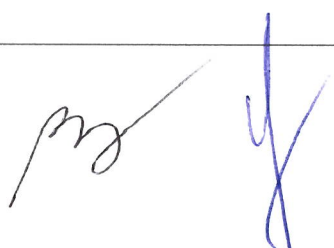
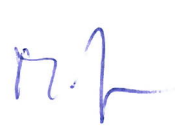


Andrej Sušnik, Prešernov trg 3, 1000 Ljubljana Martin Jamar, Rožna dolina, cesta I/5, 1000 Ljubljana LAUREL CREST II, LLC, 12033 12th ave. NW, Seattle, Washington 98177, ZDA in PHARMAHEMP proizvodnja in trgovina d.o.o., Koprška ulica 106C, 1000 Ljubljana, matična številka 2343428000 (v nadaljevanju: "Družba"), (vsi skupaj v nadaljevanju: "Stranke" in posamično: "Stranka") sprejemajo naslednjo: DRUŽBENIŠKO POGODBO družbe z omejeno odgovornostjo TEMELJNE DOLOČBE 1. člen Pogodbene stranke uvodoma ugotavljajo, da: - so dne 9.11.2016 podpisale družbeno pogodbo Družbe, - Osnovni kapital družbe znaša 7.500,00 EUR in je razdeljen na tri osnovne vložke, katerim pripadajo trije poslovni deleži, kot sledi: - osnovni vložek v nominalnem znesku	Andrej Sušnik, Prešernov trg 3, 1000 Ljubljana Martin Jamar, Rožna dolina, cesta I/5, 1000 Ljubljana LAUREL CREST II, LLC, 12033 12th ave. NW, Seattle, Washington 98177, USA and PHARMAHEMP proizvodnja in trgovina d.o.o., Koprška ulica 106C, 1000 Ljubljana, ID number 2343428000 (hereinafter referred to as: the "Company") (hereinafter collectively referred to as: the "Parties" and individually as: a "Party") adopt the following: SHAREHOLDERS' AGREEMENT of a private limited-liability Company BASIC PROVISIONS Article 1 Parties hereby conclude that: - they have entered into a Shareholders' Agreement dated 9th of November 2016; - Company's Share capital amounts to EUR 7,500.00 and is divided into three Shares as follows: - Share in the nominal amount of EUR 3,375.00, which represents 45% of
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3.375,00 EUR, ki predstavlja 45% v celotnem osnovnem kapitalu Družbe pripada družbeniku Andreju Sušniku, ○ osnovni vložek v nominalnem znesku 2.250,00 EUR, ki predstavlja 30% v celotnem osnovnem kapitalu Družbe pripada družbeniku Martinu Jamarju, ○ osnovni vložek v nominalnem znesku 1.875,00 EUR, ki predstavlja 25% v celotnem osnovnem kapitalu Družbe pripada družbeniku LAUREL CREST II, LLC; • bo družbenik iz zadnje podalinee prejšnje alineje z Družbo sklenil pogodbo o kratkoročnem posojilu za posojilo zneska 600.000,00 USD (v nadaljevanju: "Posojilo"). OMEJITEV GLASOVALNIH PRAVIC 2. člen Družbenik LAUREL CREST II, LLC se zavezuje, da: • do dneva nakazila Posojila ne bo izvrševal glasovalnih pravic iz svojega deleža; in • bo na skupščini glede uporabe dobička glasoval tako, kot je določeno v 4. členu te Pogodbe.	