
SHARE PURCHASE AGREEMENT

November 17, 2020

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.1 Definitions	1
1.2 Interpretation	9
1.3 Entire Agreement	10
1.4 Severability	10
1.5 Amendments, Waivers, Investigations	11
1.6 Governing Law	11
1.7 Arbitration of Disputes	11
ARTICLE 2 PURCHASE AND SALE	12
2.1 Agreement to Purchase and Sell	12
2.2 Base Purchase Price	12
2.3 Earn-Out Amount	13
2.4 Deductions	13
2.5 True Up	13
2.6 Acceleration and Forfeiture	14
2.7 Specified Trigger Action	14
2.8 Issuance of Namaste Shares	18
2.9 Cash Payment in lieu of Namaste Shares	18
2.10 Exchange Approval	18
2.11 Budget Matters	18
2.12 Direction	20
2.13 Location and Time of the Closing	20
ARTICLE 3 REPRESENTATIONS AND WARRANTIES	20
3.1 By the Sellers regarding CannMart Labs	20
3.2 Representations of Namaste	27
3.3 By the Sellers	28
3.4 No Other Representations, Warranties and Covenants	30
3.5 Survival of Representations, Warranties and Covenants	30
ARTICLE 4 CONDITIONS	31
4.1 Conditions for the Benefit of Namaste	31
4.2 Conditions for the Benefit of the Sellers	32
ARTICLE 5 COVENANTS	33
5.1 Actions to Satisfy Closing Conditions	33
5.2 Personal Information	33
5.3 Access to Books and Records	33
5.4 Maintain Status as “Reporting Issuer” and Maintain Listing	34
5.5 General Covenants of Namaste	35
5.6 Free Trading Securities	36
ARTICLE 6 RISK MANAGEMENT	36
6.1 Indemnification by the Sellers regarding CannMart Labs	36
6.2 Indemnification by Namaste	36

6.3	Notice of Claim	37
6.4	Direct Claims.....	37
6.5	Third Party Claims.....	37
6.6	Subrogation	39
6.7	Losses	39
6.8	Limitations of Liability	39
6.9	Indemnification Adjustment to Purchase Price.....	40
ARTICLE 7 TERMINATION		41
7.1	Rights of Termination	41
7.2	Effect of Termination	42
ARTICLE 8 GENERAL MATTERS.....		42
8.1	Public Statements.....	42
8.2	Holdback.....	42
8.3	Confidentiality	43
8.4	Expenses.....	44
8.5	Notices.....	44
8.6	Time of Essence	45
8.7	Further Assurances.....	45
8.8	Counterparts and Electronic Signatures.....	45
8.9	Enurement.....	45
8.10	Assignment	45
8.11	Independent Legal Advice	45
8.12	No Contra Proferentem.....	45
Schedules		
Schedule A	- Earn-Out Schedule	
Schedule B	- Gross Margin Principles	
Schedule C	- Form of Consulting Agreement	
Schedule D	- Form of Voting Trust and Standstill Agreement	
Schedule E	- CannMart Labs' Initial Budget	

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 17th day of November, 2020.

AMONG:

NAMASTE TECHNOLOGIES INC., a corporation incorporated under the laws of the Province of British Columbia ("**Namaste**")

- and -

MKD HOLDINGS INC. a corporation incorporated under the laws of the Province of Ontario ("**MKD**")

- and -

JLLS HOLDINGS INC. a corporation incorporated under the laws of the Province of Ontario ("**JLLS**" and, together with MKD, the "**Sellers**")

(each a "**Party**" and collectively, the "**Parties**")

RECITALS:

- A. MKD is the sole legal registered owner of 49 shares of CannMart Labs (as defined herein) (the "**MKD Shares**"), and has disclosed to Namaste in writing the ultimate beneficial owner of the MKD Shares.
- B. JLLS is the sole legal and beneficial owner of 49 shares of CannMart Labs (as defined herein) (the "**JLLS Shares**" and, together with the MKD Shares, the "**Purchased Shares**").
- C. Namaste wishes to purchase, and the Sellers wish to sell to Namaste, all of the Purchased Shares subject to the terms and conditions set forth herein.

NOW THEREFORE the Parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement:

- (a) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, together with the rules, regulations and forms made or promulgated under any such statute; the applicable published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and the applicable rules and policies of the Exchange and any other market or marketplace on which securities of the applicable Person are traded, listed or quoted from time to time; in each of the foregoing cases, as amended or supplemented from time to time and having

jurisdiction over the relevant Person or subject matter, the transactions contemplated by this Agreement, as the context requires.

- (b) **"Application"** means CannMart Labs' processing license application under the Cannabis Act to allow for cannabis extraction activities, which application is, as at the date hereof, under review by the applicable Governmental Authority;
- (c) **"Affiliate"** has the meaning set forth in National Instrument 45-106 – *Prospectus Exemptions*;
- (d) **"Agreement"** means this agreement, and all Schedules attached to this agreement, in each case as they may be amended or supplemented from time to time, and the expressions **"hereof"**, **"herein"**, **"hereto"**, **"hereunder"**, **"hereby"** and similar expressions refer to this agreement and unless otherwise indicated, references to Articles and sections are to Articles and sections in this Agreement;
- (e) **"Applicable Laws"** means, in respect of any Person, property, transaction, event or course of conduct, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, practices, regulatory policies (including the Exchange), codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority, and all conditions, restrictions or requirements imposed by the terms of, or applicably by reason of, any permits, approvals, review processes of any Governmental Authority or any filings with respect to any work under any Contract including, without limitation, any applicable building permits;
- (f) **"Applicable Privacy Laws"** means all Applicable Laws relating to the collection, use, disclosure and storage of Personal Information, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada);
- (g) **"Approvals"** means approvals, certificates, authorizations, Consents, filings, permits, grants, licences, notifications, privileges, registrations, rights, orders, judgments, rulings, directives, ordinances, decrees, registrations and filings;
- (h) **"Bad Termination"** has the meaning assigned to such term in the Consulting Agreement;
- (i) **"Business Day"** means any day, other than Saturday, Sunday or any statutory holiday in the Province of British Columbia or the Province of Ontario;
- (j) **"Cannabis Act"** means the *Cannabis Act* (Canada) as the same may be amended from time to time;
- (k) **"CannMart Labs"** means CannMart Labs Inc., a corporation existing under the laws of the Province of Ontario;
- (l) **"CannMart Labs Business"** means the business of CannMart Labs as currently conducted or proposed to be conducted, as the context requires;
- (m) **"Change of Control"** means, with respect to Namaste:

- (i) the consummation of the purchase or acquisition, in one or more transactions and by whatever means (including, without limitation, by way of subscription, take-over bid, arrangement, amalgamation, merger, consolidation or other business combination), by any Person (or two or more Persons acting jointly or in concert), directly or indirectly, of the beneficial or of record ownership of the voting securities of Namaste (including, the Namaste Shares) and securities convertible or exercisable into voting securities of Namaste which, together with such Person's then owned Namaste Shares and other securities convertible or exercisable into Namaste Shares, if any, represent in the aggregate more than 50% of the voting power of the outstanding voting securities of Namaste (other than an issue or sale of Namaste Shares to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of a prospectus or private placement, and other than an acquisition which is part of a *bona fide* reorganization of Namaste in circumstances where the affairs of Namaste are continued, directly or indirectly, and where the shareholders remain substantially the same following the reorganization as existed prior thereto); or
 - (ii) a change or reconstitution of 75% or more of the members of the board of directors of Namaste over any three month period, with such determination to be made based on the members of the board of directors of Namaste as constituted on the first day of the applicable three month period;
- (n) **"Claim"** means a claim for indemnification by an Indemnified Party pursuant to Section 6.1 or Section 6.2, respectively;
- (o) **"Closing"** means the completion of the purchase and sale of the Purchased Shares pursuant to this Agreement at the Closing Time;
- (p) **"Closing Date"** means, unless otherwise agreed by the Parties, December 2, 2020;
- (q) **"Closing Time"** means 12:00 p.m., EST, on the Closing Date;
- (r) **"Company IP"** means any and all industrial or intellectual property (whether foreign or domestic, registered or unregistered) that is (i) owned by CannMart Labs or licensed to CannMart Labs, and is necessary and material to the operation, conduct or maintenance of the CannMart Labs Business, as it is currently and has historically been operated, or (ii) used by CannMart Labs in the operation, conduct or maintenance of the CannMart Labs Business, as it is currently and has historically been operated, conducted or maintained. Without limiting the generality of the foregoing, "Company IP" includes the following types of industrial and intellectual property, to the extent covered by subparagraph (i) or (ii) and to the extent Intellectual Property Rights in any such industrial or intellectual property may exist or be created in such jurisdictions in which the CannMart Labs Business is operated, conducted or maintained at the relevant time: (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), and all patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trademarks, trade names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related

thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (iii) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith; (iv) all industrial designs, and all applications, registrations and renewals in connection therewith; (v) all proprietary, technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, compilations, databases and the information contained therein and all business and financial information relating to CannMart Labs; (vi) all computer software (including all source code, object code and related documentation); and (vii) all current and future foreign counterparts of any of the foregoing, together with: (a) all copies and tangible embodiments of the foregoing (in whatever form or medium); (b) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (c) all Intellectual Property Rights related to each of the foregoing.

- (s) **“Confidential Information”** has the meaning attributed to such term in Section 8.3;
- (t) **“Consents”** means, collectively, all of the consents, permissions or approvals of:
 - (i) any Governmental Authority;
 - (ii) any Person pursuant to or in connection with any Contract, required in connection with the transactions contemplated by this Agreement;
- (u) **“Consulting Agreement”** means the consulting agreements to be entered into between each of the Sellers and Namaste in the form attached as Schedule “C” hereto;
- (v) **“Contracts”** means any contract, agreement, commitment, lease or other binding instrument, whether written or oral;
- (w) **“Direct Claim”** means a Claim which originates pursuant to this Agreement and does not involve a Third Party Claim;
- (x) **“Direction”** means a direction executed by the Sellers and delivered to Namaste directing Namaste to deliver the Base Purchase Price or Earn-Out Amount, whether payable on the Closing Date or thereafter, in accordance with such direction;
- (y) **“Earn-Out Schedule”** means the payment schedule set out in Schedule “A” hereto;
- (z) **“Encumbrance”** means any security interest, lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim or title retention agreement, preferential right, trust arrangement, contractual right of set-off or other security agreement or arrangement of any nature or kind whatsoever;
- (aa) **“Environment”** means the environment or natural environment as defined in any Environmental Laws, and includes air, all layers of the atmosphere, land surface, subsurface, surface water, ground water or other water, any sewer or water system, air enclosed in a building and the environment in the workplace;
- (bb) **“Environmental Law”** means any Applicable Law relating to the regulation or control of pollution, or the protection of the Environment, natural resources, or human health and

safety, including, without limitation, Applicable Laws relating to the generation, treatment, storage, disposal, handling, use, manufacturing, transportation, discharge, emission or Release of, or exposure to, or other regulation of, any Hazardous Materials.

