

SHARE SALE AGREEMENT
(incorporating a guarantee)

Dated 17 May 2017

**PIEMONTE PTY LTD ACN 077 890 156 AS TRUSTEE FOR
THE WE & RB SUPERANNUATION FUND**

AND

PIEMONTE PTY LTD ACN 077 890 156

AND

MARTIN RICE

AND

MICHAEL JOE AND DALMAX CORPORATION LTD (A Fijian Corporation)

AND

**JOE AGIUS AND A & B HYDROPONICS INTERNATIONAL PTY LTD ACN
003 105 440**



THIS AGREEMENT made on 17 May 2017

PARTIES **PIEMONTE PTY LTD ACN 077 890 156 AS TRUSTEE FOR THE WE & RB
SUPERANNUATION FUND**

AND

**PIEMONTE PTY LTD ACN 077 890 156
("Vendors")**

AND **MARTIN RICE
("Purchaser")**

AND **MICHAEL JOE (Michael) AND DALMAX CORPORATION LTD (Dalmax)
("The First Guarantor")**

AND **JOE AGIUS (Joe) AND A&B HYDROPONICS INTERNATIONAL PTY LTD
ACN 003 105 440 (A & B)
("The Second Guarantor")**

(together "The Parties")

INTRODUCTION

- A. The Company is incorporated in Fiji. It has issued capital of 800,000 shares. The shares are fully paid.
- B. The Vendors are the registered holders and beneficial owners of the Shares.
- C. The number and class of the Shares held by each of the Vendors is set out in Schedule 1 opposite that Vendor's name.
- D. The Vendors also have the Loan Accounts in the Company which are outstanding.
- E. The Vendors have agreed to sell the Shares to the Purchaser or his nominee and the Purchaser has agreed to buy the Shares from the Vendors on the terms of this Agreement.
- F. The Vendors have agreed to transfer their interest in the Loan Accounts to the Purchaser on the terms of this Agreement.
- G. Michael and Joe (as Directors of the Company) and Dalmax and Joe (as shareholders of the Company) by entering into this Agreement have waived any rights of pre-emption and have consented to the sale of the Vendors' shares to the Purchaser on the terms as proposed by this Agreement.
- H. At the request of the First Guarantor and Second Guarantor ("the Guarantor") and for the purposes of resolving litigation in Queensland Supreme Court Proceedings 8600 of 2015 between the Vendors and the Second Guarantor and Michael Joe, the Vendors have agreed to enter into this Agreement.
- I. The Guarantor acknowledges that the Vendors are entering into this Agreement in reliance on the Guarantee to be provided under the terms of this Agreement.



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- J. Each of Dalmax and A&B expect to derive a commercial benefit from the Guarantee incorporated into this Agreement.

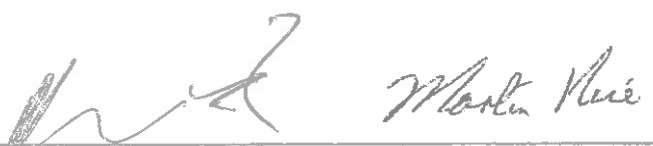
IT IS AGREED

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

- (1) **"Accrued Rights"** means all accretions and rights attaching to or arising from the Shares at or after the date of this Agreement including all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options, declared, paid or issued by the Company;
- (2) **"Agreement"** means this document (including any Schedule or Annexure to it);
- (3) **"Board"** means the board of directors of the Company;
- (4) **"Business Day"** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;
- (5) **"Company"** means Paradise Garden Produce Ltd;
- (6) **"Completion"** means performance of the acts set out in clause 4 to be performed by the Completion Date.
- (7) **"Completion Date"** means no later than by or before 4:00pm 31 August 2018;
- (8) **"Consideration for Loan Accounts"** means the sum of AUD\$700,000.00 including the Deposit;
- (9) **"Default Rate"** means 8% per annum;
- (10) **"Deposit"** means the amount of AUD\$20,000.00 payable on execution of this agreement to Steindls Lawyers Trust Account;
- (11) **"Guarantor"** means the First Guarantor and the Second Guarantor;
- (12) **Loan Accounts** means the loan accounts of the Vendors in the Company, the subject of loan agreements bearing date 31 August 2009 and 14 June 2010 recorded with the Company and as at the date of this Agreement consisting of an amount of FJD\$1,273,980.00 plus interest (AUD\$814,341.00 at the effective exchange rate on 20 April 2017 of AUD\$0.64 to FJ\$1.00) excluding accrued interest



