

**MASTER SERVICES AGREEMENT**

**ENTERED INTO BETWEEN**

**GREENGROW CAPITAL (PTY) LTD**

a private company registered in accordance with the laws of South Africa  
with registration number: 2018/619166/07

(Hereinafter referred to as "**the Company**")

**AND**

**EL PASSO FARMS CC**

a close corporation registered in accordance with the laws of South Africa  
with registered number: 2008/102446/23

(Hereinafter referred to as "**the Client**")

**AND**

**BIG CEDAR TRADING 134 (PTY) LTD**

a private company registered in accordance with the laws of South Africa  
with registration number: 2003/010927/07

(Hereinafter referred to as "**Big Cedar Trading**")

**PREAMBLE**

Any provisions, clauses and or paragraphs that are inconsistent, in contravention and or non-compliant to any applicable legislation or regulatory provisions shall be of no force and effect. Notwithstanding the aforementioned, the remaining portions of this agreement shall remain in force and effect.

**WHEREAS**

- A. The Client requires the provision of certain outsourced services, for the purpose of it operating under a Licence issued to it, for the cultivation of medicinal cannabis.
- B. The Company has certain skills, ability, knowledge and experience relating to such services and is willing and able to perform such services on the terms and conditions set out below.

**1. DEFINITIONS AND INTERPRETATION**

1.1 In this Master Agreement the following words will have the following meanings:

- 1.1.1 **"Affiliate"** means any organization that Controls, is Controlled by or is under common Control with a Party to this Master Agreement (as applicable). Where **"Control"** means ownership (direct or indirect) of more than 50% (fifty percent) of the voting stock, power (direct or indirect) to appoint the majority of the board of directors or power (direct or indirect) to Control the general management of the entity.
- 1.1.2 **"Business Day"** means any day other than a Saturday, Sunday or public holiday as gazetted by the Government of the Republic of South Africa from time to time. Any reference to "business hours" shall be construed as being the hours between 08h00 and 17h00 on any business day. Any reference to time shall be based upon South African Standard Time.
- 1.1.3 **"Confidential Information"** shall mean all information relating to the business practices of the Disclosing Party, including but not limited to practices, processes and procedures relating to the provision of the Services, and which has the potential, if disclosed to third parties, to damage the business of the Disclosing Party. Confidential Information shall include, without limitation, all information, with regard to brands, locations, timings, design and method of any manufactured Product. This definition shall extend to but not be limited to information which the Receiving Party becomes aware of in the course of the relationship between the Parties even where such information is not expressly disclosed.
- 1.1.4 **"Disclosing Party"** means the Company.
- 1.1.5 **"Effective Date"** means notwithstanding the date of signature of the Party signing last in time, 27 November 2019. A.M  
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- 1.1.6 **"Fees"** means the consideration due to the Company for the Services provided.
- 1.1.7 **"Intellectual Property Rights"** means patents, utility rights, inventions, trademarks, service marks, trade and service names, registrable business names, topography rights, designs, design rights, unregistered design rights, industrial designs, database rights and copyright, including copyright in computer programs (in each case whether or not the same are registered or capable of registration and whether vested, contingent future or otherwise and including all applications and rights to apply for registration of any of them and including all supplementary protection certificates), trade secrets, know-how, confidential information, moral rights, all accrued rights of action and all other intellectual property rights and rights of a similar character or having similar or equivalent effect to any of them which may subsist in any part of the world.

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MASTER SERVICES AGREEMENT

01.10.2020

- 1.1.8 **"Key Individuals"** mean key Company personnel to be engaged in the provision of the Services.
- 1.1.9 **"Loss"** means any loss, liability, claims, costs, charges, damages and outgoings of every description (including legal costs and expenses on an attorney-own-client scale) including but not limited to, compensation payable under contracts, loss of normal operating profits, loss of opportunity, loss of goodwill, loss of revenue from related contracts and pure economic loss, tracing and collection charges, costs of investigation, interest and penalties.
- 1.1.10 **"Master Agreement"** means this agreement together with all of its schedules, appendices and attachments.
- 1.1.11 **"Parties"** means the Company, the Client, and Big Cedar Trading or any one of them, or a combination of them, as the context may indicate.
- 1.1.12 **"Product" / "Products"** means any cannabis and/or related products cultivated, created, produced, grown and/or manufactured under the Licence.
- 1.1.13 **"Receiving Party"** means the Party to whom the disclosure of Confidential Information is made or who becomes aware of the other Party's Confidential Information.
- 1.1.14 **"Services"** means the services rendered by the Company, as further set out in Clause 2 hereto.
- 1.2 References to the singular number include the plural and *vice versa*.
- 1.3 Headings are for convenience only and will not affect the interpretation of this Master Agreement.
- 1.4 References to "Clauses" and "Schedules" are to clauses and schedules of this Master Agreement unless otherwise stated.
- 1.5 References to "including" shall be construed without limitation.
- 1.6 References to "in writing" shall include by e-mail, save that the Parties record that whilst they may correspond via e-mail during the currency of this Master Agreement for operational reasons, no formal notice (save for that contemplated in clause 3.4) in terms of this Master Agreement, nor any amendment, or waiver of, or variation to, this Master Agreement may be given or concluded via e-mail.
- 1.7 A reference to anything (including, but not limited to, any right) includes any part of that thing but nothing implies that performance of part of an obligation constitutes performance of the entire obligation.
- 1.8 A reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute.