- (cc) **“Environmental Permits”** means all permits, licences, approvals, consents, authorizations, rights, accreditations, wavers, exemptions, orders, registrations and certificates issued or provided by a Governmental Authority related to the Environment;
- (dd) **“Exchange”** means the TSX Venture Exchange (or such other replacement recognized Canadian stock exchange upon which the Namaste Shares are principally listed for trading from time to time);
- (ee) **“Facility”** means the facility leased by CannMart Labs located at 7 Canso Road, Etobicoke, M9W 1C3;
- (ff) **“For Cause Disability or Death Termination”** has the meaning assigned to such term in the Consulting Agreement;
- (gg) **“Good Termination”** has the meaning assigned to such term in the Consulting Agreement;
- (hh) **“Governmental Authority”** means any:
 - (i) federal, provincial, state, regional, municipal, local or other government, domestic or foreign;
 - (ii) governmental or quasi-governmental authority of any nature including any agency, branch, department, commission, board, court or tribunal;
 - (iii) body exercising any administrative, executive, judicial, legislative, police, regulatory, expropriation or taxing authority, domestic or foreign; or
 - (iv) self-regulatory organization or stock exchange having jurisdiction in the relevant circumstances;
- (ii) **“Gross Margin Principles”** means the principles utilized to calculate gross margins for the purposes of this Agreement as set forth in Schedule “B” attached hereto;
- (jj) **“Hazardous Materials”** means any substance, material, residual material, odor, heat, sound, vibration, radiation, or combination of them, or waste that is regulated, defined, classified or otherwise characterized under or pursuant to any Environmental Law as “hazardous,” “toxic,” “pollutant,” “contaminant,” “radioactive,” “dangerous” or words of similar meaning or effect, including petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos or asbestos-containing materials, polychlorinated biphenyls, per- and polyfluoroalkyl substances, perfluorooctanoic acid or perfluorooctane sulfonate;
- (kk) **“Indemnified Party”** means a Person whom the Sellers or Namaste, as the case may be, is required to indemnify under Article 6;

- (ll) **"Indemnifying Party"** means, in relation to an Indemnified Party, a Party to this Agreement that is required to indemnify such Indemnified Party under Article 6;
- (mm) **"Intellectual Property Rights"** means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, confidential information law (including breach of confidence), trade-mark law, trade-name law, the right to sue for passing off, or other similar laws, and includes legislation by competent Governmental Authorities and judicial decisions under common law or equity, and for greater certainty includes the right to file any applications, and the right to claim for the same the priority rights derived from any applications filed under any treaty, convention, or any domestic laws of a country in which a prior application is filed;
- (nn) **"Interim Period"** means the period commencing on the date of this Agreement and ending at the Closing Time;
- (oo) **"Lease Agreement"** means the agreement to lease dated March 7, 2018 , in the form published by Ontario Real Estate Association, entered in to by and among 2624078 Ontario Inc., as tenant, and Stellar Construction Enterprises Limited, as landlord, as amended from time to time;
- (pp) **"Leased Real Property"** has the meaning attributed to such term in Section 3.1(n)(i);
- (qq) **"Loss"** means any loss, injury, liability, damage, cost, expense (including reasonable legal and consulting fees and disbursements), or deficiency of any kind or nature, suffered or incurred by an Indemnified Party, in connection with any Claim made by it hereunder, including in respect of any proceeding, assessment, judgment, settlement or compromise relating thereto;
- (rr) **"Material Adverse Change"** or **"Material Adverse Effect"** means, in respect of a Person referred to, any event or change that:
 - (i) is, or is reasonably likely to be, materially adverse to such Person, its financial condition or its results of operations, or
 - (ii) prevents, or would reasonably be likely to prevent, the consummation of the transaction of purchase and sale provided for hereunder by such Person, other than any event or change resulting from or arising in connection with any of the following:
 - (A) any change in Canadian generally accepted accounting principles;
 - (B) the adoption, proposal, implementation or change in Applicable Law or any interpretation thereof;
 - (C) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national, regional or global financial or capital markets and which does not have a materially disproportionate effect on such Person;

- (D) any change affecting the industry in which such Person operates which does not have a materially disproportionate effect on the Person;
 - (E) any natural disaster or pandemic (including, the COVID-19 pandemic); or
 - (F) the execution, announcement or performance of this Agreement or consummation of the transactions contemplated hereby;
- (ss) **“Namaste Closing Date Knowledge”** means, with respect to such matter(s) to which such term refers, the actual knowledge, as of the Closing Date, of any director or officer of Namaste arising directly by (i) the reason of Namaste’s involvement in the management or oversight of such portions of the operations, undertakings, and affairs of CannMart Labs prior to the Closing Date; or (ii) disclosure in writing by the Sellers to Namaste prior to the Closing Date, and excluding, for greater certainty, the knowledge of *[Confidential information redacted]*;
- (tt) **“Namaste Shares”** means common shares in the capital of Namaste;
- (uu) **“Notice of Claim”** has the meaning attributed to such term in Section 6.3;
- (vv) **“Order”** means any judgment, order, injunction, decree, ruling, writ, permit, assessment, arbitration award or license or any other determination of or by any Government Authority or any arbitrator.
- (ww) **“Outside Date”** means December 18, 2020, or such later date as the Parties may mutually agree upon in writing;
- (xx) **“Owned Intellectual Property”** means any industrial or intellectual property owned by CannMart Labs or purported to be owned by or on behalf of CannMart Labs;
- (yy) **“Permits”** has the meaning attributed to such term in Section 3.1(s);
- (zz) **“Processing License”** means a processing license issued under the Cannabis Act;
- (aaa) **“Permitted Encumbrances”** means:
- (i) Encumbrances for Taxes either not due and payable or due but for which notice of assessment has not been given and Encumbrances for Taxes, assessments and governmental charges due and being contested in good faith and diligently by appropriate proceedings (and for the payment of which adequate provision has been made);
 - (ii) Encumbrances claimed or held by any Governmental Authority that have not at the time been filed or registered against the title to an asset or served upon the applicable Person pursuant to Applicable Law or that relate to obligations not due or delinquent; and
 - (iii) any Encumbrances given in the ordinary course of business to any Governmental Authority in connection with the operations of the applicable business, other than any Encumbrances for borrowed money;

- (bbb) **“Person”** means any individual, sole proprietorship, partnership, limited partnership, joint venture, syndicate, body corporate with or without share capital, unincorporated association or trust and, where the context requires, any of the foregoing when acting as trustee, executor, administrator or other legal representative;
- (ccc) **“Personal Information”** means the type of information regulated by Applicable Privacy Laws and collected, used or disclosed by a Person, including information such as an individual's name, address, age, gender, identification number, income, family status, citizenship, employment, assets, liabilities, source of funds, payment records, credit information, personal references and health records, but does not include the name, title or business address or telephone number of an employee;
- (ddd) **“Phyto Agreement”** means the licensing agreement entered into by CannMart Labs and 1204581 BC Ltd.;
- (eee) **“Purchased Shares”** has the meaning attributed to that term in Recital A;
- (fff) **“Regulations”** means the *Cannabis Regulations* (Canada), promulgated under the Cannabis Act, and any successor or replacement regulations, promulgated under the Cannabis Act, as the same may be amended from time to time and includes all notices, guidance, guidelines and ancillary rules or regulations promulgated thereunder or in connection therewith and having the force of law;
- (ggg) **“Release”** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, emitting, leaching or migration at, into or onto the environment, including movement or migration through or in the Environment, or any release, emission or discharge as those terms are defined in any applicable Environmental Law.
- (hhh) **“Seller Personal Information”** means any information about the Sellers required to be disclosed to any Governmental Authority, whether pursuant to a prescribed form or pursuant to a request made by a Governmental Authority;
- (iii) **“Seller’s Knowledge”** means, (i) in respect of JLLS, the actual knowledge of *[Confidential information redacted]* being a relative of the ultimate beneficial owner of JLLS, but without personal liability on the part of *[Confidential information redacted]*, and (ii) in respect of MKD, the actual knowledge of *[Confidential information redacted]*, being a relative of the ultimate beneficial owner of MKD, but without personal liability on the part of *[Confidential information redacted]*, and in each case, a reference to the “Seller’s Knowledge” shall include the knowledge which such applicable Person would have had if such Person had made inquiries and investigations into the relevant matter that a reasonably prudent individual would have made in similar circumstances.
- (jjj) **“Substance”** means any substance or material which under any Applicable Environmental Law is defined to be “hazardous”, “toxic”, “deleterious”, “caustic”, “dangerous”, a “contaminant”, a “pollutant”, a “dangerous good”, a “waste”, a “source of contamination” or a source of a “pollutant”;

- (kkk) **“Tax” and “Taxes”** means all taxes, assessments, reassessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits), windfall profits taxes, gross receipts taxes, withholding or similar taxes, branch taxes, net worth taxes, surtaxes, production taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, excise taxes, goods and services tax, harmonized sales tax, capital taxes, stamp taxes, premium taxes, property taxes, land transfer taxes, mining taxes, environmental taxes, franchise taxes, licence taxes, health taxes, payroll taxes, employment taxes, severance taxes, social security premiums, employment insurance or compensation premiums, Canada or Quebec Pension Plan premiums, workers' compensation premiums, mandatory pension and other social fund taxes or premiums, alternative or add-on minimum taxes, custom duties or other governmental taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind whatsoever imposed by any Governmental Authority in respect of the relevant entity, together with any interest, penalties or additions thereto and any interest in respect of such penalties or additions;
- (III) **“Third Party”** means a Person that is not a Party;
- (mmm) **“Third Party Claim”** means a Claim by an Indemnified Party which originates by reason of a Person (other than such Indemnified Party) making a claim against the Indemnified Party;
- (nnn) **“Transaction Documents”** means, collectively, the documents, instruments and agreements referred to in Sections 4.1(a)(ii);
- (ooo) **“Voting Trust and Standstill Agreement”** means the voting trust and standstill agreement governing the Namaste Shares to be entered into between Namaste and Sellers, in the form set out in Schedule “D” attached hereto; and
- (ppp) **“Withheld Amount”** has the meaning attributed to such term in Section 8.2.

1.2 Interpretation

In this Agreement:

- (a) Headings and Table of Contents. The inclusion of headings and a table of contents is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) Gender and Number. Except where the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (c) Including. Where the word “including” or “includes” is used, it means including or includes “without limitation”.
- (d) Material. Where the term “material” or “materially” is used, it shall be construed, measured or assessed on the basis of whether the matter would materially affect a Party or would prevent or significantly impede the purchase or sale of the Purchased Shares or

the completion of the other transactions contemplated by this Agreement and the Transaction Documents.

- (e) No Strict Construction. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party proposing any such language.
- (f) Statutory References. A reference to a statute includes all rules and regulations made pursuant to such statute and, unless expressly provided otherwise, the provisions of any statute, rule or regulation which amends, supplements or supersedes any such statute, rule or regulation.
- (g) Currency. Except where expressly provided otherwise herein, all amounts are stated and shall be paid in Canadian dollars.
- (h) Time Periods. Except where expressly provided otherwise herein, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of the period is not a Business Day.

1.3 Entire Agreement

This Agreement and the Transaction Documents and the other written agreements entered into on the Closing Date in connection herewith constitute the entire agreement between the Parties pertaining to the transactions contemplated by this Agreement and the Transaction Documents. There are no representations, warranties, covenants, agreements, conditions, indemnities or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the transactions contemplated by this Agreement or the Transaction Documents or the other written agreements entered into on the Closing Date in connection herewith, except as expressly contained in this Agreement and the Transaction Documents and the other written agreements entered into on the Closing Date in connection herewith and this Agreement and the Transaction Documents supersede any and all prior and/or contemporaneous agreements and understandings, both written and oral, among the parties with respect to such subject matter, including the letter of intent between Namaste and the Sellers dated October 1, 2020.

1.4 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by Applicable Laws, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties shall engage in good faith negotiations to replace any provision which is so declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as near as possible to that of the invalid or unenforceable provision which it replaces.

1.5 Amendments, Waivers, Investigations

Except as expressly provided otherwise herein, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless expressly provided otherwise herein. No investigation or waiver made by or on behalf of any Party shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by any other Party pursuant to this Agreement or any Transaction Document.

1.6 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each of the Parties hereby irrevocably attorns and submits to the arbitral jurisdiction set out in Section 1.7 and, with respect to any matters not determined by arbitration or following exhaustion of arbitration, to the non-exclusive jurisdiction of the courts of the Province of Ontario respecting all matters relating to this Agreement and the Transaction Documents and the rights and obligations of the Parties hereunder and thereunder.

1.7 Arbitration of Disputes

All disputes, controversies, or claims arising out or relating to this Agreement shall, at the request of either Party, be resolved by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “**ICC Rules**”), except to the extent of conflicts between the ICC Rules and the provisions of this Agreement, in which event the provisions of this Agreement shall prevail. The following provisions shall apply to an arbitration commenced pursuant to this Section 1.7: The number of arbitrators shall be one, who shall be appointed in accordance with the ICC Rules.

- (a) The place legal seat of the arbitration shall be Toronto, Ontario, Canada.
- (b) The language to be used in all aspects of the arbitration shall be English.
- (c) All awards issued by the arbitrator shall be final, non-appealable and binding on the Parties. Any award may be filed in any court of competent jurisdiction and may be enforced by a Party as a final judgment in such court. The Parties expressly waive, to the maximum extent permitted by law, any right of appeal of any award.
- (d) The Parties agree that time is of the essence in any arbitration commenced hereunder, and shall request that the arbitrator render its final award within three months of the appointment of the arbitrator, or as soon as possible thereafter, provided that no award shall be invalid if it is not rendered within the time period herein specified.
- (e) Any award for monetary damages shall be made and payable in Canadian dollars and may include interest from the date of any breach or violation of this Agreement until paid in full at the rate determined by the arbitrator.
- (f) The Parties agree that any arbitration carried out hereunder shall be kept strictly private and confidential, and that the existence of the proceedings and any element of it

(including but not limited to all awards, the identity of the Parties and all witnesses and experts, all materials created for the purposes of the arbitration, all testimony or other oral submissions, all documents disclosed in arbitration and all documents produced by a Party that were not already in the possession of the other Party) shall be kept strictly private and confidential, except (i) with the consent of the Parties, (ii) to the extent disclosure may be lawfully required in bona fide judicial proceedings relating to the arbitration, (iii) where disclosure is lawfully required by a legal duty, and (iv) where such information is already in the public domain other than as a result of a breach of this clause. The Parties shall request that the arbitrator and the ICC keep any arbitration carried out hereunder strictly private and confidential, including but not limited to all of the foregoing items, and shall request that the arbitrator and the ICC refrain from publishing or disclosing any such items. The Parties also agree not to use any information disclosed to them during the arbitration for any purpose other than in connection with the arbitration.