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- (13) **"Parties"** means the parties to this Agreement and **"Party"** means any one of them;
- (14) **"Payments to Steindls Lawyers Trust Account"** means for the purpose of this Agreement payments to the trust bank account of Steindls Lawyers maintained with the following banking institution:
- Commonwealth Bank of Australia
3142 Surfers Paradise Blvd Surfers Paradise 4217 QLD
BSB 064 432
Account 1025 7640
Ref: Piemonte
Swift Code: CTBAAU2S
- (15) **"Purchaser's Obligations"** means the obligations of the Purchaser to pay all instalments due to the Vendors in full on the due dates as listed in clauses 3.1, 3.2 and 4.4 under this Agreement and any interest and costs incurred as a consequence of the Purchaser's default of those obligations
- (16) **"Purchase Price"** means the purchase price stated in clause 3.2;
- (17) **"Shares"** means the shares listed in Schedule 1 being all the shares issued to the Vendors in the capital of the Company;
- (18) **"Settlement"** means performance of the acts set out in clauses 3, 4.2, 4.3(1), 4.3(2) and 4.4(1) on or before the Settlement Date;
- (19) **"Settlement Date"** means on or before 4:00pm 31 May 2017;

1.2 Interpretation

- (1) Reference to:
- (a) one gender includes each other gender;
 - (b) the singular includes the plural and the plural includes the singular;
 - (c) a person includes a body corporate;
 - (d) a Party includes the Party's executors, administrators, successors and permitted assigns; and
 - (e) a statute, regulation or provision of a statute or regulation ("**Statutory Provision**") includes:
 - (i) that Statutory Provision as amended or re-enacted from time to time; and
 - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision.



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- (2) "Including" and similar expressions are not words of limitation
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings, the table of contents are for convenience only and do not form part of this Agreement or affect its interpretation.
- (5) A provision of this Agreement must not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement.
- (6) All monetary amounts are in Australian dollars, unless otherwise stated.
- (7) If an act must be done on a specified day which is not a Business Day, the act must be done instead on the next Business Day.

1.3 Parties

- (1) If a Party consists of more than 1 person, this Agreement binds each of them separately and any 2 or more of them jointly.
- (2) A Party which is a trustee is bound both personally and in its capacity as a trustee.

2. Sale and Purchase

2.1 The Vendors sell to the Purchaser and the Purchaser purchases from the Vendors the Shares together with all Accrued Rights free from Mortgages and other encumbrances.

2.2 The Shares and any Accrued Rights therein shall be transferred to the Purchaser only after receipt by the Vendors of the payments from the Purchaser for the Consideration for Loan Accounts and Purchase Price in accordance with clauses 3 and 4.4 herein such transfer of shares and payments to be made in the following proportions and on the following dates:

- (1) on or before the Settlement Date, upon receipt by the Vendors of the payment of AUD\$80,000.00 (referred to in clause 4.1(1)), a transfer signed by the Vendors in favour of the Purchaser for 80,000 shares;
- (2) upon receipt by the Vendors of all of the payments as required and as set out in clause 4.4 (2) to (9), totalling AUD\$600,000.00, a transfer signed by the Vendors in favour of the Purchaser for 480,000 shares, being the balance of the Shares.

3. Deposit Purchase Price and Payment



3.1 The Purchaser must pay the deposit of AUD\$20,000.00 to Steindls Lawyers Trust Account on the signing of this Agreement by the Purchaser.

3.2 The Purchase Price for the Shares is AUD\$80.00.

3.3 The Purchaser must pay the Purchase Price of AUD\$80.00 to the Vendors on or before the Settlement Date.

4. Procedure at Settlement

4.1 Settlement will take place at the office of Steindls Lawyers at Level 6 RSL Centre, 9 Beach Road, Surfers Paradise, Queensland, Australia.

4.2 At Settlement the Vendors must deliver to the Purchaser or his representative:

- (1) a signed transfer of 80,000 shares in favour of the Purchaser;
- (2) a notification from Warren Elbridge Boston as director of the Company to the Purchaser confirming that upon receipt of the final payment for the Consideration for Loan Accounts on or before the Completion Date in accordance with clause 4.4 of this Deed, Warren Elbridge Boston will provide a signed notice of resignation as director to the Company;

4.3 At Settlement, the Vendors, Michael and Joe must procure:

- (1) a resolution of the shareholders of the Company that the Board register the transfer of the Shares referred to in clause 4.2(1) notwithstanding any contrary provision of the constitution of the Company and subject to payment of all of the monies due to the Vendors as set out in clauses 3.1 and 4.4(1);
- (2) approval by the Board of the transfers of the Shares for registration;