the Share capital of the Company belongs to Andrej Sušnik, ○ Share in the nominal amount of EUR 2,250.00, which represents 30% of the Share capital of the Company belongs to Martin Jamar, ○ Share in the nominal amount of EUR 1.875,00, which represents 25% of the Share capital of the Company belongs to LAUREL CREST II, LLC; • the shareholder from the last sub-indent of previous indent shall enter into a short-term loan agreement with the Company, thus lending the Company the amount of USD 600,000.00 (hereinafter referred to as: the "Loan"). SUSPENSION OF VOTING RIGHTS Article 2 LAUREL CREST II, LLC shall: • not exercise its voting rights arising from the shares, which belong to the latter until the drawdown of the Loan; and • shall cast votes at the assembly in compliance with Article 4 of this Agreement.
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Kršitev zaveze iz prejšnjega odstavka predstavlja hudo kršitev te pogodbe. V takšnem primeru lahko Andrej Sušnik, Martin Jamar ali Družba, vsi za račun Družbe, uveljavljajo pogodbeno kazen: • v višini 100.000 USD v primeru kršitve prve alineje prejšnjega odstavka tega člena, pri čemer se za kršitev ne šteje izvrševanje glasovalnih pravic pri sprejemu sklepa o združitvi poslovnih deležev, ki pripadajo oziroma bodo pripadli družbeniku LAUREL CREST II, LLC ter sklepa o sprejemu nove družbene pogodbe Družbe; • v višini zneska dobička, ki bi prejel družbenik LAUREL CREST II, LLC sorazmerno s svojim osnovnim vložkom.	Violating provision of previous paragraph of this article shall be deemed material breach of this Agreement. In such event Andrej Sušnik, Martin Jamar or the Company shall be entitled to claim liquidated damages on behalf of the Company: • in the amount of USD 100.000 in the event of breach of first indent of previous paragraph of this article, whereby casting a vote for the adoption of resolutions on merger of shares, which belong to LAUREL CREST II and on adopting a new shareholders' agreement of the Company shall not be deemed a breach; • in amount of the dividend which LAUREL CREST II would be entitled to in proportion to his share.
DELITEV DOBIČKA 3. člen Na letni ravni se bo izplačevalo najmanj 25% čistega dobička poslovnega leta, če bo to dopuščala likvidnost družbe in bo imela Družba dovolj obratnega kapitala. Dobiček bo, pod zgoraj navedenimi pogoji, izplačan najkasneje do 30. junija vsako leto za preteklo leto. 4. člen LAUREL CREST II, LLC se odpoveduje pravici do udeležbe na dobičku, dokler Družba v celoti ne povrne Posojila. Skladno s tem bosta v tem času na	DIVIDEND POLICY Article 3 Dividends will be distributed annually and in the amount of at least 25% of the net profit of the respective fiscal year upon sufficient working capital and monetary funds. Dividends will be, provided that the abovementioned conditions will have been met, normally distributed by June 30 each year for the previous year. Article 4 LAUREL CREST II, LLC shall waive all dividends / participation on profit until the Loan is repaid in full. Accordingly, only Andrej Sušnik and Martin Jamar will

