

Dated

XX/XX/XXXX

**SUBSCRIPTION AND
SHAREHOLDERS' AGREEMENT**

Between

THE SUBSCRIBERS LISTED IN SCHEDULE 2

and

GREENFERN MEDICINAL MARIJUANA LIMITED

CONTENTS

1. DEFINITIONS AND INTERPRETATION	1
2. SUBSCRIPTION	3
3. SETTLEMENT	3
4. PAYMENTS	3
5. WARRANTIES	3
6. OTHER MATTERS	4
7. NOTICE PROVISIONS	5
8. GENERAL PROVISIONS	5
SCHEDULE 1 – WARRANTIES	8
SCHEDULE 2 – PARTIES	9
SCHEDULE 3 – CAPITALISATION TABLE	11

PARTIES

- (1) THE SUBSCRIBERS LISTED IN SCHEDULE 2 (each a **Subscriber**);
- (2) GREENFERN MEDICINAL MARIJUANA LIMITED (company number 6804155) (the **Company**);
- (3) THE DIRECTORS LISTED IN SCHEDULE 2; and
- (4) THE FOUNDERS LISTED IN SCHEDULE 2 (the **Founders**);

INTRODUCTION

- A. The Subscriber has agreed to invest in the Company.
- B. The Parties wish to record the terms upon which the Company will issue to the Subscriber the Subscription Shares and their agreements relating to the future operations of the Company.
- C. The offer is made online through the Collinson Crowdfunding Ltd ("CCFL") crowdfunding platform under an exclusion under the Financial Markets Conduct Act from usual offer requirements.

TERMS OF THIS AGREEMENT

1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions:** In this Agreement, unless the context otherwise requires:

"**Agreement**" means this agreement;

"**Associated Person**" has the meaning ascribed to the term in Rule 1.8 of the New Zealand Stock Exchange Listing Rules and "**Associate**" and "**Associated**" have corresponding meanings;

"**Board**" means the board of directors for the time being of the Company;

"**Business Day**" means any day (other than a Saturday or Sunday) on which registered banks are open for general banking business in Wellington, New Zealand;

"**Capitalisation Table**" means the table attached as Part B of Schedule 3;

"**CCFL**" means Collinson Crowdfunding Ltd the crowdfund platform;

"**Crowdfund Platform**" means the crowdfunding platform that the offer will be made online through;

"**Director**" means a director of the Company;

"**Investment Materials**" means the documents and materials made available by the Company on the webpage www.ccfi.co.nz in the period leading up to the Settlement Date;

"**Encumbrance**" includes a debenture, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, title retention, equity, deferred purchase option, right of pre-emption and any other security interest or third party right (whether legal or equitable);

"**Founder Shares**" means the class of shares in the Company defined as "Founder Shares" in the constitution of the Company;

"Intellectual Property" includes copyright, and all rights conferred under statute, common law or equity in relation to inventions (including patents), trade marks, designs, circuit layouts, domain names, rights in databases, confidential information, trade secrets, know-how, and all other proprietary rights, whether registered or unregistered, and all equivalent rights and forms of protection anywhere in the world, together with all right, interest or licence in or to any of the foregoing;

"Investor Shares" means the class of shares in the Company defined as "Investor Shares" in the constitution of the Company;

"Parties" means the parties to this Agreement and **"Party"** means any one of them;

"Schedules" means the schedules to this Agreement;

"Settlement Date" means the date linked to the date the offer successfully closes on CCFL's website (subject to the ability of the company to confirm the actual date, as there may be a delay between closing and the issue of shares);

"Subscription Amount" means in respect of a Subscriber, that amount specified in the Capitalisation Table for that Subscriber;

"Subscription Shares" means in respect of a Subscriber, the number of Investor Shares specified in the Capitalisation Table for that Subscriber issued pursuant to clauses 2.1 and 2.2; and

"Warranties" means the warranties set out in Schedule 1.

