of claims, losses, liabilities and expenses that shall be indemnified by the Shareholders shall not exceed the Maximum Amount.

- (c) Notwithstanding 9.6(b) above, the Maximum Amount will not apply for claims in connection with fraud, gross negligence or environmental matters. For further clarity, claims in connection with fraud, gross negligence or environmental matters will not have a limit.
- (d) Notwithstanding 9.6(b) above, the Maximum Amount will not apply for amounts indemnified by Elements and Newco, and shall be unlimited.
- (e) The obligations of each of the Shareholders under this Article 9 are joint and several.



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10. GENERAL

10.1 Expenses. Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers).

10.2 Time of Essence. Time shall be of the essence in this Agreement.

10.3 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.4 Amendment and Waiver. No amendment of this Agreement shall be effective unless made in writing and signed by the Parties. A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Parties to be bound by the waiver, and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by another Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

10.5 Successors and Assigns; Assignment. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

10.6 Counterparts and Electronic Delivery. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by facsimile, e-mail in PDF format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Parties.

10.7 Notices.

- (a) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing

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and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by fax, e-mail (return receipt requested) or other similar means of electronic communication, in each case to the applicable address set out below



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- (i) if to the Shareholders, Elements or Sativa:

c/o Chemonte
Montes Urales 632 Piso 3
Colonia Lomas de Chapultepec
11000, Ciudad de México
Email: jordichemonte@elementsbioscience.com
cc: Miguel Valle (same address) email: mvalle@gcsc.com.mx

- (ii) if to Newco:

c/o 1090 Hamilton Street
Vancouver, B.C. V6B 2R9

Attention: Robert Giustra
Email: robert@columbusgroup.com

- (b) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed, e-mailed or sent before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (c) *Change of Address.* Any Party may from time to time change its address under this Section 10.7 by notice to the other Party given in the manner provided by this Section 10.7.

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

ELEMENTS BIOSCIENCE SAPI DE C.V.

Per:

Name:
Title

Rodrigo Gallardo V.
Legal Representative



Jordi Chemonte Sayrols
Legal **60383**

AFM

Jordi Chemonte Sayrols

Fernando Capdevila Vega

Rosendo Emisel Fonseca Jaimes

Rodrigo Gallardo Valencia

Armando Klein Del Real

Rodrigo de Icaza Merali

Hector Zires Ramirez

Jesus Pablo Gomez Vallarta

Daniel Araico Sayrols

Armando Aguirre Luna

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Jaime Cater Gutiérrez

Miguel Rodrigo Valle Salinas

Alfonso Franco Morales



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SATIVA GROUP BIOSCIENCES SAPI de C.V.

Per:

Name:
Title:

*Rodrigo Eulandis V.
Legal Representative*

*Jordi Chermak Sagrals
Legal Representative*

1198365 B.C. LTD.

Per:

Name:
Title:

*Robert Givira
Director
(Signed May 10/15)*

David J. Cowan
Barrister and Solicitor
McMillan LLP
1500 - 1055 West Georgia Street
PO Box 11117
Vancouver, BC V6E 4N7
t 604.689.9111
f 604.685.7084



6 1 4 0 0 8

David L. Cowan
Registrar and Solicitor
McMillin Hall
1500 - West 96th Street
PO Box 7447
Lawrence, KS 66044
1 904.888.8111
1 800.888.5888

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Schedule A

Part (a)

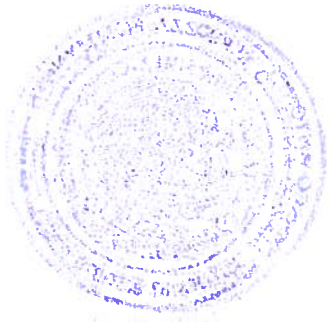
Shareholder Holdings

Shareholder Name	Number of Elements Shares	Number of Sativa Shares
Jordi Chemonte Sayrols	11,000	11,000
Fernando Capdevila Vega	3,250	3,250
Rosendo Emisel Fonseca Jaimes	3,250	3,250
Rodrigo Gallardo Valencia	3,250	3,250
Armando Klein Del Real	3,250	3,250
Rodrigo de Icaza Morali	3,250	3,250
Hector Zires Ramirez	3,250	3,250
Jésus Pablo Gomez Vallarta	3,250	3,250
Daniel Araico Sayrols	3,250	3,250
Armando Aguirre Luna	3,250	3,250
Jaime Cater Gutiérrez	3,250	3,250
Miguel Rodrigo Valle Salinas	3,250	3,250
Alfonso Franco Morales	3,250	3,250
TOTAL	50,000	50,000



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Part (b)