AND FURTHERMORE

- (3) the Parties acknowledge by this Agreement the approval of the shareholders and the board of the Company has been given to the Vendors' sale of the Shares to the Purchaser in accordance with this Agreement;

AND

- (4) the Parties acknowledge the Vendors retain and may exercise all their rights pursuant to such shareholding until final payment is received from the Purchaser for the Consideration for Loan Accounts on the Completion Date, including the right of Warren Elbridge Boston to continue to exercise all rights and powers as a director of the Company;

AND



- (5) for the purposes of facilitating the transfer of shares and the recording of such transfer of shares with the Company and relevant Fijian authorities the Guarantor shall jointly and severally do all that is required and necessary to ensure the transactions the subject of this Agreement are concluded and provide all necessary consents and assistance for such purposes.

4.4 The Purchaser must pay the balance of the Consideration for Loan Accounts to the Vendors as follows:

- (1) AUD \$80,000 on or before the Settlement Date;
- (2) AUD \$50,000 on or before 31 July 2017;
- (3) AUD \$50,000 on or before 30 September 2017;
- (4) AUD \$50,000 on or before 30 November 2017;
- (5) AUD \$50,000 on or before 31 January 2018;
- (6) AUD \$50,000 on or before 31 March 2017;
- (7) AUD \$50,000 on or before 31 May 2018;
- (8) AUD \$100,000 on or before 31 July 2018;
- (9) AUD \$200,000 on or before 31 August 2018.

4.5 The Vendors and Purchaser acknowledge that no right title or interest in the Loan Accounts will vest in the Purchaser until payment by the Purchaser of all of the instalments set out in clause 4.4 and the Vendors will retain ownership of the Loan Accounts recorded in the accounts of the Company until the final instalment under clause 4.4 is paid by the Purchaser, following which the Vendors will assign all their right title and interest in the Loan Accounts to the Purchaser.

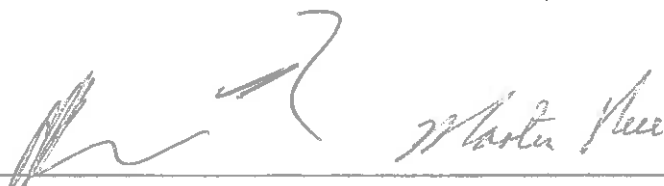
5. Payments

5.1 All payments under this Agreement must be made by telegraphic transfer or by bank cheque drawn by an authorised deposit-taking institution as defined in the *Banking Act 1959* to Steindls Lawyers Trust Account.

6. Warranties

6.1 The Vendors jointly and severally warrant to the Purchaser that the Shares are not subject to any encumbrances, that the Vendors are the beneficial owners of the Shares and that the Vendors' loan account in the Company as at 31 December 2015 was FJ\$1,273,980 excluding accrued interest.

7. Default



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7.1 Definitions

In this clause 7:

- (1) "Defaulting Party" has the meaning given to it in clause 7.2; and
- (2) "Correlative Party" means:
 - (a) in relation to the Purchaser, any Vendor; and
 - (b) in relation to any Vendor, the Purchaser, Michael, Joe, Dalmax and A & B;

7.2 Events of Default Applying to Any Party

A Party is a Defaulting Party for the purposes of this clause 7 if he or it fails to carry out any provision of this Agreement and does not remedy that failure within 7 days after notice to him or it requiring such default to be remedied;

7.3 Termination for Default of Vendors

If any of the Vendors is a Defaulting Party the Purchaser may at any time (without prejudice to his other rights and remedies under this Agreement or at law) subject to clause 7.6 herein terminate this Agreement by giving notice in writing to the Vendors. Termination pursuant to this clause 7.3 does not prejudice any claim which a Party may have against another at the time of termination.

7.4 Termination for Default of Purchaser

If the Purchaser is a Defaulting Party the Vendors may at any time (without prejudice to their other rights and remedies under this Agreement or at law) terminate this Agreement by giving notice in writing to the Purchaser. Termination pursuant to this clause 7.4 does not prejudice any claim which a Party may have against another at the time of termination.

7.5 Extension of Settlement Date

If the Correlative Party gives the notices referred to in clause 7.2, within 7 days prior to the Settlement Date, then the Settlement Date is extended to coincide with the expiry of the notice period.

7.6 Right on Termination by Purchaser

The Purchaser's right to terminate this Agreement is limited to the failure of the Vendors to comply with their obligations under clause 4.2 or 4.3 of this Agreement on the Settlement Date and their obligation to transfer the Shares as and when required pursuant to clause 2.2 of this Agreement.