1.2 **Interpretation:** In the interpretation of this Agreement, unless the context otherwise requires:

- (a) a reference to **"the Subscriber"** is to each Subscriber severally;
- (b) references to the **"Parties"** include their respective executors, administrators, successors and permitted assigns;
- (c) references to **"persons"** include individuals, companies, partnerships, limited partnerships, joint ventures, firms, associations, unincorporated bodies of persons, government or semi-government or local body or municipal bodies (and agencies or political subdivisions of them) and any other association of persons (in each case whether or not having separate legal personality);
- (d) **"including"** and similar words do not imply any limitation;
- (e) headings have been inserted for convenience only and will not affect the construction of this Agreement;
- (f) reference to a statute includes all statutes amending, consolidating or replacing the statute referred to;
- (g) references to **"\$"** are references to New Zealand dollars and all moneys to be paid pursuant to this Agreement shall be paid in New Zealand currency;
- (h) references to time are to New Zealand time;
- (i) references to clauses and any of the Schedules will be construed as references to clauses of, and the Schedules to, this Agreement; and

- (j) the Schedules and introduction to this Agreement form part of the Agreement and have the same force and effect as if expressly set out in the body of this Agreement and any references to this Agreement will include the Schedules and the introduction.

2. SUBSCRIPTION

- 2.1 **Subscription for Subscription Shares:** The Subscriber agrees to subscribe for, and the Company agrees to issue to the Subscriber, the Subscription Shares on the terms set out in this Agreement.
- 2.2 **Terms of the Subscription Shares:** Each Subscription Share:
 - (a) has an issue price of \$1.00;
 - (b) will be issued fully paid and free of Encumbrances;
 - (c) carries the right to receive dividends or distributions of any kind issued by the Company; and
 - (d) ranks pari passu with all other Investor Shares issued by the Company.

3. SETTLEMENT

- 3.1 **Subscriber's obligations:** On or before the Settlement Date, subject to the Company's compliance with clause 3.2, the Subscriber shall pay to the Company the Subscription Amount in accordance with clause 4.
- 3.2 **Company's obligations:** On or before the Settlement Date, and immediately following the completion by the Subscriber of its obligations under clause 3.1, the Company shall issue the Subscription Shares to the Subscriber.
- 3.3 **Post-settlement obligation:** No later than 10 Business Days following the Settlement Date, the Company shall ensure that a notice of issue of the Subscription Shares is filed with the Registrar of Companies.

4. PAYMENTS

- 4.1 **Making payments:** All amounts to be paid pursuant to this Agreement shall be paid:
 - (a) free of any set-off, withholding or deduction (except as required by law or as expressly provided for in this Agreement);
 - (b) in same day cleared funds; and
 - (c) to CCFL's trust account.

5. WARRANTIES

- 5.1 **Company's warranties:** The Company warrants and represents to the Subscriber that each of the Warranties are true, accurate and not misleading as at the Settlement Date. The Company acknowledges that the Subscriber has entered into this Agreement in reliance on the Warranties.
- 5.2 **General warranties:** Each Party warrants and represents to the other that its entry into, exercise of its rights and the performance of its obligations under this Agreement:

- (a) do not and will not violate or contravene any applicable law; and
- (b) are valid, binding and enforceable against it in accordance with their terms.

5.3 **Application of Warranties:** Each of the Warranties is given subject to the following, which shall prevent the Subscriber being entitled to claim that any of the Warranties has been breached:

- (a) any matters disclosed to the Subscriber in the Investment Materials;
- (b) any matter expressly provided for in this Agreement; and
- (c) any matter, act or thing done or omitted to be done in accordance with any provision of this Agreement or at the request in writing or with the approval in writing of the Subscriber.

5.4 **Time limit on claims:** The Subscriber shall not make a Warranty claim unless the Subscriber has given the Company written notice of the Warranty claim including reasonable details on or before the date that falls 12 months after Settlement.