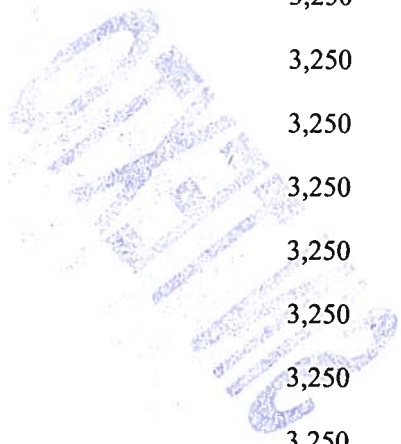
Elements Shares and Sativa Shares



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Shareholder Name	Number of Elements Shares	Number of Sativa Shares
Jordi Chemonte Sayrols	10,999	10,999
Fernando Capdevila Vega	3,250	3,250
Rosendo Emisel Fonseca Jaimes	3,250	3,250
Rodrigo Gallardo Valencia	3,250	3,250
Armando Klein Del Real	3,250	3,250
Rodrigo de Icaza Morali	3,250	3,250
Hector Zires Ramirez	3,250	3,250
Jésus Pablo Gomez Vallarta	3,250	3,250
Daniel Araico Sayrols	3,250	3,250
Armando Aguirre Luna	3,250	3,250
Jaime Cater Gutiérrez	3,250	3,250
Miguel Rodrigo Valle Salinas	3,250	3,250
Alfonso Franco Morales	3,250	3,250
TOTAL	49,999	49,999

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 RG
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Part (c)

Shareholder	Newco Shares
Number of Common Shares	
48 shareholders	40,000,000



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Schedule B

Shareholder Consideration Shares

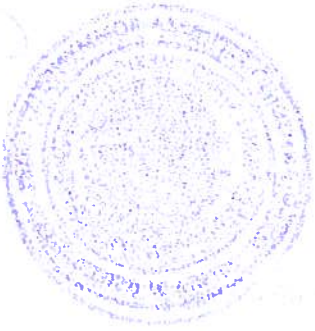
Shareholder Name	Number of Consideration Shares
Jordi Chemonte Sayrols	3,960,000
Fernando Capdevila Vega	1,170,000
Rosendo Emisel Fonseca Jaimes	1,170,000
Rodrigo Gallardo Valencia	1,170,000
Armando Klein Del Real	1,170,000
Rodrigo de Icaza Morali	1,170,000
Hector Zires Ramirez	1,170,000
Jésus Pablo Gomez Vallarta	1,170,000
Daniel Araico Sayrols	1,170,000
Armando Aguirre Luna	1,170,000
Jaime Cater Gutiérrez	1,170,000
Miguel Rodrigo Valle Salinas	1,170,000
Alfonso Franco Morales	1,170,000
Total	18,000,000



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Schedule C
MediCan Agreement Proposed Terms



- Transfer all of the issued and outstanding shares in MediCan from Organto Foods Inc. to Newco
- Issue 10,000,000 common shares of Newco to Organto Foods Inc.
- Cash payment from Newco to Organto Foods Inc. of CDN\$100,000 on closing of the MediCan Agreement, of which, CDN\$85,000 has already been advanced under a grid promissory note.
- Cash payment from Newco to Organto Foods Inc. of CDN\$400,000 on closing of the Initial Financing.
- Newco will assume cannabis related liabilities of Organto Foods Inc. and MediCannabis S.A.S. totalling approximately CDN\$188,000, of which approximately \$145,000 has already been advanced under a grid promissory note.
- Right of first refusal for distribution in Europe of cannabis products created by Newco.

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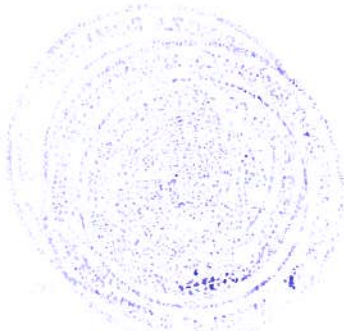
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**Schedule D
Proposed Capital Structure**



	Number of Shares	Ownership %
Mexican Acquisition	18,000,000	24.84%
Mexican Finders' Fee	1,260,000	1.74%
Exclusive Beverage IP	3,000,000	4.14%
Beverage Finders' Fee	200,000	0.28%
Colombian Acquisition	10,000,000	13.80%
Founders' PP	40,000,000	55.20%
	72,460,000	100%

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Schedule E
Newco Estimated Assets and Liabilities
As at April 23, 2019



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	CDNS
Cash	452,000
Receivable – Grid Note ¹	348,000
Total Assets	800,000
Other:	
Commitments to Organto Foods Inc.	543,000

¹Secured with shares of MediCannabis S.A.S.



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MARCO ANTONIO ESPINOZA ROMMYNGTH, titular de la notaría número noventa y siete de la Ciudad de México, CERTIFICO: Que los señores **Jordi Chemonte Sayrols y Rodrigo Gallardo Valencia** en representación de **"ELEMENTS BIOSCIENCE", SOCIEDAD ANÓNIMA PROMOTORA DE INVERSIÓN DE CAPITAL VARIABLE** y **"SATIVA GROUP BIOSCIENCES", SOCIEDAD ANÓNIMA PROMOTORA DE INVERSIÓN DE CAPITAL VARIABLE**, de cuya identidad me aseguré conforme a la relación que corre agregada al apéndice del acta que más adelante se relaciona y a quienes conceptúo capacitados legalmente, reconocieron como suyas las firmas que aparecen en este documento redactado en idioma extranjero, ratificando ante mí su contenido, habiéndome declarado de manera expresa y bajo protesta de decir verdad, en términos del artículo ciento treinta y ocho de la Ley del Notariado para la Ciudad de México, que lo conocen en todos sus términos y en lo que éste consiste, manifestando los señores **Jordi Chemonte Sayrols y Rodrigo Gallardo Valencia**, que sus representadas se encuentran, a su vez, capacitadas legalmente y acreditan que la personalidad que ostentan, no les ha sido revocada, ni en forma alguna modificada y que se encuentran vigente, lo que justifican con los siguientes instrumentos: -----