- (g) The arbitrator shall be guided, but not bound, by the International Bar Association's Rules on the Taking of Evidence in International Commercial Arbitration.
- (h) The Parties agree that while an arbitration is pending pursuant to this clause, the Parties shall continue to perform their obligations under this Agreement, provided that such performance shall be without prejudice to the rights and remedies of the Parties and shall not be read or construed as a waiver of a Party's right to claim for recovery of any losses suffered as a result of the continued performance of this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 Agreement to Purchase and Sell

Subject to the terms and conditions of this Agreement, Namaste shall purchase from the Sellers, and the Sellers shall sell to Namaste, the Purchased Shares for the Base Purchase Price at the Closing Time.

2.2 Base Purchase Price

Subject to Section 2.4 and Section 2.6, the "**Base Purchase Price**" shall be \$4,034,000, to be paid in Namaste Shares issued to the Sellers *pro rata* in accordance with their respective ownership interest in the Purchased Shares (or in such other allocation(s) and to such other Persons as the Sellers may otherwise direct in writing) in accordance with the applicable Direction as follows:

- (a) \$1,608,500 of Namaste Shares (the "**Closing Shares**") shall be issued on the Closing Date;
- (b) the remaining \$2,425,500 (the "**Remaining Purchase Price Payment**") will be paid in Namaste Shares (or in cash in accordance with Section 2.9) in increments of \$269,500 of Namaste Shares over the course of nine consecutive fiscal quarters of Namaste, beginning on the fiscal quarter ending February 28, 2021 (the "**Remaining Tranches**" and each a "**Remaining Tranche**"). The Namaste Shares to be issued on each Remaining Tranche inclusive shall:
 - (i) be issued within 5 days of the end of the applicable fiscal quarter; and

- (ii) be subject to the Deductions. The Namaste Shares issuable on the Remaining Tranches are referred to herein as the “**Remaining Purchase Price Shares**”).

2.3 Earn-Out Amount

Subject to Section 2.4 and Section 2.6, the Sellers shall be entitled to additional payments in the maximum amount of \$17,427,680.52 (the “**Earn-Out Amount**”) calculated in respect of CannMart Labs and Cannmart Inc. in accordance with the Gross Margin Principles payable in quarterly increments as indicated in the Earn-Out Schedule in Namaste Shares (or cash in accordance with Section 2.9) over the course of nine fiscal quarters of Namaste, commencing on the fiscal quarter ended February 28, 2021 conditional upon meeting the Financial Targets as set out in the Earn-Out Schedule. The Namaste Shares (or cash in accordance with Section 2.9) forming part of the Earn-Out Amount shall be paid to the Sellers within 15 calendar days of the publication of Namaste’s applicable quarterly financial statements.

2.4 Deductions

- (a) The Remaining Purchase Price Payment and Earn-Out Amount shall be subject to the following deductions (the “**Deductions**”), provided that, in assessing the quantum of any Deductions the Parties shall act in good faith and reasonably:
 - (i) *Negative Gross Margins*: If production results in negative gross margin (calculated in accordance with the Gross Margin Principles) the equivalent amount shall be reduced from the outstanding portion of the Remaining Purchase Price Payment, provided that, if products are sold at a negative gross margin due to management override, and such management override is directed in writing by Namaste, no penalty shall be imposed.
 - (ii) *Facility Construction Cost*: Failure by CannMart Labs, under the direction of the Sellers to complete the construction of the Facility at or below [*Commercially sensitive information redacted*], exclusive of Taxes shall result in a reduction of the payments associated with the outstanding portion of the Remaining Purchase Price Payment and the Earn-Out Amount on a dollar for dollar over budget basis.
- (b) The Deductions are cumulative and will be applied against the next payment due for the Remaining Purchase Price Payment or the Earn-Out Amount, as applicable (or subsequent payments if the Deductions exceed the amount payable on the next payment date for the Remaining Purchase Price Payment or the Earn-Out Amount, as applicable). For greater certainty, if applicable calculations result in a negative payment being due, no payment shall be made.

2.5 True Up

Notwithstanding anything to the contrary herein, if, following the end of an applicable fiscal quarter of Namaste and the issuance of the Remaining Purchase Price Shares corresponding to such fiscal quarter in accordance with Section 2.2, the Parties discover that the Sellers were issued less than the number of Remaining Purchase Price Shares that the Sellers were entitled to be issued following the end of the applicable fiscal quarter, then, concurrently with payment of the applicable Earn-Out Amount, the Purchaser shall deliver to the Sellers such number of additional Namaste Shares (the “**True-Up Shares**”) as is equal to the difference obtained by subtracting the number of Remaining Purchase Price Shares

actually issued to the Sellers following the end of the preceding fiscal quarter of Namaste from the total number of Remaining Purchase Price Shares that the Sellers were entitled to following the end of the said fiscal quarter.

2.6 Acceleration and Forfeiture

- (a) *Termination of Consulting Agreement:*
- (i) In the event that an applicable Consulting Agreement is terminated, and such termination is a Bad Termination, then the related Seller's pro-rata share of any outstanding portion of the Remaining Purchase Price Payment or Earn-Out Amount shall be forfeited in their entirety.
 - (ii) In the event that an applicable Consulting Agreement is terminated, and such termination is a For Cause Disability or Death Termination, then the related Seller's pro-rata share of any outstanding portion of the Earn-Out Amount shall be forfeited in its entirety.
 - (iii) In the event that an applicable Seller's Consulting Agreement is terminated and such termination is a Good Termination, then:
 - (A) the Remaining Purchase Price Payment payable to the applicable related Seller shall immediately and automatically accelerate and become immediately due and payable as at the date of termination, and
 - (B) unless mutually agreed upon by the Parties, the Seller shall become entitled to payment of the Earn-Out Amount in accordance with Tier 3 of the Earn-Out Schedule for each of the remaining fiscal quarters of Namaste as set forth in Schedule "B" hereto, provided that such payments shall be made over the remaining fiscal quarters in accordance with the original payment schedule.
- (b) *Change of Control:* If, at any time while any amount of the Remaining Purchase Price Payment or Earn Out Amount remains unvested and payable to the Sellers, there is a Change of Control:
- (i) the entirety of the Remaining Purchase Price Payment shall become immediately due and payable to the Sellers as at the date of the said Change of Control of Namaste; and
 - (ii) unless otherwise agreed between the Parties, the Sellers shall automatically earn and become entitled to payment of the Earn-Out Amount in accordance with Tier 4 of the Earn-Out Schedule for each of the remaining fiscal quarters of Namaste as set forth in Schedule "B" hereto, provided that such payments shall be made over the remaining fiscal quarters in accordance with the original payment schedule;

2.7 Specified Trigger Action

- (a) *Definitions:* In this Section 2.7

- (i) **“Allocation Targets”** means the operating expenses and COGS targets for Cannmart Inc. or CannMart Labs Inc., reflected in the relevant entity’s Annual Budget for an applicable fiscal year (other than fiscal 2021), which Allocation Targets shall (i) be expressed as an annual percentage, based on the Gross Profits and Revenue realized by the relevant entity in the prior fiscal year, with the Allocation Targets for the relevant fiscal year comprised of (A) an operating expenses target of not more than ten percent (10%) of Gross Profits and (B) a COGS target of not more than forty six percent (46%) of Revenues, and (ii) be subject to adjustments in accordance with Section 2.11(a)(iv) in the event of an Equivalent Budget Reduction.
- (ii) **“Annual Budget”** means, with respect to Cannmart Inc. or CannMart Labs, the annual budget for the relevant entity for an applicable fiscal year, as adjusted from time to time in accordance with the terms of this Agreement, which budget shall (i) be prepared by management of Namaste in good faith, with the assistance of *[Confidential information redacted]* (to be provided pursuant to the Consulting Agreements), in accordance with generally accepted accounting principles applicable in Canada consistently applied, and approved by the board of directors of Namaste, and (ii) include an operating budget and a capital expenditure budget, setting forth in reasonable detail, on a month-by-month basis, each of the following line items: (a) operating income (factoring in COGS), (b) operating expenses and (c) capital expenses, in each case for the applicable fiscal year. For the avoidance of doubt, the Annual Budget includes the Initial Budgets.
- (iii) **“COGS”** has the meaning set out in Schedule “B”;
- (iv) **“Consolidated Budget”** means the budget of Namaste and its subsidiaries on a consolidated basis, excluding the budget of CannMart Labs and CannMart Inc.;
- (v) **“Consolidated Budget Reduction”** means a reduction in the Consolidated Annual Budget implemented by Namaste with the approval of the board of directors of Namaste.
- (vi) **“Consolidated Budget Reduction Percentage”** means, in respect of a Consolidated Budget Reduction, the percentage by which the operating expenses line item and/or the COGS line item in the Consolidated Budget is reduced thereunder.
- (vii) **“Equivalent Budget Reduction”** means, in respect of an applicable fiscal year, a reduction to the operating expenses line item and/or the COGS line item set forth in the Annual Budget of the relevant entity for such fiscal year, solely to the extent that all of the following conditions are satisfied:
 - (A) such reduction is implemented (A) as a result of Namaste having implemented a Consolidated Budget Reduction concurrently with such reduction or in the six month period preceding such reduction, and (B) solely in respect of the remaining period in the applicable fiscal year set forth in the Annual Budget of the relevant entity; and

- (B) such reduction shall not, in any event, result in a reduction to the then current operating expenses line item and/or the COGS line item set forth in the Annual Budget of the relevant entity by a percentage greater than the Consolidated Budget Reduction Percentage.
- (viii) **“Gross Profit”** means the gross profit (i.e. Revenue less COGS) realized by CannMart Labs and Cannmart Inc., calculated in accordance with Schedule “B”;
- (ix) **“Initial Budgets”** means, collectively, the CannMart Labs fiscal 2021 budget, a copy of which is attached as Schedule E to this Agreement, which each Party acknowledges is consistent with the Allocation Targets, and the CannMart Inc. budget;
- (x) **“Negative Profit Event Reduction”** means, in respect of an applicable fiscal year, a reduction to the operating expenses line item and/or the COGS line item set forth in the Annual Budget of the relevant entity, solely to the extent that all of the following conditions are satisfied:
 - (A) such reduction is implemented following a review the operating results of the relevant entity for the two consecutive fiscal months immediately preceding the fiscal month in which such reduction is implemented (such fiscal months referred to in this definition as the **“Reviewed Fiscal Months”**), with the approval of the board of directors of Namaste;
 - (B) such reduction is implemented (A) as a result of Namaste having determined (acting reasonably and in good faith), that the relevant entity has achieved negative Gross Profits during the Reviewed Fiscal Months, and (B) solely in respect of the remaining period in the applicable fiscal year set forth in the Annual Budget of the relevant entity (such period referred to in this definition as the **“Remaining Fiscal Period”**);
 - (C) such reduction is implemented (and in the informed opinion of Namaste, acting reasonably and in good faith, such reduction is necessary), to prevent the relevant entity from achieving negative Gross Profits during the Remaining Fiscal Period, and enable such entity to achieve the Allocation Targets for such fiscal year; and
 - (D) such reduction shall not, in any event, be greater than a fifty percent (50%) reduction to the then current operating expenses line item and/or the COGS line item set forth in the Annual Budget of the relevant entity immediately prior to such reduction,

Notwithstanding the foregoing, in the event that Cannmart Inc. or CannMart Labs achieves negative Gross Profits during fiscal months nine, ten, eleven, or twelve in an applicable fiscal year, Namaste may defer the implementation of the Negative Profit Event Reduction until the immediately following fiscal year and incorporate such Negative Profit Event Reduction into the Annual Budget of the relevant entity for such immediately following fiscal year.