5.5 **Aggregate liability:** The aggregate liability of the Company to the Subscriber in respect of all claims under in or in connection with this Agreement shall not in any circumstances exceed 100% of the Subscription Amount in respect of that Subscriber.

5.6 **No reliance:** The Subscriber acknowledges and agrees that the Subscriber has invested on the basis of their own assessment of the investment in the Company as a start-up company and not in reliance on any representation, information or disclosures (including any presentations) from the Company, its directors, officers, or any other person associated with the Company, other than the Warranties.

6. OTHER MATTERS

6.1 **Related party contracts:** The Company will ensure that no transaction takes place between the Company and any holder of Founder Shares, Director, officer or employee of the Company or any Associate of any of them, unless that transaction is an ordinary course transaction for fair value, or it has been approved by:

- (a) a unanimous resolution of all of the Directors (including at least one Director who is not interested in the transaction); or
- (b) 75% or more (by number) of all holders of Investor Shares.

6.2 **Independent director:** The Company will use reasonable endeavours (having regard to the Company's limited budget for director fees, and the need to find a person with the appropriate qualifications and willingness to act as a Director of a start-up company) to engage a non-executive Director who is independent of the Company, being someone who is not (directly or indirectly) a shareholder of the Company or otherwise party to a material contract with the Company.

6.3 **Lock up:**

- (a) No Founder will be able to sell or transfer any Founder Shares in the Company for 12 months from the Settlement Date, except transfers by a Founder to a trustee of any trust of which the Founder is a primary beneficiary or as a result of a change of a trustee of a trust.

- (b) The Founders are party to this Agreement only for the purposes of clauses 6.3 (*Lock up*), 7 (*Notice provisions*) and 8 (*General provisions*).

6.4 **Pre-emptive rights:** Founders and Subscribers will have pre-emptive rights as described in the Company's constitution.

6.5 **Restraint:**

- (a) Each of the Directors listed in Schedule 2 agrees that for a period of 12 months after they cease to be a Director they will not directly, or indirectly, compete in any material way with the Company or contact any customer or supplier of the Company.
- (b) The Directors are party to this Agreement only for the purposes of clauses 6.5 (*Restraint*), 7 (*Notice provisions*) and 8 (*General provisions*).

7. NOTICE PROVISIONS

7.1 **Notices:** Any notice produced under or relating to this Agreement shall be in writing addressed to the Party at the physical address or email address from time to time designated by that Party in writing to the other Party. Until any other designation is given, the physical address or email address of each Party is as set out in Schedule 2 of this Agreement.

7.2 **Delivery:** Any notice given under this Agreement shall be deemed to have been received:

- (a) at the time of delivery, if delivered by hand;
- (b) 3 Business Days after the date of mailing, if sent by ordinary post within New Zealand;
- (c) 10 Business Days after the date of mailing, if posted or delivered overseas; or
- (d) at the time at which the sender's information system indicates that the email was successfully sent, if sent by email,

provided that any communication received or deemed received after 5pm or on a day which is not a Business Day in the place to which it is delivered, posted or sent will be deemed not to have been received until the next Business Day in that place.

8. GENERAL PROVISIONS

8.1 **Entire agreement:** This Agreement constitutes the entire agreement and understanding between the Parties relating to the matters dealt with in this Agreement, and supersedes any previous agreement, whether oral or written, between the Parties.

8.2 **No waiver:** No Party will be deemed to have waived any right under this Agreement unless the waiver is in writing and signed by that Party. A failure to exercise or delay in exercising any right under this Agreement will not operate as a waiver of that right. Any such waiver will not constitute a waiver of any subsequent or continuing right or of any other provision in this Agreement.

8.3 **Variation and cancellation:** This Agreement may not be varied, modified, amended or cancelled unless such variation, modification, amendment or cancellation is expressly agreed in writing by each Party.