Walter Price

7.7 Rights on Termination or Affirmation by Vendors

- (1) If the Vendors terminate this Agreement under either clause 7.4 or any other provision of this Agreement because of default of the Purchaser then the Vendors may retain all shares not transferred and/or resell or deal with the shares in such manner as they see fit, forfeit all monies paid under the Agreement and/or sue the Purchaser for damages, and recover any deficiency in the Purchase Price on the resale and any costs and resulting expenses by way of further liquidated damages.
- (2) If the Vendors affirm the Agreement, they may sue the Purchaser for damages or specific performance or damages and specific performance.

8. Interest on Money in Arrears

- 8.1 If a Party fails to pay an amount of money payable under this Agreement on the due date, the Defaulting Party must pay to the Party entitled to payment of that amount interest at the Default Rate on that amount, calculated and payable daily, computed from the due date until the amount is paid in full.
- 8.2 If the Settlement Date is extended under clause 7.5 and the notice referred to in that clause was given because of the Purchaser's default, the Purchaser must pay interest on the balance of the Purchase Price under this clause 8 from the original Settlement Date.

9 Time of the Essence

- 9.1 Time is of the essence of this Agreement.
- 9.2 If the Parties agree to vary a time requirement, the time requirement so varied is of the essence of this Agreement.
- 9.3 An agreement to vary a time requirement must be in writing.

10 Further Assurance

- 10.1 Each Party must at its own cost from time to time do all things (including executing all documents) necessary or desirable to give full effect to this Agreement.

11 Severability

- 11.1 If anything in this Agreement is unenforceable, illegal or void then it is severed and the rest of this Agreement remains in force.

12 Entire Understanding

- 12.1 This Agreement:



- (a) contains the entire agreement and understanding between the Parties on everything connected with the subject matter of this Agreement; and
- (b) supersedes any prior agreement or understanding on anything connected with that subject matter.

12.2 Each Party has entered into this Agreement without relying on any representation by any other Party or any person purporting to represent that Party, which is not contained in this Agreement.

13 Variation

13.1 An amendment or variation to this Agreement is not effective unless it is in writing and signed by the Parties.

14 Waiver

14.1 A Party's failure or delay to exercise a power or right does not operate as a waiver of that power or right.

14.2 The exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right.

14.3 A waiver is not effective unless it is in writing.

14.4 Waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

15 Costs and Disbursements

15.1 Each Party must pay its own costs and disbursements connected with the negotiation, preparation and execution of this Agreement.

15.2 The Purchaser must pay all stamp duty and other government imposts payable in connection with this Agreement and all other documents and matters referred to in this Agreement when due or earlier if requested in writing by the Vendors.

16 Notices

16.1 A notice or other communication connected with this Agreement ("**Notice**") has no legal effect unless it is in writing and:

- (a) sent by registered post, postage prepaid, to the address for service of the addressee, if the address is in Australia and the Notice is being sent from within Australia; or
- (b) sent by facsimile or email to the address for service of the addressee, if the address is in or outside Australia or if the Notice is being sent from outside

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Australia;or

- (c) sent by facsimile to the facsimile number of the addressee; or
 - (d) otherwise delivered at the address for service of the addressee.
- 16.2 A certificate signed by a Party giving a Notice or by an officer or employee of that Party stating the date on which that Notice was delivered or sent under clause 16.1 is prima facie evidence of the date on which that Notice was delivered or sent.
- 16.3 Where the Notice is delivered or sent in a manner provided by clause 16.1, it must be treated as given to and received by the Party to which it is addressed:
- (a) if mailed from within Australia to an address in Australia, on actual delivery to that address as evidenced by Australia Post documentation;
 - (b) if mailed to an address outside Australia or mailed from outside Australia, on the 5th Business Day (at the address to which it is mailed) after mailing;
 - (c) if sent by facsimile before 4 p.m. on a Business Day at the place of receipt, on the day it is sent and otherwise on the next Business Day at the place of receipt; or
 - (d) if sent by email, upon successful transmission.
- 16.4 A Party which receives a Notice by facsimile or email must, if requested by the sender, immediately notify the sender of its receipt.
- 16.5 A Party notifying the sender of receipt of a facsimile or email must be treated as having notified the sender that it was received in full and in legible form unless the Party at the same time notifies the sender that it was not received in full or not in legible form.
- 16.6 A Notice delivered or sent in a manner provided by clause 16.1 must be treated as validly given to and received by the Party to which it is addressed even if:
- (a) the addressee has been liquidated or deregistered or is absent from the place at which the Notice is delivered or to which it is sent; or
 - (b) the Notice is returned unclaimed.
- 16.7 The Vendors' address for service, facsimile number and email are:

Name : Piemonte Pty Ltd as trustee
Attention : Warren Boston
Address : Level 6 RSL Centre, 9 Beach Rd
Surfers Paradise QLD 4217
Facsimile No. : +617 5592 2007
Email : wboston@steindls.com.au



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16.8 The Purchaser's address for service, facsimile number and email are:

Name : Martin Rice
Attention : N/A
Address : 75 Comber Road, Killinchy, Co.Down, BT23 6PF
Northern Ireland
Email : martyrice@aol.com

16.9 The First Guarantor's address for service, facsimile number and email are:

Name : Michael Joe & Dalmax Corporation Ltd
Attention : Michael Joe
Address : PO Box 4700, Samabula, Suva Fiji
Facsimile No. : +679 3323 943
Email : michaeljoe@joesfarm.com.fj
michaeljoe@connect.com.fj
Legal Representative: Tobin King Lateef
P.O. Box 713
Brisbane, Qld 4001
blateef@tobinking.com.au

16.10 The Second Guarantor's address for service, facsimile number and email are:

Name : Joe Agius & A&B Hydroponics International Pty Ltd
Attention : Joe Agius
Address : Lot 1, Cudgen Road, Cudgen NSW 2487
Facsimile No. : 02 66 743 088
Email : contactus@abhydroponics.com.au
Legal Representative: Bell Legal Group
P.O. Box 5193
GCMC, Bundall, Qld 9726
law@belllegal.com.au

16.11 A Party may change its address for service, facsimile number or email by giving Notice of that change to each other Party.

16.12 If the Party to whom a Notice is intended to be given consists of more than one person then the Notice must be treated as given to that Party if given to any of those persons.

16.13 Any Notice by a Party may be given and may be signed by the solicitor for the Party.

16.14 Any Notice to a Party may be given to the solicitor for the Party by any of the means listed in clause 16.1 to the solicitor's business address, facsimile number or email as the case may be.

17. Electronic Signing and Counterparts

17.1 All parties acknowledge that the original of this Agreement may be in electronic form



Martin Rice

and agree to accept the signed electronic Agreement as the original and binding Agreement.

17.2 This Agreement may be signed in counterparts and together the counterparts will constitute the whole Agreement.

18. Governing Law and Jurisdiction

18.1 The law of Queensland, Australia governs this Agreement.

18.2 The Parties submit to the non-exclusive jurisdiction of the courts of Queensland, Australia and the Federal Court of Australia.

19. Dividends

19.1 The Purchaser will be entitled to any dividends in respect of the Shares to be transferred to the Purchaser pursuant to this Agreement from the Completion Date, provided the Purchaser has not defaulted in any of his obligations under this Agreement.

20. Guarantee and Indemnity

20.1 Guarantee

In consideration of the Vendors entering into the Agreement at the Guarantor's request, the Guarantor unconditionally guarantees the Purchaser's Obligations to be shared equally and severally between the First Guarantor and the Second Guarantor.

Nature of Guarantee

20.2 This Guarantee:

- (a) is a principal obligation and is not ancillary or collateral to any other right or obligation however created or arising;
- (b) may be enforced against the Guarantor without the Vendors first being required to exhaust any remedy it may have against the Purchaser or to enforce any security it may hold relating to the Purchaser's Obligations.;
- (c) is a continuing Guarantee and indemnity for the whole of the Purchaser's Obligations to be shared equally and severally between the First Guarantor and the Second Guarantor; and
- (d) is absolute, unconditional and irrevocable, and remains in full force and effect until the Purchaser's obligations have been irrevocably discharged in full despite any transaction or other thing (including a settlement of account or intervening payment).
- (e) is an entire guarantee and is binding on the guarantors' heirs, executors,



Martin Price

successors and assigns.

20.3 Guarantor's liability absolute:

- (a) The liability of the Guarantor is absolute and is not affected by any circumstance, act, omission, matter or thing which, but for this provision, might otherwise affect it at law or in equity.
- (b) The Vendors are under no obligation to marshal in favour of the Guarantor any security now or in the future held by the Vendors or any funds or assets that the Vendors may be entitled to receive or claim.
- (c) This Guarantee extends to cover the Agreement as amended, varied or replaced, either with or without the consent of the Guarantor.