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MASTER SERVICES AGREEMENT

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**2. RECORDAL**

- 2.1 The Client has been granted a license for cultivation of medicinal cannabis by SAHPRA.
- 2.2 It is noted that the licence is site-specific to the property situate at Plot 471, portion 43, 1000, Cullinan, South Africa.
- 2.3 Big Cedar Trading is the sole, unencumbered owner of the property.
- 2.4 The Client and Big Cedar Trading have put in place the appropriate agreements and/or arrangements:
- 2.4.1 to ensure that there is access to, and unrestricted use of, the identified 5 (five) hectare portion of the property which has been demarcated and set aside for the growing of medical cannabis, for a period of 15 (fifteen) years renewable for a further period of 15 (fifteen) years;
- 2.4.2. to provide the Company with a further option on a further 5 (five) hectare portion to render its services, to be identified.
- 2.5 The Client requires expertise, know-how and/or resources to be able to cultivate medicinal cannabis on a commercial scale.
- 2.6 The Company has the skills, expertise and professional knowledge in the cultivation of cannabis and has the means to provide the Client with turnkey growing services.
- 2.7 The parties wish to formalise their relationship and hereby record their mutual intentions in writing.
- 2.8 For the purposes of clarity, the parties acknowledge and agree their obligations to each other are necessary for the successful provision of the services in terms of this agreement, namely:
- 2.8.1 The Company shall provide the services under this agreement.
- 2.8.2 The Client shall take all reasonable steps to ensure that the license remains valid.
- 2.8.3 The Client shall make payment to the Company for the services rendered under this agreement.
- 2.8.4 Big Cedar Trading shall allow and provide full and unrestricted access to the identified portion(s) of the property for the purposes of the Company providing services under this agreement.

**3. PROVISION OF SERVICES**

- 3.1 The Client hereby appoints the Company to render the services as set out in this Master Agreement.
- 3.2 The Client has been issued with a licence for the cultivation of medicinal cannabis in terms of Section 2B(e) of the Medicines and Related Substances Act 101 of 1965 as amended, by the South African Health Products Regulatory Authority ("SAHPRA"), a copy of the correspondence confirming such Licence is attached hereto as Annexure "A" ("Licence").

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MASTER SERVICES AGREEMENT

01.10.2020

3.3 In order to execute its mandate, the Company will provide the following services in order to cultivate the best possible medicinal cannabis for the Client ("**Services**"):

- 3.3.1 the preparation of the assigned property to be able to commence with the planting of the cannabis seed;
- 3.3.2 the sourcing, acquisition and correct planting and fertilizing of cannabis seed to be cultivated for medicinal purposes;
- 3.3.3 the sourcing, acquisition and utilisation of various tools, equipment, machinery and other items required to cultivate the plant as effectively and efficiently as possible;
- 3.3.4 the sourcing, acquisition and erecting of the necessary greenhouses and/or other types of structures required in the various stages of the cultivation process;
- 3.3.5 implementing well established standard operating procedures relevant to the cultivation of the plant and in line with requirements of SAHPRA;
- 3.3.6 developing, adjusting and enhancing standard operating procedures specifically designed to the environmental conditions and typography of the property;
- 3.3.7 selecting the phenotypes best suited for the environment;
- 3.3.8 timeously providing the Client with the necessary data in order to assist the Client with the compiling of the annual reconciliation reports for the CBD and THC yields of the plants, as required in terms of the Licence issued to the Client;
- 3.3.9 timeously providing the Client with the necessary data in order to assist the Client with the compiling of the production reconciliation reports, as required in terms of the License issued to the Client;
- 3.3.10 assisting the Client with and/or acting on the Client's behalf in the negotiations of, or execution of, any offtake agreements for any of the Client's production which was cultivated by the Company in terms of this Master Agreement;
- 3.3.11 undertaking all project management and day to day operational management relating to the specified site and the cultivation of medical cannabis thereon
- 3.3.12 undertaking the administration and collection of all and any funds pertaining to the offtake agreements on behalf of the Client;
- 3.3.13 engaging with and/or appointing various service providers to attend to any items listed above that may require additional expertise; and
- 3.3.14 any and / or all additional services as required under the Licence as can be reasonably expected of a service provider in the same position.