A) Por lo que se refiere a "ELEMENTS BIOSCIENCE", SOCIEDAD ANÓNIMA PROMOTORA DE INVERSIÓN DE CAPITAL VARIABLE, con escritura número cincuenta y ocho mil novecientos sesenta y cuatro, de fecha catorce de septiembre de dos mil dieciocho, ante mí, cuyo primer testimonio quedó inscrito en el Registro Público de Comercio de esta Ciudad, en el folio mercantil electrónico número N, guion, dos, cero, uno, ocho, cero, ocho, tres, dos, cero, ocho, en la que se constituyó **"ELEMENTS BIOSCIENCE", SOCIEDAD ANÓNIMA PROMOTORA DE INVERSIÓN DE CAPITAL VARIABLE**, con domicilio en la Ciudad de México, duración indefinida, capital social mínimo fijo de cincuenta mil pesos, moneda nacional y máximo ilimitado, cláusula de admisión de extranjeros y teniendo por objeto:-----

- I.- Producción, elaboración, comercialización de productos alimenticios, herbolarios y medicamentos.-----
- II.- Siembra, cosecha, producción, elaboración y comercialización de productos agrícolas en general.-----
- III.- La prestación, enseñanza y difusión de cualquier servicio que se relacione directa o indirectamente con la medicina tradicional, herbolaria y demás disciplinas relacionadas con la misma, así como de la medicina en general.-----
- IV.- La compra, venta, fabricación, arrendamiento, importación, exportación, reparación y/o servicio de todo tipo de artículos, incluyendo sin limitar, instrumental médico, agujas medicinales, aparatos manuales, eléctricos, electrónicos y similares.-----
- V.- Promover, propiciar, difundir y realizar todo tipo de investigación y desarrollar tecnologías, en ambos casos orientados a la realización de actividades concretas que permitan el perfeccionamiento de la medicina tradicional y herbolaria.-----
- VI.- Actuar como intermediario y distribuidor en la recopilación, evaluación, difusión e intercambio de información y bibliografía, y otros datos técnicos relativos a la medicina tradicional y herbolaria.-----
- VII.- Formar parte y adquirir acciones o partes sociales de todo tipo de sociedades mercantiles, así como asociaciones y sociedades civiles, institutos y organizaciones, con o sin fines de lucro, que tengan analogía con los fines de la sociedad.-----
- VIII.- Adquirir, arrendar y en cualquier forma negociar con bienes muebles, vehículos e instrumental médico necesarios o convenientes para los fines sociales.-----
- IX.- Obtener y explotar por cualquier título, patentes, marcas, nombres comerciales, opciones y



preferencias, derechos de autor y concesiones para todo tipo de actividades.-----

X.- Ser comisionista o comitente, mediadora, licenciante, licenciataria, mandante, mandataria o representante en la República Mexicana o en el extranjero, de toda clase de empresas o corporaciones que se dediquen a actividades semejantes o conexas con las anteriormente expresadas.-----

XI.- El establecimiento de oficinas, laboratorios, tiendas, almacenes, aulas y demás instalaciones que se requieran para la prestación de los servicios que antes se mencionan.-----

XII.- Adquirir los bienes muebles e inmuebles y derechos reales o personales que sean necesarios para el cumplimiento de los fines de la sociedad, pudiendo enajenar los bienes de que se trata.-----

XIII.- Emitir, suscribir, aceptar, avalar y en general, negociar con toda clase de títulos de crédito, así como participar en operaciones activas o pasivas de crédito, pudiendo recibir garantías para sí u otorgarlas a favor de terceros.-----

XIV.- Tener representantes en México o el extranjero y representar a personas físicas o morales, mexicanas o extranjeras, en los Estados Unidos Mexicanos o en otros países, mediante la celebración de cualquier contrato o convenio permitido, incluyendo toda clase de comisiones, mercantiles o mandatos, obrando en nombre propio o por cuenta del comitente o mandante.-----

XV.- Contratar al personal necesario, para el cumplimiento de los fines sociales.-----

XVI.- Obtener seguros y fianzas y otorgar todo tipo de garantías personales y reales para garantizar obligaciones de la sociedad o de terceros, así como constituirse en obligado solidario.-----

XVII.- Importar y exportar todo tipo de productos, insumos, bienes o servicios.-----

XVIII.- En general, celebrar toda clase de actos de carácter civil, mercantil o administrativo que sea necesario o conveniente para el cumplimiento de las finalidades de la sociedad.-----