20.4 In the event that the Purchaser becomes insolvent, the Guarantor is required to guarantee the Purchaser's Obligations in accordance with this Guarantee. In addition, the Guarantor authorises the Vendors:

- (a) to lodge a proof of debt in the estate of the Purchaser for the balance of the monies for which the Purchaser and Guarantor are liable for under this Guarantee;
- (b) to retain in a suspense account and appropriate, at the Vendor's discretion, any dividends received in the liquidation, bankruptcy or other insolvency of the Purchaser.
- (c) to pay any moneys obtained from the Purchaser's estate towards the Purchaser's Obligations until the Purchaser's Obligations have been irrevocably performed in full;
- (d) to hold any moneys received by the Vendors in excess of the Purchaser's Obligations under the Agreement and pay such moneys to the Guarantors in proportionate amounts equivalent to the moneys each Guarantor has contributed under this Guarantee.

Acknowledgement of Charge and Consent Caveat

20.5 In accordance with the Annexure to Share Sale Agreement attached to this Agreement, Joe charges his one-half interest in the land situated at Lot 6 in Deposited Plan 727425, at Cudgen, Local Government Area of Tweed, Parish of Cudgen, County of Rous otherwise known as Lot 1 Cudgen Road, Cudgen NSW 2487 ("the **Cudgen Land**") in favour of the Vendors with the payment of any money that may become payable by the Second Guarantor pursuant to the Guarantee and Indemnity by this Agreement.

20.6 By granting such charge and as security for the Guarantee, upon signing this agreement, Joe:

- (a) grants the Vendors a caveatable interest in the Cudgen Land and consents to the Vendors registering a caveat over Joe's interest in the title to the Cudgen Land to secure Joe's guarantee under the terms of this Agreement;



- (b) undertakes not to encumber or grant any other charge over his interest in the Cudgen Land except to the Vendors.

Indemnity

20.7 Subject to clause 20.1 and 20.2, if the whole or any part of the Purchaser's Obligations are not enforceable against the Purchaser by the Vendors for any reason whatsoever, and the Purchaser's Obligations are not enforceable against the Guarantor as a surety, then:

- (a) the Guarantor as a separate and severable liability under this Guarantee unconditionally and irrevocably indemnifies the Vendors in respect of the Purchaser's Obligations to be shared equally and severally between the First Guarantor and the Second Guarantor;
- (b) as a principal debtor, the Guarantor agrees to pay the Vendors, when demanded in writing, a sum equal to the amount of the moneys due and payable under the Purchaser's Obligations, or the losses and expenses of the Vendors resulting from the failure to perform the Purchaser's Obligations to be shared equally and severally between the First Guarantor and the Second Guarantor; and
- (c) for the purposes of this indemnity, this clause must be construed as if the moneys payable under the Purchaser's Obligations were recoverable and the terms of this Guarantee apply as far as possible to this indemnity.

Security

20.8 The Guarantor must not take, without the written consent of the Vendors, any security from the Purchaser for or in connection with this Guarantee. The Guarantor must hold any security it does take from the Purchaser in trust for the Vendors and as security for the liability to the Vendors under this Guarantee.

Equal and Several Guarantee

20.9 Subject to clause 20.1 and 20.2, where this Guarantee is given by more than one person or corporate entity, the obligations on the part of the Guarantor contained in this Guarantee take effect as equal and several obligations and references to the Guarantor take effect as references to those persons or any of them. This Guarantee binds each of the persons executing it notwithstanding that any Guarantor does not execute, or is not or ceases to be bound by this Guarantee, or the Vendors do not execute or only subsequently executes this Guarantee. A release by the Vendors of any Guarantor from this Guarantee will not affect the liability of the other Guarantors.

Notices

20.10 Any demand, notice or other communication under this Guarantee must be made in



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writing and signed, and may be sent to the addressee either by hand, mail, email or fax. If it is sent by mail, it is taken to have been received on the second business day following the day after it is posted. If it is sent by email or fax, it is taken to have been received when the addressee actually receives it in full and legible form.

Treatment of Shares under Guarantee

20.11 In the event that either the First Guarantor or the Second Guarantor pays any monies to the Vendors due to the non-performance by the Purchaser of any of the Purchaser's obligations under this Agreement, such Guarantor shall be entitled to have transferred to it or him by the Vendors, such number of Shares to the equivalent value of the payment or payments made and the value of Shares and the procedures limitations and restrictions for the transfer of the Shares set out in this Agreement as applicable to the Purchaser shall also apply to such Guarantor.

Treatment of Loan Account

20.12 In the event that the First Guarantor or the Second Guarantor are entitled to receive Shares pursuant to clause 20.11, they shall also be entitled to receive, and the Vendors will assign to them on the Completion date the proportion of the Vendors' Loan Accounts proportionate to the amount of money paid by them and the Shares received.