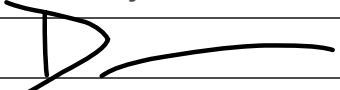

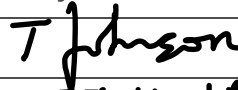
8.4 **Rights and remedies:** Unless otherwise expressly provided in this Agreement, the rights and

remedies set forth in this Agreement are in addition to, and not in limitation of, other rights and remedies under this Agreement, at law, or in equity, and the exercise of one right or remedy will not be deemed a waiver of any other right or remedy.

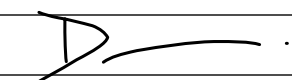

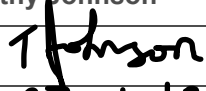
- 8.5 **Severability:** If any provision of this Agreement is found by a court or other competent authority to be void or unenforceable, such provision will be deemed to be deleted from this Agreement and the remaining provisions of this Agreement will continue in full force and effect.
- 8.6 **No merger:** The obligations, warranties and representations of the Parties under this Agreement, to the extent not already performed at the Settlement Date, will not merge on the Settlement Date or on the execution or delivery of any document in connection with this Agreement, but will remain enforceable to the fullest extent notwithstanding any rule of law to the contrary.
- 8.7 **Further assurances:** Each Party shall, at its own expense, promptly sign and deliver any documents, and do all things, which are reasonably required to give full effect to the provisions of this Agreement.
- 8.8 **Governing law and jurisdiction:** This Agreement will be governed by, and construed in accordance with, the laws of New Zealand and the Parties submit to the exclusive jurisdiction of the courts of New Zealand for any matter arising under or relating to this Agreement.
- 8.9 **Counterparts:** This Agreement may be signed and delivered in any number of counterparts (including by way of electronic transmission), all of which when taken together shall constitute one and the same instrument and, notwithstanding the date of execution, will be deemed to bear the date of this Agreement.
- 8.10 **Consent:** The subscriber can consent to be bound by electronic means not only by a physical signature.

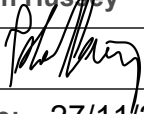

EXECUTION PAGE FOLLOWS

SIGNED by all of the directors of the Company:

Dan Casey	Daniel Leyden	Timothy Johnson
		
Date: 27/11/2018	Date: 27-11-18	Date: 27-11-18

SIGNED by all of the founders of the Company:

Dan Casey	Daniel Leyden	Timothy Johnson
		
Date: 27/11/2018	Date: 27-11-18	Date: 27-11-18

John Hussey	Brendan Partridge
	
Date: 27/11/2018	Date: 27-11-18

SIGNED by the subscribers:

Date:	Date:

SCHEDULE 1 – WARRANTIES

1. **Ownership:** To the best of the Company's knowledge, the Company owns or is legally entitled to use all Intellectual Property used in, or in connection with, the Company's business.
2. **No infringement:** To the best of the Company's knowledge, the Company's business as now carried on does not infringe any Intellectual Property rights of any other person.
3. **Capitalisation:**
 - (a) The capitalisation of the Company at 4 October 2018 is set out in Schedule 3, Part A.
 - (b) The capitalisation of the Company after the issue of shares under this Agreement (assuming each Subscriber settles in accordance with this Agreement) is set out in Schedule 3, Part B.
 - (c) Except as set out in Schedule 3:
 - (i) there are no securities convertible into shares; and
 - (i) there are no options or other entitlements to have shares, or any securities convertible into shares, issued.
4. **Liabilities:** To the best of the Company's knowledge, the Company has not incurred any material liability, indebtedness or other financial obligation except in the ordinary course of the Company's business.
5. **Information:** To the best of the Company's knowledge, the investment Materials were, when given, true and complete in all material respects.
6. **Real property:** To the best of the Company's knowledge, all real property disclosed as the Company's property in the Investment Materials is solely legally and beneficially owned by the Company.
7. **Funds:** The Company intends to use the Subscription Amount for the purpose of its own business or undertaking and does not plan or intend to loan or otherwise advance the Subscription Amount to any other person, in whole or part.
8. **No adverse circumstances:** To the best of the Company's knowledge, there are no circumstances that might reasonably be expected to materially and adversely affect the value of the Company.
9. **No litigation:** The Company is not engaged in any prosecution, litigation, arbitration, mediation or other dispute resolution proceedings or statutory or government enquiry of any kind.