De dicha escritura copio, en su parte conducente, lo que es del tenor literal siguiente:-----

"-----TRANSITORIOS:-----

...SEGUNDO.- Los accionistas acuerdan:-----

...II.- Designar como Director General de la sociedad al señor **JORDI CHEMONTE SAYROLS**, quien gozará de las siguientes facultades:-----

A.- Poder general para pleitos y cobranzas, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del párrafo primero del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, por lo que al efecto gozará, entre otras de las siguientes:-----

a.- Para intentar y desistirse de toda clase de procedimientos, inclusive amparo.-----

b.- Para transigir.-----

c.- Para comprometer en árbitros.-----

d.- Para absolver y articular posiciones.-----

e.- Para recusar.-----

f.- Para hacer cesión de bienes.-----

g.- Para recibir pagos.-----

h.- Para presentar denuncias y querellas en materia penal y para desistirse de ellas cuando lo permita la ley; así como para coadyuvar con el Ministerio Público.-----

Asimismo gozará de todas las facultades para representar a la sociedad, en la celebración de convenios y acuerdos necesarios para poder participar en la etapa de conciliación, en los procedimientos orales contemplados en el Código de Procedimientos Civiles vigente para la Ciudad de México y Código de Comercio, pudiendo al efecto pactar todo lo necesario para celebrar los referidos actos y participar en dichas diligencias.-----



B.- Poder general para pleitos y cobranzas y actos de administración en materia laboral, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requirieran poder o cláusula especial, en los términos del primer y segundo párrafos del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo de los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, en concordancia con los artículos once, seiscientos noventa y dos, seiscientos treinta, seiscientos ochenta y seis segundo párrafo, y ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta de la Ley Federal del Trabajo, promoviendo, conciliando y contestando toda clase de demandas o de asuntos, siguiéndolos en todos sus trámites, instancias e incidentes hasta su final decisión, conformarse o inconformarse con las resoluciones de las autoridades según lo estime conveniente, así como interponer los recursos legales procedentes, para que represente a la sociedad ante los trabajadores de la misma, ya sea individual o colectivamente y ante los sindicatos que correspondan, y en general, para que represente a la sociedad en los conflictos laborales y lleve a cabo todos los actos administrativos de la sociedad en materia laboral y la represente ante las Juntas de Conciliación y Arbitraje, tanto locales como federales y demás autoridades de trabajo enumeradas en el artículo ciento veintitrés de la Constitución Política de los Estados Unidos Mexicanos, para que comparezca a las audiencias de conciliación y demanda y excepciones, y en todas y cada una de las instancias, actos y diligencias de los procedimientos laborales, quedando facultado además para celebrar convenios y transacciones, proponer arreglos conciliatorios, celebrar, negociar y suscribir convenios de liquidación, actuar como representante con calidad de administrador, respecto de toda clase de juicios y de procedimientos de trabajo que se tramite ante cualquier autoridad y formalizar y rescindir contratos de trabajo, en la inteligencia de que todas estas facultades se otorgan de manera enunciativa y no limitativa; en consecuencia tendrá la representación patronal para efectos de los artículos once, cuarenta y seis y cuarenta y siete de la Ley Federal del Trabajo y también la representación legal de la sociedad, para efectos de acreditar la personalidad y capacidad en juicio o fuera de él, en los términos del artículo seiscientos noventa y dos, podrá comparecer para articular y absolver posiciones, en los términos de los artículos setecientos ochenta y seis y setecientos ochenta y nueve de la citada ley, con facultad para oír y recibir notificaciones, comparecer con toda la representación a la audiencia a que se refiere el artículo ochocientos setenta y tres, en los términos de los artículos ochocientos setenta y cinco, ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta, ochocientos setenta y ocho, ochocientos setenta y nueve y ochocientos ochenta y cuatro de la referida Ley Federal del Trabajo.-----

C.- Poder general para actos de administración en los términos del párrafo segundo del citado artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal.-----

D.- Poder general para actos de dominio, de acuerdo con el párrafo tercero del mismo artículo.-----

E.- Poder para otorgar y suscribir títulos de crédito, en los términos del artículo noveno de la Ley General de Títulos y Operaciones de Crédito.-----

F.- Poder para abrir y cancelar cuentas bancarias y librar cheques contra las mismas.-----

G.- Poder para otorgar poderes generales o especiales así como para delegarlos total o parcialmente e inclusive delegar esta facultad y revocar los poderes o delegaciones que otorgue.-----

LIMITACIÓN: Los poderes a que se refieren los incisos A), B), C), E) y F) así como sus respectivas facultades de sustitución contenidas en el inciso G), las podrá ejercer de manera individual.-----

Por lo que se refiere a los poderes a que se refiere el inciso D), así como sus respectivas facultades de sustitución contenidas en el inciso G), las deberá ejercer de forma mancomunada con algún otro apoderado que cuente con las mismas facultades. -----

III.- Designar como apoderados de la sociedad a los señores **RODRIGO GALLARDO VALENCIA** y **JAIME CATER GUTIÉRREZ**, quienes gozarán de las siguientes facultades y con la limitación que más adelante se indica:-----