dobičku udeležena le Andrej Sušnik in Martin Jamar. Družba bo sočasno ob vsakem izplačilu dobička vrnila tudi sorazmeren del Posojila, in sicer tako, da bo vrnila znesek, ki ustreza 1/3 celotnega izplačanega dobička. PLAČE IN NAGRADE 5. člen Za odobritev letne osnovne plače Andreja Sušnika in Gregorja Jamarja nad zneskom 20.000,00 EUR neto, je potreben soglasen sklep družbenikov. ZAVAROVANJA 6. člen Družba bo sklenila zavarovanje odgovornosti dejavnosti in proizvodov v primerni višini, v 30 dneh po podpisu te pogodbe. PREDSTAVNIŠTVO 7. člen LAUREL CREST II, LLC bo v 60 dneh po podpisu te Pogodbe v ZDA ustanovila družbo, ki bo imela ekskluzivno pravico trženja in prodaje izdelkov Družbe v ZDA ("Predstavništvo"). Poslovodstvo Hčerinske družbe bo isto kot poslovodstvo družbenika LAUREL CREST II, LLC.	participate on profit in the said period. Loan shall be repaid at the same time and rate as dividends, meaning that the Company shall every time repay the Loan in the amount corresponding to 1/3 of the aggregate amount of distributed profit. COMPENSATION POLICY Article 5 Unanimous consent of the shareholders is mandatory for the grant of the annual net salary for Andrej Sušnik and Martin Jamar exceeding EUR 20,000.00. INSURANCE Article 6 The Company shall purchase the appropriate insurance of product and activity (business) liability, within 30 days after the signing of this Agreement. REPRESENTATIVE Article 7 LAUREL CREST II, LLC shall in 60 days after the signing of this Agreement incorporate a company in the USA, which shall have the exclusivity to sell the Company's products in the USA ("Representative"). Representative shall be operated by the director of LAUREL CREST II, LLC.
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Družba bo Predstavništvu prodajala izdelke po ceni, ki bo za 10% nižja od cene, po kateri bo izdelke prodajalo Predstavništvo (z namenom financiranja slednje). Predstavništvo bo 10% svojih prihodkov iz prodaje namenilo za plačilo plač, nagrad in ostalih prejemkov poslovodstvu in zaposlenim. Predstavništvo bo svojim zaposlenim in (prodajnim) agentom krila pravne in računovodske stroške ter potne stroške za poti v ZDA in Kanadi, ki nastanejo zaradi dela za Predstavništvo ter obvezne prispevke socialnega in zdravstvenega zavarovanja, kot so določeni na zvezni ravni (ZDA). V kolikor bo imelo Predstavništvo dovolj sredstev bo: (i) krilo tudi stroške zdravstvenega zavarovanja svojim zaposlenim, ter (ii) letno plačo direktorja Predstavništva v višini 22.000,00 USD. Predstavništvo bo sklenilo zavarovanje odgovornosti dejavnosti in proizvodov takoj po prejemu akreditacije / certifikatov s strani DPP (Dobre proizvodne prakse) in FDA (U.S. Food & Drug Administration). Predstavništvo bo v primeru direktne prodaje Družbe na trgu ZDA Družbi zaračunalo 10% provizije. Dokler Predstavništvo ne bo imelo zadosti lastnih sredstev, bo Družba poleg plačil, navedenih v tem členu, pod pogojem, da se bodo s tem strinjale vse stranke te Pogodbe, plačala tudi naslednje stroške za Predstavništvo: • nakup dogovorjenega obsega zalog ter njihovega skladiščenja in	The Company shall sell its products to the Representative at 10% below the Representative's selling price (in order to fund the latter). Representative shall use 10% of its sales to compensate its director and employees or agents. The Representative shall pay its employees, part time staff, sales agents, all legal and accounting expenses and North American travel expenses incurred for the behalf of the Subsidiary and social security contributions and Medicare taxes as are federally required in the USA. If funds are available: (i) it may also provide health insurance for its employees, (ii) the Director may be paid up to USD 22,000.00 per year. Representative shall purchase product liability insurance as soon as it receives GMP (Good manufacturing practices) and FDA (U.S. Food & Drug Administration) certification. Representative shall charge a 10% commission to the Company for every direct sale made by the Company in the USA. Provided all of the Parties agree to the expense the Company shall in addition to the aforementioned payments pay, so long as the subsidiary does not have adequate profit to pay for itself, the following: • agreed amounts of inventory and warehousing and distribution