- (xi) **“Revenue”** means Top Line Sales as set out in in Schedule “B” and excludes any excise taxes;
 - (xii) **“Specified Trigger Action”** means any one or more actions taken by or on behalf of Namaste or the respective board of directors of Cannmart Inc. or Cannmart Labs (referred to in this definition collectively as the **“Budget Controlling Parties”**), whether directly or indirectly, or any one or more events or circumstances caused or materially contributed to by such of the applicable Budget Controlling Parties (directly or indirectly), which, individually or taken together, results in a reduction to the Annual Budget, provided however that, notwithstanding the foregoing, a reduction to the Annual Budget shall not constitute a “Specified Trigger Action” to the extent resulting from the following circumstances:
 - (A) if such reduction constitutes a Standard Mid-Year Reduction;
 - (B) if such reduction constitutes a Negative Profit Reduction; or
 - (C) if such reduction constitutes an Equivalent Budget Reduction.
 - (xiii) **“Standard Mid-Year Reduction”** means, in respect of an applicable fiscal year, a reduction to the operating expenses line item and/or the COGS line item for Fiscal Q3 and Fiscal Q4 of such fiscal year set forth in the Annual Budget, solely to the extent that all of the following conditions are satisfied:
 - (A) such reduction is implemented during Fiscal Q3 following a review the operating results for Fiscal Q1 and Fiscal Q2, with the approval of the board of directors of Namaste; and
 - (B) such reduction is implemented (and in the informed opinion of Namaste, acting reasonably and in good faith, such reduction is necessary) solely to ensure that Cannmart Inc. and CannMart Labs do not exceed the Allocation Targets during such fiscal year.
- (b) *Payment Upon Specified Trigger Event:* If, at any time while any amount of the Remaining Purchase Price Payment or Earn Out Amount remains unvested and payable to the Sellers, and unless otherwise consented to by the Sellers, there occurs a Specified Trigger Action, and the Sellers have provided notice to Namaste that such Specified Trigger Action has occurred and Namaste does not, within 15 days from receipt of such written notice, take reasonable actions to stop or remedy such Specified Trigger Action from occurring:
- (i) the entirety of the Remaining Purchase Price Payment shall become immediately due and payable to the Sellers at 5:00 p.m. Toronto time on the last day of such 15-day notice period; and
 - (ii) unless otherwise agreed between the Parties, the Sellers shall automatically earn and become entitled to payment of the Earn-Out Amount in accordance with Tier 4 of the Earn-Out Schedule for each of the remaining fiscal quarters of Namaste as set forth in Schedule “B” hereto, provided that such payments shall be made

over the remaining fiscal quarters in accordance with the original payment schedule.

2.8 Issuance of Namaste Shares

Any Namaste Shares issuable to the Sellers pursuant to the terms of this Agreement shall, subject to compliance with all Applicable Laws, be issued at deemed price equal to seven (7) day trailing volume weighted average price of Namaste Shares on the Exchange prior to the date of issuance. The Parties acknowledge and agree that any issuance of Namaste Shares made hereunder shall be made in reliance on the exemption set out in Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* and, accordingly, will not be subject to a statutory hold period in Canada, provided however that, in the event that the Parties shall be disentitled or unable to rely on the said exemption in respect of any issuance of Namaste Shares made hereunder, the Parties shall, each acting in good faith and reasonably, work together to identify and give effect to an alternate structure, in order to ensure that the Namaste Shares issued to the Sellers hereunder will be issued free and clear of any resale or trading restrictions under Applicable Securities Laws (including the policies of the Exchange).

2.9 Cash Payment in lieu of Namaste Shares

Namaste shall have the option, exercisable in its sole discretion, in lieu of issuing Namaste Shares to satisfy its obligations to pay the Remaining Purchase Price Payment or the Earn-Out Amount hereunder, to pay the cash equivalent, in whole or in part, of any Namaste Shares then due at a 5% discount. By way of example, if Namaste is required to pay the value of \$269,500 in Namaste Shares to the Sellers, Namaste may elect to pay $200,000 \times 0.95 = \$190,000$ in cash and \$69,500 in Namaste Shares.

2.10 Exchange Approval

- (a) Namaste and the Sellers acknowledge that Namaste requires approval of the Exchange for the issuance of any Namaste Shares to the Sellers. The Parties agree that, for the purposes of making an application for approval to the Exchange, the maximum number of Namaste Shares which may be issuable pursuant to this Agreement is 64,466,942, being 19.9% of the issued and outstanding Namaste Shares at the date of this Agreement (the “**Maximum Namaste Shares**”).
- (b) Namaste acknowledges and agrees that, should the number of Namaste Shares which become issuable to the Sellers exceed the Maximum Namaste Shares, it shall, in consultation with the Sellers, forthwith make a further application to the Exchange for the issuance of such additional Namaste Shares and shall have the option to pay cash in lieu there of the Namaste Shares in accordance with Section 2.9.

2.11 Budget Matters

- (a) The Parties agree and acknowledge the following:
 - (i) Each of Cannmart Inc. and CannMart Labs shall be operated pursuant to the Annual Budget for the respective entity, and in respect of the fiscal year 2021, shall be operated pursuant to the respective Initial Budgets.
 - (ii) The Annual Budgets for fiscal year 2022 and fiscal year 2023 shall contain:

- (A) an annual Revenue target of not less than one hundred percent (100%) of the Revenue realized in the immediately preceding fiscal year; and
 - (B) an annual Gross Profit target of not less than one hundred percent (100%) of the Gross Profit realized in the immediately preceding fiscal year; and
 - (C) the Allocation Targets.
- (iii) The Sellers may reallocate the Annual Budget for Cannmart Inc. and CannMart Labs (including, for the avoidance of doubt, an Initial Budget), in accordance with such companies' respective policies in place from time to time, provided such Annual Budget remains within the overall operating budget approved, in accordance with Applicable Laws, by the respective board of directors of such companies.
- (iv) In the event an Equivalent Budget Reduction is implemented in a particular fiscal year, the Target Allocations for the immediately following fiscal year shall be adjusted to reflect and give effect to the impact of such Equivalent Budget Reduction on the Target Allocations. For illustration purposes, if, for example, an Equivalent Budget Reduction implemented in fiscal year 2021 results in an operating expenses target of eight percent (8%) of Gross Profits and a COGS target of forty one percent (41%) of Revenues, the Target Allocations for fiscal year 2021 shall be adjusted to an operating expenses target of eight percent (8%) of Gross Profits and a COGS target of forty one percent (41%) of Revenues.

In the event an Negative Profit Event Reduction is implemented in a particular fiscal year with respect to Cannmart Inc. or CannMart Labs, as the case may be, and subsequently, the relevant entity achieves positive Gross Profits for two consecutive months prior to fiscal Q4 of such fiscal year, Namaste shall promptly amend the applicable Annual Budget of the relevant entity in order to amend the operating expenses line item and/or the COGS line item set forth in the said Annual Budget, to the levels which, in the opinion of Namaste acting reasonably and in good faith, will enable the relevant entity to achieve the Allocation Targets for the applicable fiscal year.

- (b) The Sellers may request to reallocate items in the Annual Budget for Cannmart Inc. and CannMart Labs (including, for the avoidance of doubt, an Initial Budget) into the capital expenditures budget, and shall be entitled to do so upon 30 days' notice to Namaste (unless such notice is waived in writing by Namaste), provided that, at such time, there is no more than a 15% overrun over the quarterly allocations for COGS and operating expenses and provided further that, unless otherwise agreed by the Parties:
- (i) if, over the two subsequent fiscal quarters, the reallocated capital expenditures result in Gross Profits that are equal or greater to such reallocated capital expenditures, the operating budget shall remain as so adjusted;
 - (ii) if, over the two subsequent fiscal quarters, the reallocated capital expenditures do not result in Gross Profits that are equal or greater to such reallocated capital expenditures, the operating budget shall be revised to balance such budget on a fiscal year basis; and

- (iii) notwithstanding any reallocations from COGS or operating expenses into capital expenditures such reallocated amounts shall be included as COGS or operating expenses , as applicable, for the purposes of the Allocation Targets.

2.12 Direction

All amounts payable pursuant to this Article 2 or otherwise payable to a Seller pursuant to this Agreement shall be paid in accordance with the applicable Direction.

2.13 Location and Time of the Closing

The Closing shall take place remotely on the Closing Date at the Closing Time, at the offices of Bennett Jones LLP in Vancouver, British Columbia, and any and all deliverables at closing under this Agreement may, unless one Party specifically requires otherwise reasonably in advance of the Closing Date, be made by facsimile, email or other electronic means.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 By the Sellers regarding CannMart Labs

Each of the Sellers acknowledges and confirms, severally (and not jointly and severally), that each of the following representations and warranties as they relate to CannMart Labs are made as of the date of execution of this Agreement and as of the Closing Time. Each of the Sellers acknowledges that Namaste is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares:

- (a) Corporate Power. CannMart Labs has the corporate power and capacity to carry on the CannMart Labs Business as currently conducted, and to own or lease its property and assets.
- (b) Non-Contravention. Except as may be within the Namaste Closing Date Knowledge, the execution, delivery and performance of this Agreement and the performance of the obligations under this Agreement by the Seller, and the completion by the Seller, of the transactions contemplated by this Agreement, do not and will not:
 - (i) contravene any provision of the constating documents of CannMart Labs;
 - (ii) result in a violation or breach of, or constitute a default (or an event, condition or occurrence which, with notice or passage of time or both, would constitute a default) under, or give rise to any termination rights, rights of first refusal or other buy-sell rights or the amendment, acceleration or cancellation of or change in any rights or obligations of any Person under, any provision of any contract, agreement, lease, licence, concession, franchise or Permit to which CannMart Labs is a party or by which CannMart Labs is bound or subject or of which CannMart Labs is a beneficiary;
 - (iii) give rise to any right of termination or acceleration of indebtedness by any Person, or cause any third party indebtedness owing by CannMart Labs to

become due and payable before its stated maturity or cause any available credit to cease to be available;

- (iv) result in the imposition of, give rise to or trigger any claim upon any of the assets of CannMart Labs, or restrict, hinder, impair or limit the ability of CannMart Labs, to carry on the CannMart Labs Business;
 - (v) create any Encumbrance upon any of the assets of CannMart Labs; or
 - (vi) contravene any Applicable Law.
- (c) Approvals. To the Seller's Knowledge, no authorization, Approval of, or filing with or notice to, any Governmental Authority, court or other Person is required to be obtained or provided, as applicable, by CannMart Labs in connection with the execution, delivery or performance of this Agreement by the Seller and the purchase and sale of the Purchased Shares pursuant to this Agreement.
- (d) Indebtedness. Except as may be within the Namaste Closing Date Knowledge, CannMart Labs does not have any outstanding bonds, debentures, notes, mortgages or other indebtedness and CannMart Labs has not agreed to create or issue any bonds, debentures, notes, mortgages or other indebtedness which will mature more than one (1) year after the date of their creation or issuance.
- (e) Liabilities and Guarantees. Except as may be within the Namaste Closing Date Knowledge, other than liabilities incurred in the ordinary course of business and liabilities previously disclosed to Namaste, CannMart Labs has no outstanding liabilities (whether absolute, contingent, accrued or otherwise), and is not a party to or bound by any agreement of guarantee, support, indemnification or assumption, comfort letter, or other agreement or commitment of a similar nature with respect to the obligations, liabilities (whether absolute, contingent, accrued or otherwise) or indebtedness of any Person.
- (f) Brokers' Fees. To the to the Seller's Knowledge, CannMart Labs, has no liability or obligation to pay any fees or commissions to any financial advisor, broker, finder or agent with respect to the transactions contemplated by this Agreement and the Transaction Documents nor has it granted any right of first refusal or commitment to engage any such Person in connection with any future transaction.
- (g) To the Seller's Knowledge and except as may be within Namaste's Closing Date Knowledge, CannMart Labs is not a party to or bound by or subject to any (each a "**CannMart Labs Material Contract**"):
 - (i) deed of trust, mortgage, security agreement, pledge agreement or any other agreement whereby any of the assets CannMart Labs is subject to an Encumbrance;
 - (ii) Contract which restricts CannMart Labs from doing business in any geographic area;

- (iii) licence, permission, authorization, consent or Contract relating to any Company IP other than the Phyto Agreement and the consulting agreement with **Tierra Labs**;
 - (iv) Contract to make any gift of any of its property, other than donations made in the ordinary course of business, consistent with past practice;
 - (v) Contract involving the settlement, release, compromise or waiver of any rights, claims, obligations, duties or liabilities of, or affecting, CannMart Labs;
 - (vi) Contract pursuant to which CannMart Labs agrees not to compete with any Person; or
 - (vii) Contract which was not made in the ordinary course of business consistent with past practice.
- (h) No Default. To the to the Seller's Knowledge, CannMart Labs is not in violation or material breach of, or material default under any CannMart Labs Material Contract, and there exists no event, condition or occurrence which, with notice or passage of time or both, would constitute a material default under, or give rise to any termination rights under, any provision of any CannMart Labs Material Contract, lease, licence or Permit to which CannMart Labs is a party or by which it is bound or is subject or of which it is a beneficiary.
- (i) Compliance with Laws.
- (i) CannMart Labs is in compliance with all Applicable Laws in all material respects; and
 - (ii) CannMart Labs is in compliance with all internal policies or codes of conduct in all respects, and to the Seller's Knowledge, no breaches of such policies or codes of conduct have been reported to, nor have any waivers of compliance with such policies or codes of conduct been granted by CannMart Labs.
- (j) Money Laundering. To the to the Seller's Knowledge, the operations of CannMart Labs have been conducted in compliance with financial record-keeping and reporting requirements of Applicable Laws relating to money laundering, including the *Proceeds of Crime (Money Laundering) and Terrorism Financing Act* (Canada) or any similar legislation applicable to the operations of CannMart Labs.
- (k) Assets in Good Condition. All the physical assets of CannMart Labs are in good operating condition and in a state of good maintenance and repair having regard to the use to which the assets are put and the age thereof, normal wear and tear excepted. The Sellers have disclosed all assets with a value of over \$25,000 to Namaste.
- (l) Title to Assets. CannMart Labs is the absolute legal and beneficial owner of, and has good and marketable title to, all of the properties and assets thereof, and no other property or assets are necessary for the conduct of the CannMart Labs Business as currently conducted or as it is contemplated to be conducted. There is no claim, or to the Seller's Knowledge, a basis for any claim, that might or could have a materially adverse effect on the right of CannMart Labs to use, transfer or otherwise exploit its respective assets. None

of the properties (or any interest in, or right to earn an interest in, any property) CannMart Labs is subject to any right of first refusal or purchase or acquisition right, and CannMart Labs has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property and assets thereof.