A.- Poder general para pleitos y cobranzas, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del párrafo primero del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, por lo que al efecto gozarán, entre otras de las siguientes: ----

a.- Para intentar y desistirse de toda clase de procedimientos, inclusive amparo. -----

b.- Para transigir. -----

c.- Para comprometer en árbitros. -----

d.- Para absolver y articular posiciones. -----

e.- Para recusar.-----

f.- Para hacer cesión de bienes. -----

g.- Para recibir pagos. -----

h.- Para presentar denuncias y querellas en materia penal y para desistirse de ellas cuando lo permita la ley; así como para coadyuvar con el Ministerio Público. -----

Asimismo gozarán de todas las facultades para representar a la sociedad, en la celebración de convenios y acuerdos necesarios para poder participar en la etapa de conciliación, en los procedimientos orales contemplados en el Código de Procedimientos Civiles vigente para la Ciudad de México y Código de Comercio, pudiendo al efecto pactar todo lo necesario para celebrar los referidos actos y participar en dichas diligencias.-----

B.- Poder general para pleitos y cobranzas y actos de administración en materia laboral, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del primer y segundo párrafos del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo de los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, en concordancia con los artículos once, seiscientos noventa y dos, setecientos trece, setecientos ochenta y seis segundo párrafo, y ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta de la Ley Federal del Trabajo, promoviendo, conciliando y contestando toda clase de demandas o de asuntos, siguiéndolos en todos sus trámites, instancias e incidentes hasta su final decisión, conformarse o inconformarse con las resoluciones de las autoridades según lo estimen conveniente, así como interponer los recursos legales procedentes, para que representen a la sociedad ante los trabajadores de la misma, ya sea individual o colectivamente y ante los sindicatos que correspondan, y en general, para que representen a la sociedad en los conflictos laborales y lleven a cabo todos los actos administrativos de la sociedad en materia laboral y la representen ante las Juntas de Conciliación y Arbitraje, tanto locales como federales y demás autoridades de trabajo enumeradas en el artículo ciento veintitrés de la Constitución Política de los Estados Unidos Mexicanos, para que comparezcan a las audiencias de conciliación y demanda y excepciones, y en todas y cada una de las instancias, actos y diligencias de los procedimientos laborales, quedando facultados además para celebrar convenios y transacciones, proponer arreglos conciliatorios, celebrar, negociar y suscribir convenios de liquidación, actuar como representantes con calidad de administradores, respecto de toda clase de juicios y de procedimientos de trabajo



que se tramite ante cualquier autoridad y formalizar y rescindir contratos de trabajo, en la inteligencia de que todas estas facultades se otorgan de manera enunciativa y no limitativa; en consecuencia tendrán la representación patronal para efectos de los artículos once, cuarenta y seis y cuarenta y siete de la Ley Federal del Trabajo y también la representación legal de la sociedad, para efectos de acreditar la personalidad y capacidad en juicio o fuera de él, en los términos del artículo seiscientos noventa y dos, podrán comparecer para articular y absolver posiciones, en los términos de los artículos setecientos ochenta y seis y setecientos ochenta y nueve de la citada ley, con facultad para oír y recibir notificaciones, comparecer con toda la representación a la audiencia a que se refiere el artículo ochocientos setenta y tres, en los términos de los artículos ochocientos setenta y cinco, ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta, ochocientos setenta y ocho, ochocientos setenta y nueve y ochocientos ochenta y cuatro de la referida Ley Federal del Trabajo.-----

C.- Poder general para actos de administración en los términos del párrafo segundo del citado artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal.-----

D.- Poder general para actos de dominio, de acuerdo con el párrafo tercero del mismo artículo.-----

E.- Poder para otorgar y suscribir títulos de crédito, en los términos del artículo noveno de la Ley General de Títulos y Operaciones de Crédito.-----

F.- Poder para abrir y cancelar cuentas bancarias y librar cheques contra las mismas.-----

G.- Poder para otorgar poderes generales o especiales así como para delegarlos total o parcialmente e inclusive delegar esta facultad y revocar los poderes o delegaciones que otorguen. --

LIMITACIÓN: Los poderes a que se refieren los incisos A), B), C), E) y F) así como sus respectivas facultades de sustitución contenidas en el inciso G), las podrán ejercer de manera individual.-----

Por lo que se refiere a los poderes a que se refiere el inciso D), así como sus respectivas facultades de sustitución contenidas en el inciso G), las deberán ejercer de forma mancomunada, o cualquiera de ellos con algún otro apoderado que cuente con las mismas facultades...".-----