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distribucije; • marketing in udeležba na sejnih; • strošek zavarovanja odgovornosti dejavnosti in proizvodov. PLAČILA V ZDA 8. člen Direktor Družbe Andrej Sušnik se zavezuje, da bodo vsa nakazila in transakcije med Družbo in Predstavništvom ter plačila Družbe v ZDA izvedena v USD in se bodo obrestovala skladno z vsakokratno veljavnimi predpisi ZDA. Družba bo plačala vse stroške, potrebne za registracijo blagovne znamke Pharmahemp v ZDA. RAČUNOVODSKI IZKAZI IN POSLOVNA POROČILA 9. člen Družba bo vzpostavila elektronski računovodski sistem iz drugega odstavka 15. člena družbene pogodbe iz prve alineje 1. člena te Pogodbe in omogočila neomejen dostop do njega vsem družbenikom najkasneje do 1.1.2017. KONČNE DOLOČBE 10. člen Ta Pogodba in vsak spor, ki nastane zaradi ali v povezavi s to Pogodbo (vključno s spori glede njenega obstoja, veljavnosti ali prenehanja) in vsaka nepogodbena	expenses related to the inventory; • marketing and trade show expenses; • product and business liability insurance. US FEES Article 8 All transactions and payments between the Company and Representative and other payments of the Company to the USA shall be executed in USD and the US governed interests shall apply. The Company shall bear all costs incurred by and in connection with the registration of the trademark Pharmahemp in the USA. FINANCIAL STATEMENTS AND BUSINESS REPORTS Article 9 The Company shall implement an integrated financial system defined in the second paragraph of Article 15 of the shareholders' agreement defined in the first indent of Article 1 of this Agreement, with unlimited access for the shareholders, no later than 1 January 2017. FINAL PROVISIONS Article 10 This Agreement and any dispute arising out of or in connection with this Agreement (including a dispute relating to its existence, validity or termination) and
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obveznost ali drugo vprašanje, ki nastane zaradi ali v povezavi s to Pogodbo, so podvrženi zakonom Republike Slovenije. Vsak spor, ki nastane zaradi ali v povezavi s to Pogodbo (vključno s spori glede njenega obstoja, veljavnosti in prenehanja te Pogodbe ali glede tega 10. člena ali glede nepogodbenih obveznosti, ki nastanejo zaradi ali v povezavi s to Pogodbo) bo razrešen pred pristojnim sodiščem v Ljubljani.	any non-contractual obligation or other matter arising out of or in connection with it are governed by the laws of Republic of Slovenia. Any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or this Article 10 or any non-contractual obligation arising out of or in connection with this Agreement) shall be finally resolved by Court of competent jurisdiction in Ljubljana, Slovenia.
11. člen Nobena sprememba te Pogodbe ni veljavna, razen če je sklenjena v pisni obliki in podpisana s strani, ali v imenu vsake od Strank.	Article 11 No modification of this Agreement shall become effective unless made in writing and signed by, or on behalf of, each of the Parties, in a written form.
12. člen Ta Pogodba šteje za poslovno skrivnost Družbe, kot je opredeljena v 13. členu družbene pogodbe iz prve alineje 1. člena te Pogodbe. Nobena od Strank ne bo izdala sporočila za javnost, ali izvajala javnih oznanil glede vsebine te Pogodbe brez predhodnega pisnega soglasja druge Stranke.	Article 12 This Agreement is deemed a Professional secrecy under the Article 13 of the Shareholders' Agreement defined in the first indent of Article 1 of this Agreement. No party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without prior written consent of the other Party.
13. člen Vsako obvestilo in/ali sporočilo v zvezi s to Pogodbo mora biti v angleškem jeziku in bo pravilno vročeno v kolikor bo poslano s kurirjem ali po priporočeni pošti.	Article 13 Any notice and/or communication under this Agreement shall be in the English language and it shall be duly served if sent by courier or registered post.
14. člen	Article 14

Ta Pogodba je sklenjena v štirih izvodih, od katerih vsaka Stranka in Družba prejme po en izvod. 15. člen	This Agreement is signed in four identical copies of which each Party and the Company receives one copy. Article 15
Ta pogodba začne veljati z dnem podpisa s strani vseh Strank.	This Agreement enters into force upon signing by all Parties.

Prague, 10 November 2016

Andrej Sušnik

Martin Jamar

LAUREL CREST II, LLC

Michael Bernstein, CEO