- (m) Real Property. CannMart Labs does not own, and has never owned, any real property.
- (n) Leased Real Property.
 - (i) Other than the Lease (the property subject to the Lease, the “**Leased Real Property**”), CannMart Labs:
 - (A) does not currently have any leased real property; and
 - (B) has never had any other leased real property.
 - (ii) CannMart Labs is the absolute beneficial owner of, and has a good and marketable leasehold interest in, the Facility free and clear of all Encumbrances, except for Permitted Encumbrances.
- (o) Construction of Facility. To the Seller’s Knowledge, the construction of the Facility has been undertaken in a manner consistent with prudent practices in the construction industry applicable in identical or in substantially similar circumstances by Persons having the appropriate skill and certifications in compliance with all Applicable Laws, Permits and all orders of all Governmental Authorities having jurisdiction over the same.
- (p) Environmental Matters.
 - (i) To the Seller’s Knowledge (i) CannMart Labs is in compliance in all material respects with all applicable Environmental Laws which apply to the ownership or operations of the business, properties or assets of CannMart Labs, and (ii) there is no circumstance or condition that could, in any material respect, adversely affect CannMart Labs' compliance with any such applicable Environmental Law.
 - (ii) There are no claims, petitions, suits, injunctions, Orders, audits, settlements, mediation arbitration or other legal or administrative proceeding, whether civil or criminal, at law or in equity, before any Government Authority in connection with the past or present ownership or operations of the business, properties or assets of CannMart Labs under any Environmental Law. CannMart Labs has not received any written threat of, and to the Seller’s Knowledge, no claim, petition, suit, injunction, Order, audit, settlement, mediation arbitration or other legal or administrative proceeding, whether civil or criminal, at law or in equity, before any Government Authority has been threatened by any Government Authority or other Person against CannMart Labs in connection with the past or present ownership or operations of the business, properties or assets of CannMart Labs under any Environmental Law.
 - (iii) There are no, and to the Seller’s Knowledge, there have been no, Orders or outstanding Orders arising under Environmental Laws in respect of the ownership or operations of the business, properties or assets of CannMart Labs, or past or

present ownership or operations of the business, properties or assets of CannMart Labs, except, in each case, as would not reasonably be expected to be, individually or in the aggregate, material to CannMart Labs.

- (iv) To the Seller's Knowledge, there has been no Release and no circumstances that could result in an imminent Release of, no presence in the Environment of, and no exposure of any Person to, any Hazardous Material at, under, or from the Leased Real Property at any time while such Leased Real Property has been leased or occupied by CannMart Labs.
- (v) CannMart Labs has not received any written notice of the presence of Hazardous Materials in the Environment at, in, on, under, migrating to or from, any Leased Real Property occupied by CannMart Labs.

(q) Regulatory Matters.

- (i) CannMart Labs holds the required licenses and permits from all applicable authorities necessary to engage in the CannMart Labs Business as currently conducted, including without limitation the ability to engage in the manufacture, processing, packaging, labelling, distribution, sale and transport of cannabis under all applicable laws.
- (ii) CannMart Labs is in compliance with all of the Good Production Practice requirements set out in Part V of the Regulations.
- (iii) The operation and maintenance of the CannMart Labs facility complies with all applicable laws, including but not limited to the *Cannabis Act*, *Food and Drugs Act*, and all regulations promulgated thereunder.
- (iv) All cannabis products manufactured, processed, stored, transported, distributed, packaged, labelled, and sold by CannMart Labs complies with all applicable law.
- (v) CannMart Labs is in compliance and has been in compliance in all material respects with all applicable laws relating to the business of CannMart and the manufacture, processing, extraction, quality control, storage, transportation, handling, packaging, labelling, promotion, and marketing of cannabis products, including but not limited to, the *Cannabis Act* (Canada), the *Food and Drugs Act*, the *Transportation of Dangerous Goods Act* (Canada), and all regulations promulgated thereunder.
- (vi) There are no circumstances, conditions, events or proceedings, actual or pending, that impair or threaten CannMart Lab's ability to comply with any of the foregoing representations and warranties.

(r) Intellectual Property.

- (i) Other than the "ROILTY" trademark application, filed with the Canadian Intellectual Property Office on November 25, 2019 (Application No. 2005441), there are no registrations or applications for registration in respect of the Company IP.

- (ii) Except as may be within the Namaste Closing Date Knowledge, CannMart Labs has not entered into any licenses, Contracts, or arrangements, whether as licensor, licensee or otherwise, and whether written or oral, with respect to the Company IP (collectively, the "**Licenses**").
 - (iii) To the extent that any Intellectual Property Rights used by, or developed on behalf of, CannMart Labs was created by an employee, independent contractor, or subcontractor of CannMart Labs, such Persons have each irrevocably waived and assigned to CannMart Labs, in writing, all moral and other rights to such Intellectual Property Rights. CannMart Labs has not received any notice or claim challenging ownership of or rights by it to such Intellectual Property Rights or suggesting that such Person has any claim of legal or beneficial ownership or other claim or interest with respect thereto nor is there a reasonable basis for such a claim.
 - (iv) CannMart Labs has not received any notice, complaint, threat or claim alleging that: (i) CannMart Labs has infringed, misappropriated, misused or violated any Intellectual Property Rights or other right of any third party or breach of any duty or obligation owed to any third party; or (ii) CannMart Labs does not own the Owned Intellectual Property or, in the case of Intellectual Property Rights which is licensed to CannMart Labs, that it does not have the right to exploit such Intellectual Property Rights in any way or manner whatsoever there is no valid basis for any such claim.
 - (v) To the Seller's Knowledge, no Person has infringed, misappropriated, misused or violated, or is infringing, misappropriating, misusing or violating any Company IP.
- (s) Permits.
- (i) Other than the Processing License, CannMart Labs holds all permits, licences, approvals, consents, authorizations, registrations, certificates or franchises which are required, or which it is required to have, to own its property and assets and to carry on the CannMart Labs Business (collectively, the "**Permits**"), in each case where the failure to have any such Permits would not have a Material Adverse Effect on CannMart Labs;
 - (ii) To the Seller's Knowledge, all Permits are in full force and effect, and CannMart Labs is in compliance in all respects with all material terms and conditions relating to the Permits.
 - (iii) There are no proceedings in progress, pending or threatened, which may result in revocation, cancellation, suspension, rescission or any materially adverse modification of any of the Permits nor are there, to the Seller's Knowledge, any facts upon which such proceedings could reasonably be based.
 - (iv) Other than as may be in connection with the Processing License and the application therefor, Neither the terms and conditions relating to the Permits nor, to the Seller's Knowledge, the legislation or regulations pursuant to which the same were issued require that any consent or approval of, or filing with or notice

to, any Governmental Authority or other Person be made to ensure the continued holding by CannMart Labs of the Permits after completion of the transactions contemplated by this Agreement and the Transaction Documents.

- (t) Employees. To the to the Seller's Knowledge, CannMart Labs is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages; there is not currently any labour disruption or conflict involving CannMart Labs. CannMart Labs is not a party to a collective bargaining agreement.
- (u) Litigation and Other Proceedings. There are no proceedings against or involving CannMart Labs (whether in progress or threatened), and to the to the Seller's Knowledge, (i) no event has occurred which could reasonably be expected to give rise to any proceedings, and (ii) no Person has made any written or verbal threat to CannMart Labs to commence or revive any proceeding. There is no order, decree, injunction, rule, award or order of any court, government department, commission, agency, arbitrator or similar body outstanding against CannMart Labs.
- (v) Compliance under the Regulations.
 - (i) CannMart Labs is the applicant for the Processing License, and to the Seller's Knowledge, there is no variation or amendment which is required to be made to such application as of the date hereof, or of any material fact or circumstance which may reasonably be expected to present difficulties in CannMart Labs' ability to obtain either such the Processing License or any other licence or permit necessary and material to the operation, conduct or maintenance of the CannMart Labs Business, as it is currently operated.
 - (ii) To the Seller's Knowledge, there is no material fact or circumstance which may reasonably be expected to present difficulties in CannMart Labs' ability to be issued the applicable Approvals to process cannabis from Health Canada under the Processing Licence.
 - (iii) CannMart Labs has provided or made available to Namaste copies of all material correspondence with Health Canada relating to the Application.
 - (iv) To the to the Seller's Knowledge, CannMart Labs has not received any notice or communication from any customer, supplier, Health Canada, Governmental Authority or Person alleging a default, or requesting a modification or clarification to any aspect of the Application.
- (w) Material Facts. The information in respect of CannMart Labs contained in this Agreement and the Transaction Documents which the Seller has furnished to Namaste in connection with the transactions contemplated in this Agreement is true and complete in all material respects, and in so furnishing such information, the Seller has not withheld any material fact relating to CannMart Labs. This Agreement does not contain any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein or herein, in light of the circumstances under which they were made, not misleading.

3.2 Representations of Namaste

Namaste acknowledges and confirms that each of the following representations and warranties as they relate to Namaste are made as of the date of execution of this Agreement and as of the Closing Time. Namaste acknowledges that the Sellers are relying upon the following representations and warranties in connection with the sale of their respective portion of the Purchased Shares:

- (a) Incorporation and Existence. Namaste is incorporated, organized and is validly existing under the laws of its incorporation, and is registered, licensed or qualified to carry on business in each jurisdiction in which the character of its properties and assets owned or leased or the nature of its business makes such registration, licensing or qualification necessary.
- (b) Corporate Power. Namaste has the corporate power and capacity to carry on its business as it is currently conducted, to own or lease its property and assets.
- (c) Enforceability against Namaste. This Agreement is a legal, valid and binding obligation of Namaste, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and to general principles of equity. At the Closing Time, each of the Transaction Documents to which Namaste is a party shall be a legal, valid and binding obligation of Namaste, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and to general principles of equity.
- (d) Non-Contravention. The execution, delivery and performance of this Agreement and the performance of the obligations under this Agreement by Namaste, and the completion by Namaste of the transactions contemplated by this Agreement, do not and will not:
 - (i) contravene any provision of the constating documents of Namaste;
 - (ii) result in a violation or breach of, or constitute a default (or an event, condition or occurrence which, with notice or passage of time or both, would constitute a default) under, or give rise to any termination rights, rights of first refusal or other buy-sell rights or the amendment, acceleration or cancellation of or change in any rights or obligations of any Person under, any provision of any contract, agreement, lease, licence, concession, franchise or Permit to which Namaste is a party or by which Namaste is bound or subject or of which Namaste is a beneficiary;
 - (iii) give rise to any right of termination or acceleration of indebtedness by any Person, or cause any third party indebtedness owing by Namaste to become due and payable before its stated maturity or cause any available credit to cease to be available;
 - (iv) result in the imposition of, give rise to or trigger any claim upon any of the assets of Namaste, or restrict, hinder, impair or limit the ability of Namaste to carry on the Business;

- (v) create any Encumbrance upon any of the assets of Namaste; or
- (vi) contravene any Applicable Law.
- (e) Approvals. Other than approval of the Exchange, no authorization, Approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by Namaste for the purchase of any of the Purchased Shares.
- (f) Brokers' Fees. Namaste has no liability or obligation to pay any fees or commissions to any financial advisor, broker, finder or agent with respect to the transactions contemplated by this Agreement and the Transaction Documents nor has it granted any right of first refusal or commitment to engage any such Person in connection with any future transaction.
- (g) Compliance with Securities Laws. Namaste is a "reporting issuer" (as such term is defined pursuant to Applicable Securities Laws) in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland (the "**Reporting Jurisdictions**"). Namaste is in compliance with its timely disclosure obligations under Applicable Securities Laws, including the policies of the Exchange, and no order ceasing or suspending trading in the securities of Namaste or prohibiting the transactions contemplated hereby has been issued and no proceedings for such purpose are ongoing or pending, or to the knowledge of Namaste, threatened. All Namaste Shares and other securities of Namaste issued by Namaste prior to the date of this Agreement have been issued in compliance with Applicable Securities Laws.
- (h) Namaste Shares. Subject to Applicable Securities Laws (including the rules and policies of the Exchange), Namaste has the full and lawful right and authority to issue the Namaste Shares to be issued to the Sellers in accordance with this Agreement, and on Closing and such other dates on which such Namaste Shares may be issued in accordance with this Agreement, such Namaste Shares (i) will be issued as fully paid and non-assessable shares of Namaste, (ii) will be duly registered as directed by the Sellers in the books and registers of Namaste's transfer agent, and (c) will be duly listed and posted for trading on the Exchange.
- (i) Legal Proceedings. There is no claim or proceeding of any nature pending or, to the knowledge of Namaste, threatened against or by Namaste that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement, and no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such claim or proceeding.