B) Por lo que se refiere a "SATIVA GROUP BIOSCIENCES", SOCIEDAD ANÓNIMA PROMOTORA DE INVERSIÓN DE CAPITAL VARIABLE, con escritura número cincuenta y ocho mil novecientos sesenta y cinco, de fecha catorce de septiembre de dos mil dieciocho, ante mí, cuyo primer testimonio quedó inscrito en el Registro Público de Comercio de esta Ciudad, en el folio mercantil electrónico número N, guion, dos, cero, uno, ocho, cero, ocho, tres, dos, uno, cero, en la que se constituyó "SATIVA GROUP BIOSCIENCES", SOCIEDAD ANÓNIMA PROMOTORA DE INVERSIÓN DE CAPITAL VARIABLE, con domicilio en la Ciudad de México, duración indefinida, capital social mínimo fijo de cincuenta mil pesos, moneda nacional y máximo ilimitado, cláusula de admisión de extranjeros y teniendo por objeto:-----

I.- Producción, elaboración, comercialización de productos alimenticios, herbolarios y medicamentos.-----

II.- Siembra, cosecha, producción, elaboración y comercialización de productos agrícolas en general.-----

III.- La prestación, enseñanza y difusión de cualquier servicio que se relacione directa o indirectamente con la medicina tradicional, herbolaria y demás disciplinas relacionadas con la misma, así como de la medicina en general.-----

IV.- La compra, venta, fabricación, arrendamiento, importación, exportación, reparación y/o servicio de todo tipo de artículos, incluyendo, sin limitar, instrumental médico, agujas medicinales,

- aparatos manuales, eléctricos, electrónicos y similares. -----
- V.- Promover, propiciar, difundir y realizar todo tipo de investigación y desarrollar tecnologías, en ambos casos orientados a la realización de actividades concretas que permitan el perfeccionamiento de la medicina tradicional y herbolaria. -----
- VI.- Actuar como intermediario y distribuidor en la recopilación, evaluación, difusión e intercambio de información y bibliografía, y otros datos técnicos relativos a la medicina tradicional y herbolaria. -----
- VII.- Formar parte y adquirir acciones o partes sociales de todo tipo de sociedades mercantiles, así como asociaciones y sociedades civiles, institutos y organizaciones, con o sin fines de lucro, que tengan analogía con los fines de la sociedad. -----
- VIII.- Adquirir, arrendar y en cualquier forma negociar con bienes muebles, vehículos e instrumental médico necesarios o convenientes para los fines sociales.-----
- IX.- Obtener y explotar por cualquier título, patentes, marcas, nombres comerciales, opciones y preferencias, derechos de autor y concesiones para todo tipo de actividades.-----
- X.- Ser comisionista o comitente, mediadora, licenciante, licenciataria, mandante, mandataria o representante en la República Mexicana o en el extranjero, de toda clase de empresas o corporaciones que se dediquen a actividades semejantes o conexas con las anteriormente expresadas. -----
- XI.- El establecimiento de oficinas, laboratorios, tiendas, almacenes, aulas y demás instalaciones que se requieran para la prestación de los servicios que antes se mencionan. -----
- XII.- Adquirir los bienes muebles e inmuebles y derechos reales o personales que sean necesarios para el cumplimiento de los fines de la sociedad, pudiendo enajenar los bienes de que se trata.-----
- XIII.- Emitir, suscribir, aceptar, avalar y en general, negociar con toda clase de títulos de crédito, así como participar en operaciones activas o pasivas de crédito, pudiendo recibir garantías para sí u otorgarlas a favor de terceros. -----
- XIV.- Tener representantes en México o el extranjero y representar a personas físicas o morales, mexicanas o extranjeras, en los Estados Unidos Mexicanos o en otros países, mediante la celebración de cualquier contrato o convenio permitido, incluyendo toda clase de comisiones, mercantiles o mandatos, obrando en nombre propio o por cuenta del comitente o mandante.-----
- XV.- Contratar al personal necesario, para el cumplimiento de los fines sociales. -----
- XVI.- Obtener seguros y fianzas y otorgar todo tipo de garantías personales y reales para garantizar obligaciones de la sociedad o de terceros, así como constituirse en obligado solidario.----
- XVII.- Importar y exportar todo tipo de productos, insumos, bienes o servicios. -----
- XVIII.- En general, celebrar toda clase de actos de carácter civil, mercantil o administrativo que sea necesario o conveniente para el cumplimiento de las finalidades de la sociedad.-----
- De dicha escritura copio, en su parte conducente, lo que es del tenor literal siguiente:-----
- "...-----TRANSITORIOS:....-----
- ...SEGUNDO.- Los accionistas acuerdan:....-----
- ...II.- Designar como Director General de la sociedad al señor **JORDI CHEMONTE SAYROLS**, quien gozará de las siguientes facultades:-----
- A.- Poder general para pleitos y cobranzas, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del párrafo primero del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, por lo que al efecto gozará, entre otras de las siguientes:-----
- a.- Para intentar y desistirse de toda clase de procedimientos, inclusive amparo. -----