21 Waivers and Remedies:

- (a) No failure or delay by the Vendors in exercising any right or remedy under this Guarantee constitutes a waiver. No single or partial exercise of any right or remedy will preclude any further exercise of that or any other right or remedy.
- (b) The rights and remedies provided to the Vendors in this Guarantee are cumulative and are not exclusive of any rights or remedies provided by law.

22 Governing law and jurisdiction:

- (a) This Guarantee is governed by and will be construed in all respects in accordance with the law of Queensland.
- (b) The Guarantor submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Queensland in respect of any proceedings in connection with this Guarantee and authorises their legal representatives whose addresses are given above to receive service of process in connection with any proceedings and confirms that process served on such legal practices on behalf of the Guarantors is deemed duly served.

23. Acknowledgement of Independent Legal and Accounting Advice

23.1 The First Guarantor and Second Guarantor acknowledge that prior to their execution of this Agreement and this Guarantee they have had the opportunity to obtain their



own independent legal and accounting advice in respect of this Agreement and this Guarantee.

23.2 The First Guarantor and Second Guarantor acknowledge that as a result of obtaining such legal and accounting advice, they:

- (a) fully understand the purpose of the guarantee and the nature, meaning and effect of the guarantee documents, including the extent of the liabilities to be undertaken by the each of the First Guarantor and Second Guarantor and the consequences of entering into this guarantee;
- (b) have freely consented to and have entered into this guarantee without influence, duress or reliance upon any misrepresentation;
- (c) fully understand the content and effect of the guarantee;
- (d) fully understand that they will remain legally bound by the guarantee even if their circumstances change from time to time;
- (e) fully understand that their liability will also be separate from and in addition to the liability of any other person signing the Guarantee as a Guarantor, and that this means that they can be required to pay 50% of any of the instalments due under clause 4.4 including the deposit under clause 3.1, even if the other guarantor fails to comply with their obligations under the guarantee or the Purchaser fails to comply with the guaranteed liabilities

Schedule 1


The Shares Introduction C, Clause 1.1(16)

Vendor	Number of Shares Held	Class of Shares	Price	Purchaser
Piemonte Pty Ltd ACN 077 890 156 ATF WE & RB Superannuation Fund	400,000	Ordinary	AUD\$57.00	
Piemonte Pty Ltd ACN 077 890 156	160,000	Ordinary	AUD\$23.00	



Handwritten signatures in black ink, including a large stylized signature and the name 'Mark Rice' written in cursive.

EXECUTION


Signed by **PIEMONTE PTY LTD**)
ACN 077 890 156 AS TRUSTEE)
in accordance with)
Section 127 of the Corporations Act)




Signed by **PIEMONTE PTY LTD**)
ACN 077 890 156 in accordance with)
Section 127 of the Corporations Act)

Signed by **MARTIN RICE**)
in the presence of:)


Independent Witness **Philip H. Keers**



Signed by **MICHAEL JOE**)
As Guarantor in the Presence of:)

Independent witness

Signed by **Dalmax Corporation Ltd**)
As Guarantor by its duly authorised)
Director Michael Joe in the presence of:)

Independent witness

Signed by **JOSEPH AGIUS**)
As Guarantor in the presence of:)

Independent witness

Signed by **A&B HYDROPONICS**)
INTERNATIONAL PTY LTD)
ACN 003 105 440 As Guarantor in)
accordance with Section 127 of the)
Corporations Act)

EXECUTION

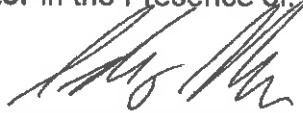
Signed by **PIEMONTE PTY LTD**)
ACN 077 890 156 AS TRUSTEE)
in accordance with)
Section 127 of the Corporations Act)

Signed by **PIEMONTE PTY LTD**)
ACN 077 890 156 in accordance with)
Section 127 of the Corporations Act)

Signed by **MARTIN RICE**)
in the presence of:)

Independent Witness

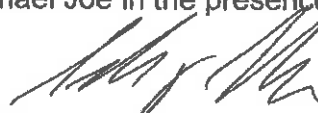
Signed by **MICHAEL JOE**)
As Guarantor in the Presence of:)





Independent witness
Sebastiano John Anthony Miano
Solicitor

Signed by **Dalmax Corporation Ltd**)
As Guarantor by its duly authorised)
Director **Michael Joe** in the presence of:)