3.3 By the Sellers

Each Seller, solely with respect to itself, acknowledges and confirms that each of the following representations and warranties as they relate to it are made as of the date of execution of this Agreement and at the Closing Time. Each Seller, solely with respect to itself, acknowledges that Namaste is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares.

- (a) Incorporation and Existence. The Seller is incorporated, organized and is validly existing under the laws of its incorporation.
- (b) Enforceability against the Sellers. This Agreement is a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and to general principles of equity. At the Closing Time, each of the Transaction Documents to which the Seller is a party shall be a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and to general principles of equity.
- (c) Right to Sell Purchased Shares. In the case of JLLS, JLLS is the sole registered legal holder and beneficial owner of its portion of the Purchased Shares with good and marketable title thereto, free of all Encumbrances, other than those restrictions on transfer, if any, contained in the constating documents of CannMart Labs. In the case of MKD, MKD is the sole registered legal holder of its portion of the Purchased Shares with good and marketable title thereto, free of all Encumbrances, other than those restrictions on transfer, if any, contained in the constating documents of CannMart Labs. Except for Namaste's right under this Agreement (and except, in the case of MKD, the rights of the beneficial owner, who has, for the avoidance of doubt, been fully appraised of, and has duly provided his, her, or its consent to the entering into and completion of the transactions contemplated by this Agreement), no third party has any right or option in respect of the Purchased Shares that could affect the ability of the Seller to transfer good and marketable title to its portion of the Purchased Shares to Namaste free and clear of all Encumbrances, other than those restrictions on transfer, if any, contained in the constating documents of CannMart Labs. The Seller is not a party to any shareholder agreement, voting trust agreement or any other agreement or instrument which in any way limits or restricts the transfer to Namaste any of the Purchased Shares, except for share transfer restrictions contained in the constating documents of CannMart Labs. At or prior to the Closing Time, all such restrictions will have been complied with or terminated.
- (d) Residency. The Seller is not a non-resident of Canada for the purpose of the *Income Tax Act* (Canada).
- (e) Litigation and Other Proceedings. There are no proceedings against or involving the Purchased Shares (whether in progress or threatened), and to the Seller's Knowledge, no event has occurred which could reasonably be expected to give rise to any such proceedings. No Person has made any written or verbal threat to the Sellers to commence or revive any proceeding, and there is no order, decree, injunction, rule, award or order of any court, government department, commission, agency, arbitrator or similar body outstanding involving the Purchased Shares.
- (f) Brokers' Fees. The Seller has no liability or obligation to pay any fees or commissions to any financial advisor, broker, finder or agent with respect to the transactions contemplated by this Agreement and the Transaction Documents nor has it granted any

right of first refusal or commitment to engage any such Person in connection with any future transaction.

(g) Ownership of Sellers:

- (i) MKD has disclosed in writing to Namaste the sole legal and beneficial owner of all of the outstanding securities of MKD, and no other Person has any legal or beneficial interest, or control or direction over, such securities.
- (ii) JLLS has disclosed in writing to Namaste the sole legal and beneficial owner of all of the outstanding securities of JLSS and no other Person has any legal or beneficial interest, or control or direction over, such securities.

3.4 No Other Representations, Warranties and Covenants

Except for the representations and warranties contained in this Agreement, none of the Sellers or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Sellers or CannMart Labs, including any representation or warranty as to the accuracy or completeness of any information regarding CannMart Labs furnished or made available to or as to the future revenue, profitability or success of CannMart Labs or any representation or warranty arising from statute or otherwise under Applicable Laws.

3.5 Survival of Representations, Warranties and Covenants

To the extent that they have not been fully preformed at or prior to the Closing Time, the representations and warranties, covenants and agreements, contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing, except that:

- (a) the representations and warranties contained in Sections 3.1(a), 3.1(b), 3.1(f), 3.1(p), 3.1(l) and Sections 3.2(a) to 3.2(d) and 3.2(f), and Section 3.3, shall survive for the maximum amount of time under Applicable Laws, and a claim in respect of the breach thereof may be brought at any time after the Closing, subject only to applicable limitation periods imposed by Applicable Laws;
- (b) all other representations and warranties, and to the extent that they have not been fully preformed at or prior to the Closing Time, covenants and agreements, shall terminate at the expiration of twenty-four (24) months following the Closing, and a claim in respect of the breach thereof may not be brought after the said expiration date;
- (c) the covenants contained in Article 5 shall survive for the maximum amount of time under Applicable Laws, and a claim in respect of the breach thereof may be brought at any time after the Closing, subject only to applicable limitation periods imposed by Applicable Laws;
- (d) a claim for breach of any such representation or warranty, to be effective, must be asserted in writing on or prior to the applicable expiration time set out in this Section 3.5, provided that a claim for any breach of any of the representations and warranties contained in this Agreement or in any certificates and documents executed or delivered pursuant to this Agreement involving gross misconduct or fraud (including fraudulent

misrepresentation) may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Laws; and

- (e) no claim for any breach of any of the covenants, representations and warranties contained in this Agreement or in any certificates and documents executed or delivered pursuant to this Agreement may be made after the applicable expiration time set out in this Section 3.5, notwithstanding that such breach was not objectively discoverable.

ARTICLE 4 **CONDITIONS**

4.1 Conditions for the Benefit of Namaste

- (a) The obligation of Namaste to complete the purchase of the Purchased Shares and the other transactions contemplated by this Agreement and the Transaction Documents is subject to satisfaction, at or prior to the Closing Time, of each of the following conditions:
 - (i) Delivery of Purchased Shares. The Sellers shall have delivered to Namaste the share certificates representing the Purchased Shares duly endorsed in blank for transfer or accompanied by duly signed share transfers.
 - (ii) Delivery of Other Agreements. The following documents and agreements shall have been delivered to Namaste on Closing, in form and substance satisfactory to Namaste, acting reasonably:
 - (A) a Direction duly executed by the Sellers;
 - (B) the Consulting Agreements duly executed by the Sellers; and
 - (C) the Voting Trust and Standstill Agreement.
 - (iii) Resignations and Releases. Each of [*Confidential information redacted*] shall have resigned as directors and officers of Cannmart Labs and shall have executed releases in favour of CannMart Labs.
 - (iv) Representations and Warranties. All representations and warranties of the Sellers made pursuant to this Agreement shall be true, complete and correct as of the Closing Time, with the same force and effect as if such representations and warranties had been made on and as of such date and each Seller shall have delivered to Namaste a certificate to that effect duly executed by the Seller, or where applicable, a duly authorized officer of the Seller.
 - (v) Approval of Directors. The approval of the board of the directors of Namaste to this transaction.
 - (vi) Exchange Approval. The Exchange shall have approved this transaction (including the issuance of Namaste Shares hereunder).

- (vii) Other Approvals. All Approvals or other agreements by third parties in respect of the acquisition of the Purchased Shares, as may be required, shall have been obtained.
 - (viii) Outside Date. The Outside Date shall not have occurred.
 - (ix) Material Adverse Change. No Material Adverse Change with respect to CannMart Labs shall have occurred.
- (b) The conditions contained in this Section 4.1 are for the exclusive benefit of Namaste and may be waived in whole or in part by Namaste in writing at any time.

4.2 Conditions for the Benefit of the Sellers

- (a) The obligation of the Sellers to complete the sale of the Purchased Shares and the other transactions contemplated by this Agreement and the Transaction Documents is subject to the fulfillment or performance, at or before the Closing Time, of each of the following conditions:
- (i) Delivery of Closing Shares. Namaste shall deliver, or cause to be delivered to the Sellers, share certificates or Direct Registration System Advices representing such number of Closing Shares required to be delivered to the Sellers pursuant to Section 2.2(a), free and clear of all Encumbrances, together with evidence satisfactory to the Sellers that the Sellers or its nominee(s) will be entered upon the books of Namaste's transfer agent as the holder of the Closing Shares promptly upon Closing.
 - (ii) Delivery of Other Agreements. The documents and agreements set forth in Section 4.1(a)(ii) to which Namaste is a party together with the budget for CannMart Inc. shall have been delivered to the Sellers, in form and substance satisfactory to the Sellers, acting reasonably.
 - (iii) Representations and Warranties. All representations and warranties of Namaste made pursuant to this Agreement shall be true, complete and correct as of the Closing Time, with the same force and effect as if such representations and warranties had been made on and as of such date and Namaste shall have delivered to the Sellers a certificate to that effect duly executed by Namaste, or where applicable, a duly authorized officer of the Seller.
 - (iv) Performance of Covenants. Namaste shall have fulfilled or complied with all covenants contained in this Agreement and in each document to be delivered hereunder are required to be fulfilled or complied with by it at or prior to the Closing, and Namaste shall have delivered to the Sellers a certificate to that effect duly executed by a duly authorized officer of Namaste.
 - (v) Material Adverse Change. No Material Adverse Change with respect to Namaste shall have occurred.
 - (vi) Outside Date. The Outside Date shall not have occurred.

- (b) The conditions contained in this Section 4.2 are for the exclusive benefit of the Sellers and may be waived in whole or in part by the Sellers in writing at any time.

ARTICLE 5 **COVENANTS**

5.1 Actions to Satisfy Closing Conditions

- (a) Namaste agrees, acknowledges and covenants with the Sellers that it shall take all such reasonable actions as are within its power to control and shall use commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, so as to ensure satisfaction of the conditions set forth in Article 4 as soon as reasonably practicable following the date of this Agreement, including ensuring that during the Interim Period and at Closing, there is no breach of any of its representations and warranties.
- (b) Each Seller agrees, acknowledges and covenants with Namaste that it shall take all such reasonable actions as are within its power to control and shall use commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, so as to ensure satisfaction of the conditions set forth in Article 4 as soon as reasonably practicable following the date of this Agreement, including ensuring that during the Interim Period and at Closing, there is no breach of any of its representations and warranties.

5.2 Personal Information

Each Seller agrees, acknowledges, and expressly consents to: (a) the disclosure by Namaste of Seller Personal Information concerning the Seller to any Governmental Authority including, but not limited to, the Exchange and its Affiliates, authorized agents, subsidiaries and divisions; and (b) the collection, use and disclosure of Seller Personal Information by the Exchange in accordance with its policies.