3.4 The Parties shall notify each other in writing by email, directed to the appropriate and designated person, timeously of any changes to the Services in respect of any essential or related aspect.

3.5 The Client shall bear full responsibility for confirming the accuracy of its instructions and the Company shall not be held liable for any errors or omissions which arise from the information provided by the Client.

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MASTER SERVICES AGREEMENT

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- 3.6 In consideration of the Client's obligation to pay the Fees, the Company will provide the Services and, as far as practicably possible, will render such Services in accordance with the Licence, exercising all due skill and care that may be expected of a company operating within the Company's field of expertise.
- 3.7 The Company will allocate adequate resources and an adequate number of suitable personnel with appropriate levels of experience and seniority to provide the Services in accordance with the standards required by this Master Agreement.
- 3.8 While the Company will endeavor to procure that the Key Individuals are actively involved in the management and provision of the Services, the Client acknowledges and agrees that such Key Individuals may change from time to time, at the Company's sole discretion.

4. EFFECTIVE DATE AND DURATION

- 4.1 This Master Agreement comes into effect on the Effective Date and shall endure for an initial period of 15 (fifteen) years ("Initial Period") unless terminated in accordance with its provisions and shall bind the Company and the Client in respect of Services rendered after the Effective Date.
- 4.2 The Client hereby grants the Company an option to renew this Master Agreement upon expiry of the Initial Period, for a further period of 15 (fifteen) years ("Renewal Period") upon such terms as hereinafter provided:
  - 4.2.1 the Company shall give Client written notice of its intention to exercise the option to renew this Master Agreement, no later than 3 (three) calendar months, prior to the expiration of the Initial Period;
  - 4.2.2 the fees payable by the Client to the Company during the Renewal Period shall be agreed upon between the parties, not later than 2 (two) months' prior to the expiry of the Initial Period, but, to the extent that agreement cannot be reached between the parties, the terms and conditions regarding Fees in the Initial Period shall prevail;
  - 4.2.3 subject to Clause 4.2.2 above, the remainder of the terms of this Master Agreement shall apply, *mutatis mutandis*, during the Renewal Period: and
  - 4.2.4 in addition, during the Initial Period and/or the Renewal Period, the Company has the option to procure (through the Client and Big Cedar Trading) a further 5 (five) hectare portion of the Property to be identified by the Company, in order to render its Services.

5. SECURITY OVER PRODUCT

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MASTER SERVICES AGREEMENT

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- 5.1 The following obligations shall remain in place until such time as all of the Fees and/or money due to the Company by the Client, are paid in full.
- 5.2 As security for the proper and timeous performance by the Client, of all of its obligations, of whatever nature and however arising, which it may now or in the future have to the Company, arising from the Services, the Client hereby grants as security to the Company, all rights (including rights of action) whatsoever and howsoever arising, which the Client may have to, and arising out of the Product cultivated (and/or in any other form or process allowed by the Licence) under the Licence ("**Security**").
- 5.3 The Security will be regarded as granted to the Company, together with all rights, interest, income, benefits or other monies now, or hereafter to become due, and in respect of the Security, as continuing covering security, not capitalized, for all sums of money which the Client may now or at any time hereafter owe to the Company.
- 5.4 The Client hereby undertakes, warrants and agrees that it shall do all things necessary and sign any and all documentation necessary, in order for the aforementioned Security to be perfected and/or effective, and hereby appoints a person or persons so nominated by the Company to be its agent and stand in its stead, and sign any and all documentation necessary, in order to perfect, make effective, and/or execute the aforementioned Security and/or in order to fulfil the provisions of this Clause 5.
- 5.5 The Client warrants to the Company, and this Agreement is accordingly based on this warranty that:
- 5.5.1 the Client is the beneficial owner and holder of the Licence;
- 5.5.2 the Security is not subject to any right of retention or other limitation or encumbrances, and may so be granted as security without any limitations; and
- 5.5.3 no other encumbrance (of any nature whatsoever) exists or will exist, in respect of the Security for so long as this Master Agreement is in force between the Company and Client.
- 5.6 The Client undertakes to the Company that:
- 5.6.1 the Client will not transfer or encumber (in any manner whatsoever) the Security, without the prior written consent of the Company;
- 5.6.2 the Client shall keep the Security insured against risk of loss or damage, upon such terms as the Company may require; and