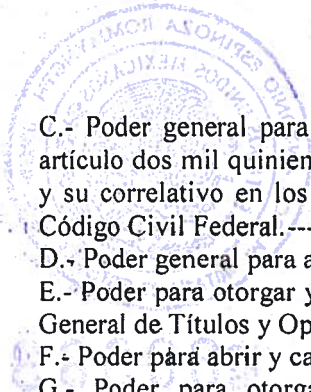


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- b.- Para transigir.-----
- c.- Para comprometer en árbitros.-----
- d.- Para absolver y articular posiciones.-----
- e.- Para recusar.-----
- f.- Para hacer cesión de bienes.-----
- g.- Para recibir pagos.-----
- h.- Para presentar denuncias y querellas en materia penal y para desistirse de ellas cuando lo permita la ley; así como para coadyuvar con el Ministerio Público.-----

Asimismo gozará de todas las facultades para representar a la sociedad, en la celebración de convenios y acuerdos necesarios para poder participar en la etapa de conciliación, en los procedimientos orales contemplados en el Código de Procedimientos Civiles vigente para la Ciudad de México y Código de Comercio, pudiendo al efecto pactar todo lo necesario para celebrar los referidos actos y participar en dichas diligencias.-----

B.- Poder general para pleitos y cobranzas y actos de administración en materia laboral, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del primer y segundo párrafos del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo de los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, en concordancia con los artículos once, seiscientos noventa y dos, setecientos trece, setecientos ochenta y seis segundo párrafo, y ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta de la Ley Federal del Trabajo, promoviendo, conciliando y contestando toda clase de demandas o de asuntos, siguiéndolos en todos sus trámites, instancias e incidentes hasta su final decisión, conformarse o inconformarse con las resoluciones de las autoridades según lo estime conveniente, así como interponer los recursos legales procedentes, para que represente a la sociedad ante los trabajadores de la misma, ya sea individual o colectivamente y ante los sindicatos que correspondan, y en general, para que represente a la sociedad en los conflictos laborales y lleve a cabo todos los actos administrativos de la sociedad en materia laboral y la represente ante las Juntas de Conciliación y Arbitraje, tanto locales como federales y demás autoridades de trabajo enumeradas en el artículo ciento veintitrés de la Constitución Política de los Estados Unidos Mexicanos, para que comparezca a las audiencias de conciliación y demanda y excepciones, y en todas y cada una de las instancias, actos y diligencias de los procedimientos laborales, quedando facultado además para celebrar convenios y transacciones, proponer arreglos conciliatorios, celebrar, negociar y suscribir convenios de liquidación, actuar como representante con calidad de administrador, respecto de toda clase de juicios y de procedimientos de trabajo que se tramite ante cualquier autoridad y formalizar y rescindir contratos de trabajo, en la inteligencia de que todas estas facultades se otorgan de manera enunciativa y no limitativa; en consecuencia tendrá la representación patronal para efectos de los artículos once, cuarenta y seis y cuarenta y siete de la Ley Federal del Trabajo y también la representación legal de la sociedad, para efectos de acreditar la personalidad y capacidad en juicio o fuera de él, en los términos del artículo seiscientos noventa y dos, podrá comparecer para articular y absolver posiciones, en los términos de los artículos setecientos ochenta y seis y setecientos ochenta y nueve de la citada ley, con facultad para oír y recibir notificaciones, comparecer con toda la representación a la audiencia a que se refiere el artículo ochocientos setenta y tres, en los términos de los artículos ochocientos setenta y cinco, ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta, ochocientos setenta y ocho, ochocientos setenta y nueve y ochocientos ochenta y cuatro de la referida Ley Federal del Trabajo.-----



C.- Poder general para actos de administración en los términos del párrafo segundo del citado artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal.-----

D.- Poder general para actos de dominio, de acuerdo con el párrafo tercero del mismo artículo.-----

E.- Poder para otorgar y suscribir títulos de crédito, en los términos del artículo noveno de la Ley General de Títulos y Operaciones de Crédito.-----

F.- Poder para abrir y cancelar cuentas bancarias y librar cheques contra las mismas.-----

G.- Poder para otorgar poderes generales o especiales así como para delegarlos total o parcialmente e inclusive delegar esta facultad y revocar los poderes o delegaciones que otorgue.----

LIMITACIÓN: Los poderes a que se refieren los incisos A), B), C), E) y F) así como sus respectivas facultades de sustitución contenidas en el inciso G), las podrá ejercer de manera individual.-----

Por lo que se refiere a los poderes a que se refiere el inciso D), así como sus respectivas facultades de sustitución contenidas en el inciso G), las deberá ejercer de forma mancomunada con algún otro apoderado que cuente con las mismas facultades.-----

III.- Designar como apoderados de la sociedad a los señores **RODRIGO GALLARDO VALENCIA** y **JAIME CATER GUTIÉRREZ**, quienes gozarán de las siguientes facultades y con la limitación que más adelante se indica:-----

A.- Poder general para pleitos y cobranzas, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del párrafo primero del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, por lo que al efecto gozarán, entre otras de las siguientes:----

a.- Para intentar y desistirse de toda clase de procedimientos, inclusive amparo.-----

b.- Para transigir.-----

c.- Para comprometer en árbitros.-----

d.- Para absolver y articular posiciones.-----

e.- Para recusar.-----

f.- Para hacer cesión de bienes.-----

g.- Para recibir pagos.-----

h.- Para presentar denuncias y querellas en materia penal y para desistirse de ellas cuando lo permita la ley; así como para coadyuvar con el Ministerio Público.-----