5.3 Access to Books and Records

Namaste agrees, acknowledges and covenants with the Sellers that, from and after the Closing:

- (a) it shall provide the Sellers and their respective agents and auditors with reasonable access (for the purpose of examining and copying), during normal business hours, and upon reasonable advance notice, to the books and records of Namaste, CannMart Labs, and Cannmart Inc., and reasonable access, during normal business hours, and upon reasonable advance notice, to the directors, officers, employees, and other applicable responsible Persons, of each of Namaste, CannMart Labs, and Cannmart Inc., for purposes of ascertaining or ensuring compliance with the terms and conditions of this Agreement, the Transaction Documents, and/or any other reasonable business purpose relating to the transactions contemplated by this Agreement, including, without limitation, (i) to review the financial performance of CannMart Labs and Cannmart Inc. and compliance by Namaste with its obligations to make payment of the Earn-Out Amount, and (ii) to determine whether or not a Specified Trigger Event has occurred;

- (b) it shall, maintain, and shall cause CannMart Labs to maintain, accurate books, accounts and records and to provide to the Sellers and their respective agents and auditors such financial, accounting and other information as the Sellers may reasonably request, to give due and proper effect to the provisions of Section 5.3(a); and
- (c) if, following review by the Sellers and their respective agents and auditors pursuant to Section 5.3(a), there arises a dispute between Namaste and the Sellers with regards to (i) the financial condition or performance of CannMart Labs and/or Cannmart Inc., (ii) Namaste's compliance with its obligations to make payment of the Earn-Out Amount pursuant to the terms of this Agreement, or (iii) whether or not a Specified Trigger Event has occurred (each of the foregoing events, a "**Specified Auditable Event**"), then such dispute shall be submitted for determination to an independent firm of chartered accountants mutually agreed to by the Sellers and the Namaste (the "**Independent Accountant**"), each acting reasonably. The Independent Accountant shall have access to all books and records of Namaste, CannMart Labs, and Cannmart Inc., and reasonable access, during normal business hours, and upon reasonable advance notice, to the directors, officers, employees, and other applicable responsible Persons, of each of Namaste, CannMart Labs, and Cannmart Inc., as the Independent Accountant shall determine to be necessary to perform its function as arbitrator hereunder, provided however that the Independent Accountant shall limit its audit solely to such matters as may be necessary to resolve the dispute in respect of the Specified Auditable Event. Each Party shall provide such assistance as may be necessary to facilitate the review or audit by the Independent Accountant to ensure compliance with applicable accounting and financial standards. The determination of the Independent Accountant will be final and binding upon the Parties and will not be subject to appeal, absent manifest error. If the Independent Accountant determines that, during any audit period, there has been underpayment exceeding 5% of the Earn-Out Amount due during such applicable audit period, Namaste shall bear all reasonable costs and expenses of such audit, including the costs of the Independent Accountant. In the event that the Independent Accountant determines that, during any audit period, there has been no underpayment, or such underpayment does not exceed 5% of the Earn-Out Amount due during such applicable audit period, the Sellers shall bear, as amongst themselves equally, all reasonable costs and expenses of such audit, including the costs of the Independent Accountant.

5.4 Maintain Status as "Reporting Issuer" and Maintain Listing.

Namaste agrees, acknowledges and covenants with the Sellers that it shall use its commercial reasonable best efforts to maintain (i) its status as a "reporting issuer" (as such term is defined pursuant to Applicable Securities Laws) not in default of any requirement of Applicable Securities Laws in those provinces in which it is reporting issuer, for a period of at least three (3) years from the Closing Date, and (ii) the listing on the Exchange or such other recognized stock exchange or quotation system in Canada of the class of shares of which the Namaste Shares form a part for a period of at least three (3) years from the Closing Date, provided however that this Section 5.4 shall not be construed as limiting or restricting Namaste from completing a consolidation, amalgamation, arrangement, a sale of all or substantially all of Namaste's assets, a take-over bid, merger, or other similar transaction.

5.5 General Covenants of Namaste

Namaste agrees, acknowledges and covenants with the Sellers that, so long as any portion of the Base Purchase Price or the Earn-Out Amount remains payable in accordance with the terms of this Agreement:

- (a) it will take all reasonable commercial steps to ensure that the transactions contemplated by this Agreement are completed in accordance with the terms and conditions this Agreement;
- (b) it will have available a sufficient number of Namaste Shares for the purpose of enabling it to satisfy its obligations to issue Namaste Shares, as and when issuable, pursuant to the terms and conditions of this Agreement.
- (c) it will:
 - (i) use its commercially reasonable efforts to cause the management team of CannMart Labs in office from time to time, and the Sellers pursuant to the terms of the Consulting Agreements, to retain reasonable authority, subject to the operational policies of Namaste generally applicable to its operating subsidiaries in effect from time to time, to make independent decisions regarding the operation of the CannMart Labs Business;
 - (ii) use its commercially reasonable efforts to provide CannMart Labs with such reasonable personnel, technical and financial resources as are appropriate to operate the CannMart Labs Business, as conducted from time to time, in accordance with commercial practices but subject to the Annual Budget for the relevant fiscal period;
 - (iii) not take any action with respect to the operations of CannMart Labs, whether directly or indirectly, to knowingly and intentionally circumvent the entitlement of the Sellers to earn the Earn-Out Amount in accordance with the highest possible tier in the Earn-Out Schedule upon meeting the milestones set out therein,provided, for greater certainty, nothing set out in this Section 5.5(c) shall prevent Namaste from implementing a Standard Mid-Year Reduction, a Negative Profit Reduction, an Equivalent Budget Reduction or any action contemplated by Section 2.11; and
- (d) it will forthwith notify the Sellers of (i) any event or occurrence which will, or which may reasonably be likely to, materially adversely affect its ability to issue Namaste Shares to satisfy its obligations to pay the Remaining Purchase Price Payment or the Earn-Out Amount hereunder, and (ii) on and following the date of any such notice, any event or occurrence which will, or which may reasonably be likely to, materially adversely affect its ability to pay the full Base Purchase Price and the Earn-Out Amount, to the extent such amounts may be, or become, payable in cash pursuant to the terms of this Agreement.

5.6 Free Trading Securities

Namaste agrees, acknowledges and covenants with the Sellers that it will use its commercially reasonable efforts to ensure that all Namaste Shares issuable to the Sellers pursuant to the terms of this Agreement shall be issued free and clear of any resale or trading restrictions under Applicable Securities Laws (including the policies of the Exchange), and for the furtherance of the said purposes, shall in good faith and acting reasonably, consult with the Sellers.

ARTICLE 6 RISK MANAGEMENT

6.1 Indemnification by the Sellers regarding CannMart Labs

Subject to Section 3.5 and the provisions of this Article 6, each Seller shall severally (and not jointly and severally), indemnify and save Namaste harmless for and from and after the Closing Date against and in respect of any Losses resulting from:

- (a) any Loss of Namaste as a result of any breach of representation or warranty of the Seller with respect to itself or with respect to CannMart Labs contained in this Agreement, the Transaction Documents or in any certificate or document delivered pursuant to or contemplated by this Agreement or any Transaction Document;
- (b) any Loss of Namaste as a result of any breach or any non-fulfilment of any covenant or agreement on the part of the Seller contained in this Agreement, the Transaction Documents or in any certificate or document delivered pursuant to or contemplated by this Agreement or any Transaction Document;
- (c) any Loss of Namaste as a result of any claim challenging the Seller's ownership of its portion of the Purchased Shares or any claim alleging ownership of CannMart Labs by Persons other than the Seller; and
- (d) all claims, demands, costs and expenses, including reasonable legal expenses, in respect of the foregoing.

6.2 Indemnification by Namaste

Subject to Section 3.5 and the provisions of this Article 6, Namaste shall indemnify and save the Sellers harmless for and from and after the Closing Date against and in respect of any Losses resulting from:

- (a) any Loss of any Seller as a result of any breach of representation or warranty by Namaste contained in this Agreement, the Transaction Documents or in any certificate or document delivered pursuant to or contemplated by this Agreement or any Transaction Document;
- (b) any Loss of any Seller as a result of any breach or any non-fulfilment of any covenant or agreement on the part of Namaste contained in this Agreement, the Transaction Documents or in any certificate or document delivered pursuant to or contemplated by this Agreement or any Transaction Document; and

- (c) all claims, demands, costs and expenses, including reasonable legal expenses, in respect of the foregoing.

6.3 Notice of Claim

If an Indemnified Party becomes aware of any act, omission or state of facts that may give rise to Losses in respect of which a right of indemnification is provided for under this Article 6, the Indemnified Party shall promptly give written notice thereof (a **"Notice of Claim"**), which notice shall specify whether the potential Losses arise as a result of a Direct Claim or a Third Party Claim. Each Notice of Claim shall specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim, and any provisions of the Agreement, or of any Applicable Laws, relied upon; and
- (b) the amount of the Claim, or, if an amount is not determinable, an approximate and reasonable estimate of the potential Claim.

6.4 Direct Claims

Following receipt of notice of a Direct Claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the Direct Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party and its representatives the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with all such other information as the Indemnifying Party may reasonably request. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such thirty (30) day period (or any extension thereof agreed upon by the Indemnified Party and the Indemnifying Party) as to the validity and amount of the Direct Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Direct Claim, failing which, the Indemnified Party may take all further legal action it determines necessary to pursue payment of the Direct Claim.

6.5 Third Party Claims

- (a) With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of the Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of legal counsel, in which case legal counsel satisfactory to both the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party.
- (b) If the Indemnifying Party, having elected to assume control as contemplated in Section 6.5(a), thereafter fails to defend such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

- (c) In the event that any Third Party Claim is of a nature such that the Indemnified Party is required by Applicable Laws to make a payment to any Third Party with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for any such payment or, if the Indemnifying Party is a Seller, the elected Indemnified Party may elect to have such the applicable amount set-off against future payments payable to such Seller provided that such Seller shall confirm in writing the set off amount. If the amount of any liability under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay such difference to the Indemnifying Party.
- (d) Except in the circumstances contemplated by Sections 6.5(b), whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably delayed or withheld).
- (e) The Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice thereof and an opportunity to contest such Third Party Claim.
- (f) The Parties shall use their commercially reasonable efforts to cooperate with each other with respect to Third Party Claims, shall keep each other advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available) and shall each designate a representative who will keep it informed about and be prepared to discuss the Third Party Claim with its counterpart and with legal counsel at all reasonable times.
- (g) Notwithstanding anything to the contrary contained herein, the Indemnifying Party shall not settle any Third Party Claim without the consent of the Indemnified Party unless the settlement includes a comprehensive full, final, and complete release of the Indemnified Party with respect to such Third Party Claim.
- (h) Notwithstanding anything to the contrary herein, if:
 - (i) the Indemnifying Party is not entitled to assume the investigation and defence of a Third Party Claim under this Agreement;
 - (ii) the Indemnifying Party does not elect to assume the investigation and defence of a Third Party Claim;
 - (iii) the Indemnifying Party assumes the investigation and defence of a Third Party Claim but fails to diligently pursue such defence; or
 - (iv) the Indemnified Party reasonably concludes that the Third Party Claim is not being defended to its satisfaction, acting reasonably;

then the Indemnified Party has the right (but not the obligation), to undertake the defence of the Third Party Claim.

- (i) In the case where the Indemnifying Party fails to diligently pursue the defence of the Third Party Claim or the Indemnified Party reasonably concludes that the Third Party Claim is not being defended to its satisfaction, acting reasonably, the Indemnified Party may not assume the defence of the Third Party Claim unless the Indemnified Party gives the Indemnifying Party written demand to diligently pursue the defence and the Indemnifying Party fails to do so within ten (10) days after receipt of the demand, or such shorter period as may be required to respond to any deadline imposed by any Governmental Authority.

6.6 Subrogation

In the event that an Indemnifying Party shall be obligated to indemnify an Indemnified Party pursuant to the terms of this Agreement, the Indemnifying Party shall, upon fulfillment of its obligations with respect to indemnification (including payment in full of all amounts due pursuant to its indemnification obligations) be subrogated to all rights of the Indemnified Party with respect to the claims to which such indemnification relates.

6.7 Losses

The Parties agree that, in all cases:

- (a) Losses shall be net of any insurance or other recoveries or payments received by an Indemnified Party or any of its affiliates in connection with the facts or circumstances giving rise to the Losses;
- (b) Subject to Section 6.7(c), in no event shall a Party be liable for indirect or consequential, exemplary, punitive or special damages (including without limitation, loss of profits, loss of opportunity, loss of business, loss of reputation and loss of financing) relating to this Agreement or any other any agreement, instrument or document executed in connection with this Agreement even if such Party has been advised of the possibility of such damages in advance and whether such losses arise in, under or pursuant to contract, tort, common law, equity, statute or otherwise;
- (c) The limitations set forth in Section 6.7(b) and Section 6.8, shall not apply with respect to:
 - (i) Losses which result from a wilful breach by a Party of, or gross negligence of a Party to observe, its obligations of confidentiality hereunder; and
 - (ii) any portion of Losses that are found by a final, non-appealable determination of an arbitrator to have resulted primarily and directly from the fraud or the gross negligence of a Party or its officers, directors, employees, agents, affiliates, representatives, successors or assigns.