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MASTER SERVICES AGREEMENT

01.10.2020

5.6.3 the Client shall keep the Security free from any adverse lien and/or pledge and/or similar encumbrance and will not waste or destroy the Security, and will not use the Security in violation of any law or policy of insurance, and the Company may examine and inspect the Security at any reasonable time.

5.7 Big Cedar Trading agrees to be and acknowledges that it is, bound by this clause 5, and warrants that it is doing, and undertakes that it shall do (as the case may be), all things necessary to give effect to this clause 5.

**6. PAYMENT OF FEES AND EXPENSES**

6.1 In consideration for the provision of the Services, the Client will pay to the Company the Fees in accordance with the Company's invoice.

6.2 The Company shall invoice the Client for Fees due, as well as any applicable VAT which shall be included and itemised separately on Company invoices. Invoices will be due and payable by the Client on presentation.

6.3 The Fees will be charged on the basis as set out in Annexure "B" hereto.

6.4 If any sum due and payable under this Master Agreement is not paid by the Client in accordance with the agreed payment terms, the Company shall be entitled (without prejudice to any of its other rights) following receipt by the Client of a written notice from the Company, to charge interest at the maximum rate as provided for in the Prescribed Rate of Interest Act 1975, or the applicable successor legislation, from the date of such notice until the date of actual payment.

6.5 The Company reserves its rights to withhold delivery of any Services in circumstances where there are Fees and payments outstanding.

**7. OBLIGATIONS OF THE PARTIES**

7.1 In addition to anything else contained in this Master Agreement, the Client warrants that it shall, and undertakes that it will:

7.1.1 ensure that, at all times, it shall perform any act necessary to ensure that the License remains valid and current throughout the duration of this agreement;

7.1.2 refrain from contravening any of the terms of the License, including but not limited to the total production quantity, in the amount of 146 000 (one hundred and forty-six thousand) kilograms per annum;

7.1.3 in addition to any other obligation under this Agreement and for the duration of this Agreement, allocate to the Company the first 15 (fifteen) tons of the Product per annum of the Client's total production quantity and allocation in accordance with the License, and that the total allocation to the Company shall not be less than 15 (fifteen) tons per annum.

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MASTER SERVICES AGREEMENT

01.10.2020

7.1.4 and hereby appoints the Company or its nominee as its agent and confirms that the Company and/or the Company's nominee is duly authorised to represent the Client with its consent in negotiations and in the execution of any and all off-take agreements between the Client and a third party, for the Client's Product which was cultivated in terms of this Agreement;

7.1.5 and hereby mandates and authorises the Company to attend to the administration and collection of any and all payments to be received in terms of any off-take agreement concluded between the Client and a third party, for the Client's product which was cultivated in terms of this Agreement;

7.1.6 punctually and timeously make payment of any amounts owing, due and payable to the Company in accordance with the provisions of this Agreement;

7.1.7 provide the Company and its Key Personnel and/or any other appointed persons (so appointed in the sole discretion of the Company) any and all authorisations, information, documentation and anything further required in order for the Company to provide the Services under this Agreement, on request by the Company;

7.1.8 comply with any and all applicable laws as relating to the Licence and related matters;

7.1.9 to use its best endeavors to do all things possible to secure any applicable off-take agreements and/or other agreements with respect to the sale, export and the like of the Product.

7.2 The Company hereby warrants that it shall and undertakes that it will use reasonable endeavors to, in rendering the Services:

7.2.1 comply with any and all applicable laws as relating to the Licence and related matters;

7.2.2 promote, grow, expand and develop the business of the Client;

7.2.3 procure and source business opportunities for and on behalf of the Client;

7.2.4 maintain contact with the customers of the Client as well as potential customers of the Client and to expand and grow the customer base of the Client;

7.2.5 preserve, protect and enhance the Client's reputation, brand and good standing;

7.2.6 assist in the identification, preparation, processing, monitoring and support of the Client's business opportunities; and

7.2.7 co-operate with the Client to gather information, including strategic and operational information for the Client.