SCHEDULE 2 – PARTIES

COMPANY:

Greenfern Medicinal Marijuana Limited

Address: 127 Normanby Rd, Hawera
4610, Taranaki, New Zealand

Attention: Tim Johnson

Email: info@gmm.nz

Phone: 021 034 3284

DIRECTORS:

Timothy Johnson

Address: 22 Campbell St, Hawera 4610

Attention:

Email: karaponga.power@yahoo.com

Phone: 021 034 3284

Daniel Casey

Address: 687 Inland Rd, Rd 2, Helensville,
0875

Attention:

Email: reachdancasey@googlemail.com

Phone: 027 808 4313

Daniel Leyden

Address: 21 No.3 Road, Te Puke, 3119

Attention:

Email: daniel.leyden.93@gmail.com

Phone: 027 681 7123

FOUNDERS:

Brendon PARTRIDGE

Address: 41 Martin Road, Fairfield,
Dunedin, 9018 , New Zealand

Attention:

Email: breggie2002@yahoo.co.nz

Phone: +84 96 5217650

Daniel Leyden

Address: 21 No.3 Road, Te Puke, 3119

Attention:

Email: daniel.leyden.93@gmail.com

Phone: 027 681 7123

Daniel Casey

Address: 687 Inland Rd, Rd 2, Helensville,
0875

Attention:

Email: reachdancasey@googlemail.com

Phone: 027 808 4313

John HUSSEY

Address: 39 Argentine Ave, Miramar,
Wellington, New Zealand

Attention:

Email: john@fluidity.co.nz

Phone: 020 411 65081

Timothy JOHNSON

Address: 22 Campbell St, Hawera 4610

Attention:

Email: karaponga.power@yahoo.com

Phone: 021 034 3284

SUBSCRIBERS (people who have invested online and whose details are held by CCFL):

Address:

Attention:

Email:

Phone:

Address:

Attention:

Email:

Phone:

SCHEDULE 3 – CAPITALISATION TABLE

A Tables of Shareholding at 4 October 2018

Shareholder Name	Founder Shares	Percentage shareholding (Founder Shares)	Investor Shares	Percentage shareholding (Investor Shares)
Aaron Marsh	0	0%	4500	0.10%
Brendon Partridge	760,649	16.30%	0	0%
Daniel Casey	760,649	16.30%	0	0%
Daniel Leyden	737,345	15.80%	0	0%
John Hussey	975,118	20.90%	0	0%
Kevin Chong	202,818	4.35%	0	0%
Rachael Bailey	0	0%	4500	0.10%
Renewable Power Limited	0	0%	175,578	3.76%
Timothy James Irvin	0	0%	93,293	2.00%
Timothy Johnson	877,727	18.81%	0	0%
Fluke Creative Limited	0	0%	46,687	1.00%
Stuart Kirkham	0	0%	23,303	0.50%
Thorin Siglin	0	0%	4500	0.10%
Totals	4,111,488	88.10%	555,179	11.90%

B Tables of Shareholding after subscriptions

Shareholder Name	Founder Shares	Percentage shareholding (Founder Shares)	Investor Shares	Percentage shareholding (Investor Shares)	Subscription Amount
Aaron Marsh					
Brendon Partridge					
Daniel Casey					

Daniel Leyden					
John Hussey					
Kevin Chong					
Rachael Bailey					
Renewable Power Limited					
Timothy James Irvin					
Timothy Johnson					
Fluke Creative Limited					
Stuart Kirkham					
Thorin Siglin					
Totals					