6.8 Limitations of Liability

Notwithstanding anything to the contrary contained in this Agreement or any other agreement, instrument or document executed or delivered in connection with this Agreement or the transactions contemplated hereby or thereby:

- (a) no Party shall be entitled to duplication of recovery by reason of the state of facts giving rise to Losses constituting a breach of more than one representation, warranty, covenant or agreement in this Agreement;
- (b) other than with respect to Losses described in either Section 6.1(c) or Section 6.7(c) which shall not be subject to the limitation of liability:
 - (i) the liability of a Party, its Affiliates and their respective officers, directors, employees, agents, affiliates, representatives, successors or assigns, in the aggregate, for all Losses in the aggregate, shall not exceed:
 - (A) in the event the Indemnifying Party is a Seller and the Indemnified Party is Namaste, the portion of the Base Purchase Price payable to the applicable Seller pursuant to this Agreement; and
 - (B) in the event the Indemnifying Party is Namaste and the Indemnified Party is a Seller, the portion of the Base Purchase Price payable to the applicable Seller pursuant to this Agreement.
 - (ii) no Party shall have any obligation to defend, indemnify and hold harmless any other Party or make any payment for damages for indemnification or otherwise with respect to the matters described in this Article 6, until the aggregate amount of all Losses with respect to such matters exceeds \$150,000 provided, if the aggregate amount of all Losses exceeds that amount, an Indemnifying Party shall be obligated to indemnify the Indemnified Party for all Losses, including the Losses up to and including that amount.

6.9 Indemnification Adjustment to Purchase Price

Any amounts payable by the Sellers or Namaste under this Article 6 shall, upon final determination of Namaste's entitlement to recovery, be satisfied, at the option of Namaste, as follows:

- (a) if any amounts are still due and payable under this Agreement, by way of a reduction or increase in the Remaining Purchase Price Payment or Earn-Out Amount payable to such Seller;
- (b) by means of cancellation of Namaste Shares issued to such Seller hereunder ("**Return of Namaste Shares**"); or
- (c) by a cash payment by such Seller to Namaste.

In the event that a Seller elects to satisfy any amounts payable pursuant to Article 6 by way of Return of Namaste Shares, the value of each Namaste Share shall be the closing trading price per Namaste Share on the Exchange on date that the final determination of Namaste's entitlement to recovery is determined.

ARTICLE 7
TERMINATION

7.1 Rights of Termination

This Agreement and the obligations of the Parties to complete the transactions contemplated hereby may be terminated on or prior to Closing:

- (a) by the mutual written consent of the Sellers and Namaste;
- (b) by Namaste, upon written notice to the Sellers, if:
 - (i) there has been a material breach of any representation, warranty, covenant or agreement made by the Sellers under this Agreement and such breach has not been waived by the Namaste or cured by the Sellers within 10 Business Days of the Sellers' receipt of written notice of such breach from Namaste; or
 - (ii) any of the conditions set out in Section 4.1 have not been fulfilled by the Outside Date unless such failure is due to Namaste's failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by Namaste before the Closing Date;
- (c) by the Sellers, upon written notice to Namaste, if:
 - (i) there has been a material breach of any representation, warranty, covenant or agreement made by Namaste under this Agreement and such breach has not been waived by the Sellers or cured by Namaste within 10 Business Days of Namaste's receipt of written notice of such breach from the Sellers; or
 - (ii) any of the conditions set out in Section 4.2 have not been fulfilled by the Outside Date unless such failure is due to the Sellers' failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by them before the Closing Date;
- (d) by the Sellers or Namaste, upon written notice to the other Parties, if:
 - (i) any Governmental Authority of competent jurisdiction has threatened to issue or issued any Applicable Law, permanent injunction, order, decree, ruling or other action, in each applicable case in a final and non-appealable form, that prohibits or restrains the consummation of the transactions contemplated by this Agreement; or
 - (ii) the Closing has not occurred by the Outside Date, except however, the right to terminate this Agreement pursuant to this Section 7.1(d)(ii) will not be available to any Party if such Party's failure to fulfill, or breach or violation of, any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause (either in whole or primarily) of the Closing Date to not occur prior to the Outside Date.

7.2 Effect of Termination

If this Agreement is terminated pursuant to Section 7.1, all obligations of the Parties under this Agreement will terminate and this Agreement shall be of no further force or effect (without any liability to any Person in respect hereof or of the transactions contemplated hereby on the part of any Party hereto), except that each Party's obligations under Sections 8.3 (Confidentiality), 8.4 (Expenses) and Article 6 (Risk Management) will survive any termination of this Agreement. Termination of this Agreement pursuant to Section 7.1 will not limit or impair any remedies and indemnities that any Party may have with respect to a breach, default or non-fulfillment by any other Party of its representations, warranties, covenants, conditions or obligations under this Agreement

ARTICLE 8 **GENERAL MATTERS**

8.1 Public Statements

No public announcement or statement concerning the execution and delivery of this Agreement and the transactions contemplated by this Agreement shall be made by a Party, its Affiliates or their respective directors, officers, employees or shareholders without the prior written consent of the other Party (in each such case such consent not to be unreasonably withheld or delayed) unless such disclosure is required by Applicable Law. If such disclosure is required by Applicable Law, each Party shall use commercially reasonable good faith efforts to enable the other Party to review and comment on such disclosure prior to the release thereof and, if such prior review and consultation is not possible in the circumstances, to give oral and written notice of such disclosure immediately following the making of such disclosure. For the avoidance of doubt, the Parties may disclose the existence of this Agreement, and/or a copy of this Agreement, to Health Canada, the Exchange and any other Governmental Authority. In the event a Party determines to make such disclosure to Health Canada, the Exchange or any other Governmental Authority, such Party will first advise the other Party of its intention to do so and use commercially reasonable good faith efforts to enable the other Party to review and comment on such disclosure prior to the release thereof.

8.2 Holdback

- (a) In the event that Namaste makes a Claim against the Sellers in compliance with the terms of this Agreement, and the Sellers and Namaste fail to settle the said Claim, in writing, within fifteen (15) Business Days from the Seller's receipt of notice of the applicable Claim pursuant to Article 6, then, subject to compliance with Section 8.2(b), Namaste shall be entitled to withhold from payment, solely in respect of the Earn-Out Amount (the "**Withheld Amount**") equal to the aggregate amount of indemnifiable Losses that Namaste in good faith, reasonably determines are likely to be incurred and recovered in respect of such Claim pursuant to arbitration conducted in accordance with Section 1.7. or awarded in respect of such Claim by a court of competent jurisdiction, in all cases following receipt of the advice of independent legal counsel. In the event any amount is so withheld, Namaste shall release to the Sellers the Withheld Amount, or part thereof, as the case may be, within five (5) Business Days of the earlier of (i) the date on which the applicable Claim has been determined pursuant to arbitration conducted in accordance with Section 1.7 or where applicable, in a final, non-appealable judgement of a court of

competent jurisdiction (the “**Set-Off Final Determination**”) or (ii) the date on which the Parties reach a written settlement in respect of the Claim.

- (b) Notwithstanding anything to the contrary herein, (i) Namaste shall not be entitled to withhold payment of any amount due to the Sellers pursuant to this Agreement in respect of the Remaining Purchase Price Payment, and (ii) the aggregate amount withheld by Namaste in accordance with Section 8.2(a), in respect of all Claims made by Namaste against the Sellers, shall not exceed the Base Purchase Price. Further, notwithstanding anything to the contrary herein, Namaste shall, as a condition to its exercising its rights to withhold pursuant to Section 8.2(a), forthwith place the Withheld Amount in escrow with a recognized escrow agent mutually acceptable to the Parties until the liabilities of the parties pursuant to such Claim or the amount of indemnifiable Losses has been finally determined pursuant to arbitration conducted in accordance with Section 1.7 or where applicable, in a final, non-appealable judgement of a court of competent jurisdiction.

8.3 Confidentiality

The Parties shall treat the terms of this Agreement and all information provided under or in connection with this Agreement (collectively, “**Confidential Information**”) as confidential and may not either disclose Confidential Information or use it other than for *bona fide* purposes connected with this Agreement or any other agreements or instruments in any way related to this Agreement without the prior written consent of the other Parties, except for that consent is not required for disclosure to:

- (a) an Affiliate of a Party, directors, officers, or employees of a Party, or an Affiliate to a Party, in each case as long as such Persons have a *bona fide* need to know, and they in turn are required to treat the Confidential Information as confidential on terms substantially the same as those set out in this Section 8.3;
- (b) accountants, professional advisers and bankers and other lenders, whether current or prospective, as long as they are subject to statutory professional secrecy rules or similar legal concepts under Applicable Laws or, in turn, are required to treat the Confidential Information as confidential on terms substantially the same as those set out in this Section 8.3;
- (c) any Governmental Authority having jurisdiction over a Party, to the extent legally required, and then only after, to the extent permitted by law, informing the other parties thereof and, to the extent possible, with sufficient notice in advance to permit the other Parties to seek a protective order or other remedy;
- (d) any Person to the extent required by any Applicable Laws, judicial process or the rules and regulations of any recognized stock exchange and then only subject to prior consultation with the other Parties;
- (e) any intended assignee of the rights and interests of a Party under this Agreement or to a Person intending to acquire an interest in a Party as long as the intended assignee or acquirer (i) has been approved by the other Parties in accordance with Section 8.10, and (ii) in turn is required by that Party to treat the Confidential Information as confidential in favour of the other Parties on terms substantially the same as those set out in this Section 8.3; or

- (f) the extent that the Confidential Information is in or lawfully comes into the public domain other than by breach of this Section 8.3.

8.4 Expenses

Each Party shall be responsible for the expenses (including fees and disbursements of its advisors and agents) incurred by it in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated by this Agreement and the Transaction Documents.

8.5 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and may be given by sending same by facsimile, email, prepaid first-class mail or by delivery by hand addressed to the Party to which the notice is to be given at the applicable address noted below. Any such notice, consent, waiver, direction or other communication, if sent by facsimile or email, shall be deemed to have been given and received at the time of receipt (if a Business Day or, if not, the next succeeding Business Day) unless actually received after 4:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been received on the next succeeding Business Day; if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lock-out of otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof; or, if delivered by hand, shall be deemed to have been received on the day on which it is delivered (if a Business Day, if not, the next succeeding Business Day).

The address for each of the Parties shall be as follows:

- (a) To Namaste:

Namaste Technologies Inc.
365 Bloor Street East
Suite 2001
Toronto, ON M4W 3L4

Attention: Meni Morim, Chief Executive Officer
Attention: Alexander Liszka, General Counsel
Email: *[Confidential information Redacted]*
Email: *[Confidential information Redacted]*

- (b) To MKD:

MKD Holdings Inc.
[Confidential Information Redacted]

Attention: *[Confidential information redacted]*
Email: *[Confidential Information Redacted]*

(c) To the JLLS:

JLLS Holdings Inc.

[Confidential Information Redacted]

Attention: *[Confidential information redacted]*

Email: *[Confidential information Redacted]*

8.6 Time of Essence

Time is of the essence of this Agreement.

8.7 Further Assurances

Namaste and the Sellers shall, from time to time and at all times hereafter, at the request of the other but without further consideration, do all such other acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent of this Agreement.

8.8 Counterparts and Electronic Signatures

This Agreement may be executed by the Parties in counterparts and may be delivered by facsimile or other means of electronic communication and all such counterparts, taken together, shall constitute one and the same agreement. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

8.9 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors, legal representatives and permitted assigns.

8.10 Assignment

No Party may assign their rights under this Agreement without the prior written consent of the other Parties (such consent not to be unreasonably delayed, withheld, or conditioned).

8.11 Independent Legal Advice

Each of the Parties acknowledges that they: (a) have been advised by the other Parties to seek independent legal advice in respect of the transactions contemplated by this Agreement; (b) have sought such independent legal advice or deliberately decided not to do so; (c) understand their rights and obligations under this Agreement and the Transaction Documents; and (d) are executing this Agreement and any Transaction Document to which it is a party voluntarily.

8.12 No Contra Proferentem

This Agreement has been reviewed by each Party's professional advisors, and revised during the course of negotiations between the Parties. Each Party acknowledges that this Agreement is the product

of their joint efforts, that it expresses their agreement, and that, if there is any ambiguity in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

NAMASTE TECHNOLOGIES INC.

"Meni Morim"
Per: _____
Name: Meni Morim
Title: Chief Executive Officer

The Sellers

MKD HOLDINGS INC.

"Authorized Signatory"
Per: _____
Authorized Signatory

JLLS HOLDINGS INC.

"Authorized Signatory"
Per: _____
Authorized Signatory

Schedule "A"

Earn-Out Schedule

[Commercially Sensitive Information Redacted]

Schedule "B"

Gross Margin Principles

[Commercially Sensitive Information Redacted]

Schedule "C"

Consulting Agreement

[Commercially Sensitive Information Redacted]

Schedule "D"

Voting Trust and Standstill Agreement

[Commercially Sensitive Information Redacted]

Schedule "E"

[Commercially Sensitive Information Redacted]