**8. OWNERSHIP OF MACHINERY, EQUIPMENT AND THE LIKE**

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MASTER SERVICES AGREEMENT

01.10.2020

- 8.1 Save that, any improvements made by the Company on existing immovable property such as buildings and/or houses are excluded from this clause 8.
- 8.2 The Parties agree and acknowledge that in order for the Company to render its services to the Client, it may be required to build, purchase, provide, install and implement necessary movable and/or immovable property such as machinery, equipment, buildings, housing and the like (without limitation). It is thus expressly agreed that the Company shall retain ownership of the aforementioned during the course of and following the termination of this Master Agreement.
- 8.3 The Company may elect, on the termination of this Agreement, to remove the property contemplated in 8.2 above.
- 8.4 In the event that the Company does not so elect, or the property is incapable of being removed (including but not limited to when the property is immovable), the property's market value shall be determined by an appropriately experienced and qualified person.
- 8.5 Such person as contemplated in 8.4 above shall be elected jointly by the Parties (who shall jointly and severally pay such person's fees).
- 8.6 In the event that the Parties are unable to agree on the person contemplated in 8.4 above, the Company may elect and appoint such person and shall be liable to pay such person's full fee.
- 8.7 The Parties shall allow such person all necessary access to property, information and documentation as is required for such person to perform its functions, within 2 (two) business days of a request for same.
- 8.8 The Client and/or Big Cedar Trading shall (jointly and severally) be liable to the Company for the value of the property, determined in terms of this clause 8, which shall be due and payable on demand by the Company.

**9. EXCLUSIVITY AND RIGHTS TO PROVIDE SERVICES**

- 9.1 The Parties acknowledge and agree that the appointment of the Company as a service provider is on an exclusive basis, and as such the Company has and shall be the exclusive service provider with respect to any and all operations, cultivation and/or production under the Licence.
- 9.2 To the extent that the Client obtains any further and/or additional licences with respect to the cultivation or other activities relating to cannabis and/or cannabis related products and/or there is an extension of the current Licence, the Company shall be exclusively appointed to provide the Services as set out in this Master Agreement, with respect to such new licence and/or amended Licence.

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MASTER SERVICES AGREEMENT

01.10.2020

9.3 Notwithstanding the provisions of Clause 9.1 and 9.2 above, it is agreed between the Parties that the Company has the right of first refusal with respect to the supply of the Services and that to the extent that the Company refuses to supply such Services, the Client has the right then to appoint any other service provider to do so, save that the appointment of such third party shall not and may not, in any manner, affect the Company's ability to provide its Services under this Master Agreement.

**10. LEGAL LIABILITY**

10.1 The Client guarantees the accuracy of all information supplied by it to the Company and indemnifies and holds the Company, its directors, shareholders, employees, agents and nominees harmless against any Loss attributable to such information accordingly.

10.2 The Company shall not be liable for errors or defects arising in the Services or Product except where such errors or defects are as a consequence of the gross negligence of the Company.

10.3 Without prejudice to any rights implied by law or under this Master Agreement, the Client will indemnify and hold harmless and keep indemnified and held harmless the Company and each of its Affiliates against all and any Losses, suffered or incurred by the Company and/or such Affiliate of whatsoever nature to the extent that they arise out of:

10.3.1 any act or any breach, non-performance or omission by the Client and/or Big Cedar Trading of any of its obligations under this Master Agreement;

10.3.2 any breach of the Company's and/or any third party's rights by any Product or as a result of any other action or omission on the part of the Client and/or Big Cedar Trading; and

10.3.3 any finding against the Company or any Affiliate of a breach of any relevant laws, regulations or voluntary code of practice applicable to the Services or the Product, as a result of action taken or omitted to be taken by the Client and/or Big Cedar Trading.

**11 CONFIDENTIALITY**

11.1 The Receiving Party will not utilize, disclose, divulge or impart to any third party, other than those designated in writing by the Disclosing Party and/or as required in order to render and/or receive the Services in terms of this Master Agreement, any Confidential Information.