Independent witness
Sebastiano John Anthony Miano
Solicitor

Signed by **JOSEPH AGIUS**)
As Guarantor in the presence of:)

Independent witness

Signed by **A&B HYDROPONICS**)
INTERNATIONAL PTY LTD)
ACN 003 105 440 As Guarantor in)



Signed by **PIEMONTE PTY LTD**)
ACN 077 890 156 AS TRUSTEE)
in accordance with)
Section 127 of the Corporations Act)

Signed by **PIEMONTE PTY LTD**)
ACN 077 890 156 in accordance with)
Section 127 of the Corporations Act)

Signed by **MARTIN RICE**)
in the presence of:)

Independent Witness

Signed by **MICHAEL JOE**)
As Guarantor in the Presence of:)

Independent witness

Signed by **Dalmax Corporation Ltd**)
As Guarantor by its duly authorised)
Director Michael Joe in the presence of:)

Independent witness

Signed by **JOSEPH AGIUS**)
As Guarantor in the presence of:)





Independent witness

Signed by **A&B HYDROPONICS**)
INTERNATIONAL PTY LTD)
ACN 003 105 440 As Guarantor in)
accordance with Section 127 of the)
Corporations Act)





**Annexure to Share Sale Agreement
(incorporating a guarantee)**

Between: Piemonte Pty Ltd (ACN: 077 890 156) as trustee for the WE & RB Superannuation Fund AND Piemonte Pty Ltd AND Martin Rice AND Michael Joe AND Dalmax Corporation Ltd AND Joseph Agius AND A & B Hydroponics International Pty Ltd (ACN 003 105 440)

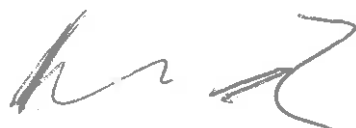
ACKNOWLEDGEMENT OF CHARGE AND CONSENT CAVEAT

To: Piemonte Pty Ltd (ACN: 077 890 156) as trustee for the WE & RB Superannuation Fund

And To: Piemonte Pty Ltd (ACN: 077 890 156)

I, Joe Agius of Lot 1 Cudgen Road, Cudgen NSW 2487 acknowledge and agree as follows:

1. I, together with my company A & B Hydroponics International Pty Ltd (ACN 003 105 440) have agreed to unconditionally guarantee one-half of the obligations of Martin Rice in accordance with clause 20 of the attached Share Sale Agreement ("**the Agreement with Guarantee**").
2. I am the registered proprietor of an estate in fee simple, as tenant in common with my ex-wife Mary Agius, of Lot 6 in Deposited Plan 727425, at Cudgen, Local Government Area of Tweed, Parish of Cudgen, County of Rous otherwise known as Lot 1 Cudgen Road, Cudgen NSW 2487 ("**the Cudgen Land**").
3. As security for my guarantee under the Agreement, I hereby charge in favour of Piemonte Pty Ltd (ACN: 077 890 156) all present and future right, title and interest that I hold in the Cudgen Land. I agree and acknowledge that by my execution of the Agreement with Guarantee, this document creates a floating charge which will automatically crystallise and operate as a fixed charge in circumstances where the purchaser, Martin Rice, fails to remedy any default within 7 days of receiving written notice pursuant to the terms of the Agreement.
4. In granting such charge and as security for my guarantee, I hereby grant Piemonte Pty Ltd (ACN: 077 890 156) a caveatable interest in the Cudgen Land.
5. I consent to Piemonte Pty Ltd (ACN: 077 890 156) registering a caveat over my interest in the title to the Cudgen Land upon the signing of the Agreement to secure my guarantee under the terms of the Agreement.
6. I acknowledge that such caveat shall only be withdrawn from title to the Cudgen Land, upon Piemonte Pty Ltd (ACN: 077 890 156) receiving full payment of all monies due by me in accordance with the terms of the Agreement.



J.A

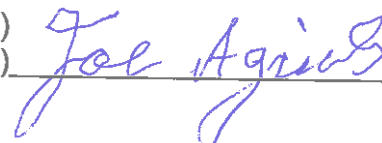
ACKNOWLEDGEMENT OF CHARGE AND CONSENT CAVEAT
Joe Agius

7. I acknowledge that prior to my execution of this Annexure to the Share Sale Agreement, I have had the opportunity to obtain my own independent legal and accounting advice in respect of the Agreement and this Annexure.

Signed by **JOE AGIUS**
As Guarantor in the presence of:



Signature of witness

) 

TIMOTHY ELLIOTT
Name of Witness

4/91 UPTON ST, BUNDALL QLD 4217
Address of Witness