Asimismo gozarán de todas las facultades para representar a la sociedad, en la celebración de convenios y acuerdos necesarios para poder participar en la etapa de conciliación, en los procedimientos orales contemplados en el Código de Procedimientos Civiles vigente para la Ciudad de México y Código de Comercio, pudiendo al efecto pactar todo lo necesario para celebrar los referidos actos y participar en dichas diligencias.-----

B.- Poder general para pleitos y cobranzas y actos de administración en materia laboral, con todas las facultades generales y aún con las especiales que de acuerdo con la ley requieran poder o cláusula especial, en los términos del primer y segundo párrafos del artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo de los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal, en concordancia con los artículos once, seiscientos noventa y dos, setecientos trece, setecientos ochenta y seis segundo párrafo, y ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta de la Ley Federal del Trabajo, promoviendo, conciliando y contestando toda clase



de demandas o de asuntos, siguiéndolos en todos sus trámites, instancias e incidentes hasta su final decisión, conformarse o inconformarse con las resoluciones de las autoridades según lo estimen conveniente, así como interponer los recursos legales procedentes, para que representen a la sociedad ante los trabajadores de la misma, ya sea individual o colectivamente y ante los sindicatos que correspondan, y en general, para que representen a la sociedad en los conflictos laborales y lleven a cabo todos los actos administrativos de la sociedad en materia laboral y la representen ante las Juntas de Conciliación y Arbitraje, tanto locales como federales y demás autoridades de trabajo enumeradas en el artículo ciento veintitrés de la Constitución Política de los Estados Unidos Mexicanos, para que comparezcan a las audiencias de conciliación y demanda y excepciones, y en todas y cada una de las instancias, actos y diligencias de los procedimientos laborales, quedando facultados además para celebrar convenios y transacciones, proponer arreglos conciliatorios, celebrar, negociar y suscribir convenios de liquidación, actuar como representantes con calidad de administradores, respecto de toda clase de juicios y de procedimientos de trabajo que se tramite ante cualquier autoridad y formalizar y rescindir contratos de trabajo, en la inteligencia de que todas estas facultades se otorgan de manera enunciativa y no limitativa; en consecuencia tendrán la representación patronal para efectos de los artículos once, cuarenta y seis y cuarenta y siete de la Ley Federal del Trabajo y también la representación legal de la sociedad, para efectos de acreditar la personalidad y capacidad en juicio o fuera de él, en los términos del artículo seiscientos noventa y dos, podrán comparecer para articular y absolver posiciones, en los términos de los artículos setecientos ochenta y seis y setecientos ochenta y nueve de la citada ley, con facultad para oír y recibir notificaciones, comparecer con toda la representación a la audiencia a que se refiere el artículo ochocientos setenta y tres, en los términos de los artículos ochocientos setenta y cinco, ochocientos setenta y seis fracciones primera, segunda, tercera, quinta y sexta, ochocientos setenta y ocho, ochocientos setenta y nueve y ochocientos ochenta y cuatro de la referida Ley Federal del Trabajo.-----

C.- Poder general para actos de administración en los términos del párrafo segundo del citado artículo dos mil quinientos cincuenta y cuatro del Código Civil vigente para la Ciudad de México y su correlativo en los demás Códigos Civiles de los Estados de la República Mexicana y del Código Civil Federal.-----

D.- Poder general para actos de dominio, de acuerdo con el párrafo tercero del mismo artículo.-----

E.- Poder para otorgar y suscribir títulos de crédito, en los términos del artículo noveno de la Ley General de Títulos y Operaciones de Crédito.-----

F.- Poder para abrir y cancelar cuentas bancarias y librar cheques contra las mismas.-----

G.- Poder para otorgar poderes generales o especiales así como para delegarlos total o parcialmente e inclusive delegar esta facultad y revocar los poderes o delegaciones que otorguen. --

LIMITACIÓN: Los poderes a que se refieren los incisos A), B), C), E) y F) así como sus respectivas facultades de sustitución contenidas en el inciso G), las podrán ejercer de manera individual.-----

Por lo que se refiere a los poderes a que se refiere el inciso D), así como sus respectivas facultades de sustitución contenidas en el inciso G), las deberán ejercer de forma mancomunada, o cualquiera de ellos con algún otro apoderado que cuente con las mismas facultades...".-----

Para los efectos legales a que haya lugar, hago constar que la certificación anterior se refiere exclusivamente a la identidad y capacidad de los comparecientes y no prejuzga de manera alguna acerca de la legalidad, veracidad o validez del contenido del documento que se reconoce y ratifica, en virtud de que el suscrito Notario no intervino en su formación y consecuentemente no asume responsabilidad al respecto.-----

Todo lo anterior consta en el acta marcada con el número **sesenta mil trescientos ochenta y tres**, de fecha **seis de mayo de dos mil diecinueve**, ante mí.- Doy fe. -----

Ciudad de México, a **siete de mayo de dos mil diecinueve**. -----

AEMM/nvf*