11.2 This duty of confidentiality will not extend to any Confidential Information to the extent that such Confidential Information:

11.2.1 at the time of receipt by the Receiving Party was in the public domain;

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MASTER SERVICES AGREEMENT

01.10.2020

11.2.2 after receipt by the Receiving Party was made public by a third party without impropriety in so doing;

11.2.3 was in the Receiving Party's possession before receipt from the Disclosing Party and was acquired directly or indirectly from a source wholly independent of the Disclosing Party, and the Receiving Party can establish this by competent proof; or

11.2.4 is required by law to be disclosed, provided that the Receiving Party notifies the Disclosing Party of such requirement as soon as reasonably possible after becoming aware of same.

11.3 The provisions of this Clause 11 will survive the termination of this Master Agreement and continue to apply for an indefinite period.

**12 SUB-CONTRACTING**

The Company is entitled to sub-contract to and/or to cede and/or assign to any of its Affiliates and/or unrelated third parties, the provision of the Services and/or any of its rights and/or obligations under this Master Agreement, and the Client hereby consents to such sub-contracting, cession and/or assignment.

**13 INVENTIONS, DISCOVERIES, COPYRIGHT AND DOCUMENTS**

13.1 Anything made, created or discovered by the Company in the course and scope of the provision of its Services to the Client, in connection with or in any way affecting or relating to the Company and/or the Services, or capable of being used or adapted for use by the Company in connection with its business or businesses including but not limited to any trademark, design, concept, drawing, discovery, invention, procedure, policy, idea, process, structure or improvement in procedure and/or policy, without limitation ("**Intellectual Property**"), and such related Intellectual Property Rights, shall belong to and be the absolute property of the Company.

13.2 To the extent applicable, the Client shall, if and when required by the Company, and at the Company's expense, apply or join with the Company in applying for letters patent or other equivalent protection in the Republic of South Africa or in any other part of the world for the Intellectual Property and shall execute all instruments and do all things necessary for vesting the said letters, patent or other equivalent protection in the name of the Company as sole beneficial owner or in the name of such other person as the Company may nominate.

13.3 Insofar as may be necessary, the Client assigns to the Company the copyright in all present and future works eligible for copyright including, without limitation, literary or artistic works or software programmes of which it may be the author, which works are created, compiled, devised or brought into being during the course and in the scope of this Master Agreement with the Company. No consideration shall be payable by the Company to the Client in respect of this assignment. The Client hereby waives in favour of the Company or any successor-in-title any moral rights in copyright as provided for in this Master Agreement, which may vest in it.

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13.4 All designs, structures, reports, manuals, financial statements, budgets, indices, research papers, letters or other similar documents containing and/or reflecting the Intellectual Property (the nature of which is not limited by the specific reference to the foregoing items) which are created, compiled or devised or brought into being by the Company or come into the Client's possession during the course and in the scope of this Master Agreement with the Company and all copies thereof, shall be the property of the Company, and shall be returned to the Company immediately upon termination of this Agreement.

**14 FORCE MAJEURE**

14.1 If due to pandemics, war, accidents, fire, blockade, import or export embargo, natural catastrophes, acts of terrorism or other obstacles over which the Parties have no control ("**Force Majeure**"), the Company fails to fulfill its obligations in the manner and within the time required by the terms of this Master Agreement, the Company will notify the Client in writing of the failure within 3 (three) Business Days of it occurring. The Company will not be held responsible for any loss or damage which may be incurred by the Client as a result of such failure.

14.2 Notwithstanding Clause 14.1, if any Force Majeure event prevents a Party from performing all of its obligations under this Master Agreement for a period in excess of 2 (two) weeks, the other Party may then terminate immediately this Master Agreement or the affected Services by notice in writing to that Party.

**15 DISPUTE RESOLUTION**

15.1 Save as otherwise expressly provided in this agreement, should any dispute arise between any of the parties in regard to:-

- 15.1.1 the interpretation of;
- 15.1.2 the effect of;
- 15.1.3 the parties' respective rights or obligations under;
- 15.1.4 a breach of;
- 15.1.5 the termination of; or
- 15.1.6 any matter arising out of the termination of,

this agreement, that dispute shall be decided by arbitration in the manner set out in this clause 15.

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MASTER SERVICES AGREEMENT

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15.2 The arbitrator shall be appointed by the Parties, and failing agreement, shall be nominated by the Arbitration Foundation of Southern Africa ("AFSA"). Should AFSA not be in existence at the time, the nomination shall be by the Chairman for the time being of the Johannesburg Bar Council (or its equivalent).

