

Heads of Terms

Anglia Salads, Mack Agriculture Ltd and Victor Booty

22nd January 2019

Whereas:

Mack Agriculture Ltd (**Mack Ag**) has been incorporated to establish a legal cannabis business in the UK.

Anglia Salads Limited (**Anglia**), is a long-established grower of salad leaves in both Essex and Lincolnshire with over 30 hectares of plastic tunnels in Essex and Lincolnshire and has recently grown cannabis for GW Pharmaceuticals. GW has discontinued growing contracts with Anglia and Anglia wishes to re-establish cannabis growing with Mack Ag as its partner.

Mack Ag is an investment company owned by Melissa Sturgess and Charles Morgan who are actively involved in the cannabis industry via involvement in Ananda Developments plc, listed on the NEX Exchange, and in private initiatives in CBD. Mack Ag wishes establish the growing contract with Anglia.

Victor Booty (**Booty**) has facilitated the introduction of Mack Ag and Anglia in consideration of which he will receive an interest in the venture as detailed below.

It is hereby agreed:

Mack Ag will fund the application and process, at its own risk, for a medicinal cannabis growing licence (**Licence**) in the name of both Anglia and Mack Ag if possible. Alternatively, if it can only be in the name of Anglia (as the land and infrastructure holder) Mack Ag will have an exclusive right to a profit-sharing growing agreement (as detailed below) with Anglia. It is acknowledged the Parties will need to mandate a consultant to put together the necessary paperwork and background to make the application. Should the licence application not be successful then this agreement will become null and void and no party will owe any other party.

Mack Ag will fund the application on the basis that there are a number of agreements put in place which have the granting of the Licence as a condition precedent. These are:

1. Mack Ag, Anglia and Booty will agree and sign an agreement whereby Booty will be entitled to a 10% interest in the profits of the venture (net profits interest). This amount will be calculated by deducting the costs of the venture from the revenue received for the wholesale price of the product.
2. Anglia and Mack Ag will enter into a profit-sharing growing contract (**Contract**) whereby Anglia will provide the ground, infrastructure (glasshouse and/or plastic tunnels, machinery etc) which will form part of the operating costs budget (funded by Mack Ag) and management on an open book cost basis for the growing of such legal cannabis strains that Mack Ag nominates and provides seeds/seedlings for and Mack Ag will provide the funds for the operating costs (as per the budget provided in the annexure which is accepted will be subject to change as the need arises, which will be discussed by Mack Ag and ASL). Initially, it is foreseen that the product (mostly buds) will be sold to a third party. The revenue less the growing costs (on a cost and open book basis) shall be split between the Parties on the basis of 45% to each of Anglia and Mack Ag and 10% to Booty. Anglia shall provide a

template growing contract for mutual agreement between the Parties. If Mack Ag shall decide to process the product to any extent then an arm's length price for the product shall be established for the benefit of the profit share of Anglia. This process to be agreed by Anglia and Mack Ag.

The growing contract between Anglia and Mack Ag shall be on the basis that Anglia will provide a minimum of 0.17 hectares of covered ground for the exclusive use of the Contract. The amount of the ground provided shall be 1,700 sq m in the first year under glass greenhouse at Oak Trees Nursery, Boxted Church Road, Great Horkesley, Colchester, CO6 4AL and shall expand to 1.3 ha in Essex and it is envisaged that the growing will be moved to Lincolnshire on land owned and operated by J E Piccaver & Co (JEPCO) (Gedney Marsh) in the future. In the future, should Mack Ag's demand for covered ground be such that JEPCO shall need to invest in additional infrastructure then the Parties shall agree how it is to be paid for and how that might alter the profit share. In any event Anglia/JEPCO shall work exclusively with Mack Ag for the purposes of cannabis growing for an initial period of 5 years with an option to extend.

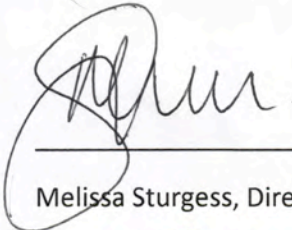
The aim of the Contract is to be in place by March 2019.

This Heads of Terms shall replace the Heads of Terms signed between the parties on 21st November 2018 (attached).

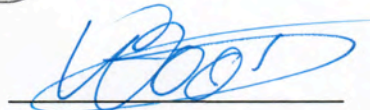
The Parties shall in a timely manner prepare such documents as are necessary to effect the above.

This Heads of Terms can be signed in counterpart.

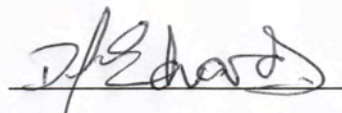
Agreed this _____ day of January 2019



Melissa Sturgess, Director, Mack Agriculture Ltd



Victor Booty



David Edwards, Director, Anglia Salads Ltd



Stuart Piccaver, Director JEPCO

From: Melissa Sturgess melissa.j.sturgess@gmail.com
Subject: Fwd: Follow up on this afternoon's call - Mack Ag / Anglia Salads
Date: 15 February 2019 at 16:36
To: Jeremy Sturgess-Smith sturgessje@gmail.com



FYI

Begin forwarded message:

From: Stuart Piccaver <stuart.piccaver@jepco.co.uk>
Subject: RE: Follow up on this afternoon's call - Mack Ag / Anglia Salads
Date: 15 February 2019 at 16:26:25 GMT
To: Melissa Sturgess <ms@hartfordcorporate.com>, Dave <dave@angliasalads.co.uk>
Cc: CWM <cmorgan@seaspin.com.au>

Hi Melissa,

Thank you for setting up the call. Some 'prospective hindsight' would be good to make sure we avoid any pitfalls where possible.

I am happy to confirm my agreement on the 4% royalty on net sales split 50% ASL and 50% MAL as per your mail below.

Have a great weekend.

Best Wishes

Stuart

From: Melissa Sturgess [<mailto:ms@hartfordcorporate.com>]
Sent: 15 February 2019 16:17
To: Dave <dave@angliasalads.co.uk>; Stuart Piccaver <stuart.piccaver@jepco.co.uk>
Cc: CWM <cmorgan@seaspin.com.au>
Subject: Follow up on this afternoon's call - Mack Ag / Anglia Salads

Dave/Stuart,

Thanks for your time this afternoon.

As discussed we will revert with some broad suggestions to get the Anglia / Mack Ag relationship into a suitable structure which captures the current HoT and the proposed expansion to Lincolnshire. If you have had any further thoughts after our call please let us know.

Also as discussed I confirm that we include in the current Heads of Terms a 4% royalty on net sales to be allocated 50% to Anglia Salads Limited and 50% to Mack Agriculture Limited. Can you please confirm your agreement and we will ensure this is detailed in the binding documents that are to be drafted.

Best
Melissa