15.3 The arbitration shall be held at Johannesburg.

15.4 The arbitration shall be held in accordance with the Rules of AFSA, or if AFSA shall not be in existence, in accordance with the formalities and procedures settled by the arbitrator, which shall be in an informal and summary manner, that is, it shall not be necessary to observe or carry out either the usual formalities or procedure or the strict rules of evidence, and otherwise subject as aforesaid of the Arbitration Act, 1965 of the Republic of South Africa and any statutory modification or re-enactment thereof.

15.5 The arbitrator shall be entitled to:-

15.5.1 Investigate, or cause to be investigated, any matter, fact or thing which he considers necessary or desirable in connection with any matter referred to him for decision; and

15.5.2 make such award, including an award for specific performance, an interdict, damages or a penalty or the costs of arbitration or otherwise as he in his discretion may deem fit and appropriate.

15.6 The arbitration shall be held as quickly as possible after it is demanded, with a view to it being completed within 30 (thirty) days after it has been so demanded and the decision of the arbitrator shall be final and binding on the parties.

15.7 This clause is severable from the rest of the agreement and shall therefore remain in effect even if this agreement is terminated.

15.8 This clause shall not preclude any party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator.

15.9 The parties hereby consent to the nonexclusive jurisdiction of the North Gauteng High Court in respect of the proceedings in this clause and the above Court shall have jurisdiction to enforce any award made by an arbitrator under this clause.

15.10 The dispute resolution shall be kept confidential and held *in camera* and the parties shall maintain the utmost confidentiality with regard to all matters in issue in the dispute resolution.

15.11 This Clause 15 is severable from the rest of the Agreement and shall therefore remain in effect even if this Master Agreement is terminated.

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**16 TERMS AND TERMINATION**

- 16.1 Termination of this Master Agreement by the Company will automatically terminate all Services in force at the time of termination, unless the Company determines otherwise.
- 16.2 Notwithstanding anything to the contrary contained in this Master Agreement, the termination of this Master Agreement by either Party will not absolve the Client from its obligations in terms of this Master Agreement to settle the Company's Fees in respect of Services that were required to be or had already been rendered at the time of termination.
- 16.3 If either Party is in breach of the terms of this Master Agreement, the Party not in default will give notice to the other of such breach. If the breach is not remedied within 10 (ten) Business Days, or if the breach is not capable of remedy, this Master Agreement may be terminated immediately by notice in writing by the non-defaulting Party, without prejudice to the rights that it may have in law.
- 16.4 If either Party enters into liquidation or into business rescue proceedings and/or any scheme or arrangement with its creditors, other than for the purpose of a *bona fide* amalgamation or restructure, the other Party may terminate this Master Agreement immediately by written notice.
- 16.5 The Company may terminate this Master Agreement immediately if:
- 16.5.1 there is a change in the Control of the Client; or
  - 16.5.2 the Client:
    - 16.5.2.1 becomes subject to direct and material influence by any entity which provides similar services to the Services;
    - 16.5.2.2 merges or combines its business with any entity which provides similar services to the Services; or
    - 16.5.2.3 enters into a joint venture or other form of business collaboration with any entity which provides similar services to the Services;
  - 16.5.3 there is any change of Control of Big Cedar Trading;
  - 16.5.4 there is any change, amendment, revocation and/or a similar action with respect to the Licence; and / or
  - 16.5.5 any event occurs which may have the effect that the Company is unable to practically and/or lawfully provide the Services as set out in this Agreement.

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16.6 Termination of this Master Agreement shall be without prejudice to the continuation in force of this Clause **16** together with Clause **6** (Payment of Fees and Expenses), Clause **13** (Inventions, Discovery, Copyright and Documents), Clause **5** (Security over Product), Clause **10** (Legal Liability), Clause **11** (Confidentiality), and Clause **15** (Dispute Resolution).

**17 DOMICILLIUM**

17.1 The Parties choose for the purpose of this Master Agreement the following postal address, telefax numbers and electronic email address for the purpose of any notices or any other communication whatsoever (including, without limitation, any approval, consent demand, query or request) by either party in terms of this Master Agreement:

17.1.1 **THE COMPANY:**

Physical address: 17 Cardigan Road

Parkwood, Johannesburg

2193

Postal address: 17 Cardigan Road

Parkwood, Johannesburg, 2193

Telephone number: +27 76 259 4160

Facsimile number: N/A

Email Address: supersad@pslegal.co.za

17.1.2 **THE CLIENT:**

Physical address: 567 La Quinta Street

Silverlakes, Pretoria

0081

Postal address: 567 La Quinta Street

Silverlakes, Pretoria, 0081

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Telephone number: +27 79 038 8786

Facsimile number: N/A

Email Address: brylynec@yahoo.com

17.1.3 **BIG CEDAR TRADING**

Physical address: 567 La Quinta Street

Silverlakes, Pretoria

0081

Postal address: 567 La Quinta Street

Silverlakes, Pretoria, 0081

Telephone number: +27 79 038 8786

Facsimile number: N/A

Email Address: brylynec@yahoo.com

17.2 The Parties choose their respective physical address in Clause 17.1 as their respective *domicilia citandi et executandi* at which all documents relating to any legal proceedings to which they are a Party may be served. If that address is changed to another address which is not a physical address in the Republic of South Africa, then the original address shall remain the *domicilia citandi et executandi* of the relevant Party until it nominates a new physical address within the Republic of South Africa in writing, to be its new *domicilia citandi et executandi*.

17.3 Any notice or other communication to be given to any of the Parties in terms of this Master Agreement shall be valid and effective only if it is given in writing, provided that any notice given by telefax shall be regarded for this purpose as having been given in writing.

17.4 A notice to any of the Parties which is sent by registered post in a correctly addressed envelope to the postal address specified for it in Clause 17.1 shall be deemed to have been received (unless the contrary is proved) within 14 (fourteen) days from the date it was posted, or which is delivered to the Party by hand at the physical address specified for it in Clause 17.1 shall be deemed to have been received in the day of delivery, provided it was delivered to a responsible person during ordinary business hours.

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17.5 Each notice by telefax to a Party at the telefax number specified for it in Clause 17.1 shall be deemed to have received (unless the contrary is proved) within 4 (four) hours of transmission if it is transmitted during normal business hours of the receiving Party or within 4 (hours) of the beginning of the next Business Day after it is transmitted, if it is transmitted outside those business hours.

**18 GENERAL**

18.1 This Master Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Master Agreement not incorporated in this Master Agreement shall be binding on either of the Parties.

18.2 Subject to the remainder of this Master Agreement, no addition to or variation, deletion, or agreed cancellation of all or any Clauses or provisions of this Master Agreement will be of any force or effect unless reduced to writing and signed by the Parties.

18.3 No waiver of any of the terms and conditions of this Master Agreement will be binding or effectual for any purpose unless reduced to writing and signed by the Party giving same. Any such waiver will be effective only in the specific instance and for the purpose given. Failure or delay on the part of either Party in exercising any right, power or privilege hereunder will not constitute or be deemed to be a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

18.4 All provisions and the various Clauses of this Master Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or Clause of this Master Agreement which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatsoever, shall, in such jurisdiction only, and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and Clauses of this Master Agreement shall remain in full force and effect. The Parties declare that it is their intention that this Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof.

18.5 This Master Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Master Agreement as at the date of signature of the Party last signing one of the counterparts.

18.6 The Client may not, without the prior written consent of the Company, cede or assign any of its rights and/or obligations under this Master Agreement.

18.7 The contractual relationship between the Parties shall in all respects be governed by and construed in accordance with the laws of the Republic of South Africa.

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MASTER SERVICES AGREEMENT

01.10.2020

**19 SIGNATURE**

The representatives signing on behalf of the Parties warrant that they are duly authorized to bind the Parties accordingly.

SIGNED AND DATED AT PRETORIA ON THIS 1st DAY OF OCTOBER 2020.

FOR, AND ON BEHALF OF,  
THE COMPANY

**AS WITNESSED:**

1. Mashate

SIGNED AND DATED AT PRETORIA ON THIS 1st DAY OF OCTOBER 2020.

FOR, AND ON BEHALF OF,  
THE CLIENT

**AS WITNESSED:**

1. Ade

SIGNED AND DATED AT PRETORIA ON THIS 1st DAY OF OCTOBER 2020.

FOR, AND ON BEHALF OF,  
BIG CEDAR TRADING

**AS WITNESSED:**

1. Ade

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**Annexure "B"**

Fees will be charged monthly at rate of 99% of net turnover of the client from the sale of cannabis and related products

Net turnover is based on gross turnover (excluding vat) less selling commission and any other expenses charged directly to the client.

The fees will described as:

"Outsourced operational and management fees"

and allocated to Cost of sales 95% and Management fee 4%.

The cost of sales figure will cover all direct operational cost and will include a mark-up element.

The management fee will cover management cost and cost not covered

by the cost of sales figure and will include a mark-up element.

The allocation may be changed where appropriate at the discretion of the client provided that the total fee remains the same.

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