

COLLABORATION AND LICENSE AGREEMENT

THIS COLLABORATION AND LICENSE AGREEMENT (“**Agreement**”) is made and entered into as of November 20, 2018 (the “**Effective Date**”), by and between FV Pharma Inc. (“**FV**”) and World Class Extractions Inc. (“**World Class**”). FV and World Class may be referred to herein individually as a “**Party**”, or collectively as the “**Parties**”.

WHEREAS, FV and World Class are interested in establishing a collaboration whereby World Class utilizing the Licensed Know-How described in Schedule 1 attached hereto to process cannabis grown by FV at the FV Facility to produce CBD, oil and other extracts.

WHEREAS, the operations of World Class would be conducted at the FV Facility by or through FV personnel until such time as World Class is able to obtain its own license to produce the Product;

WHEREAS, World Class is desirous of granting to FV a license to use the World Class Patents, Know-How and Improvements thereto, at least until such time as World Class is able to obtain its own license to produce the Product;

WHEREAS, FV is willing to supply World Class with cannabis for the purpose of creating the Product and conducting R&D, said Product being sold or provided by FV, subject to the terms set out herein;

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Consideration given, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

- 1.1 “**Affiliate**” of a Party has the meaning ascribed thereto in the *Business Corporations Act* (Ontario).
- 1.2 “**Calendar Quarter**” means, initially, the period from the Effective Date to the first day of the immediately following January, April, July or October (as the case may be) and thereafter any 3 (three) month period commencing on the first day of January, April, July and October of each consecutive 12 (twelve) month period.
- 1.3 “**Confidential Information**” shall have the meaning as set out in Section 10.2 of this Agreement.
- 1.4 “**First Commercial Sale**” shall mean the first commercial sale of a Product manufactured by World Class or FV pursuant to this Agreement, in exchange for cash or some equivalent to which value can be assigned, after all regulatory approvals have been granted by a Regulatory Authority, other than the use of the Product for testing purposes and/or a sale for experimental, promotional, compassionate named patient or test market purposes.
- 1.5 “**FV Facility**” means FV’s licensed facility located at 520 Williams Street, Cobourg, Ontario.
- 1.6 “**Gross Profits**” means total profits less cost of goods or production thereof and shall exclude any other expenses including but not limited to SG&A costs.
- 1.7 “**Improvements**” means patents, trade secrets, know-how, confidential and/or proprietary information, technical data that are developed by a Party during the Term that relates to the Licensed Know-How or the Patents.
- 1.8 “**License**” means the license granted by World Class to FV pursuant to this Agreement.
- 1.9 “**Licensed Know-How**” means all information listed in **Annex A** of this Agreement.

- 1.10 **“Patents”** shall mean the patent applications held by World Class set out in Annex B to this Agreement, as well as any substitutions, divisions, continuations, continuations-in-part (but only to the extent that they claim the same invention claimed in the foregoing), reissues, renewals, registrations, confirmations, re-examinations, extensions, supplementary protection certificates and the like, and any provisional applications, of any such patents or patent applications for any of the foregoing; and patents and patent applications sharing at least one common priority with Patent Family of Annex B (but only to the extent that they claim the same invention claimed in the foregoing); and any and all patents and applications claiming a Product.
- 1.11 **“Product”** means CBD, oil and other extracts extracted by World Class using the Licensed Know-How and Patents from marijuana supplied by FV at the FV Facility.
- 1.12 **“Regulatory Approval”** means all requisite approvals by a Regulatory Authority, including Health Canada, for FV and World Class to produce the Product.
- 1.13 **“Regulatory Authority”** means any applicable government entity regulating or otherwise exercising authority with respect to the development and commercialization of the Product.
- 1.14 **“Regulatory Documentation”** means all applications, registrations, licenses, authorizations and approvals (including all Regulatory Approvals), all correspondence submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority), all supporting documents and tests, including the manufacturing batch records for the Product, and all data contained in any of the foregoing.
- 1.15 **“Technology”** means the proprietary equipment and extraction process developed by World Class that produce higher yields of oil and faster rates of cannabis oil extraction.
- 1.16 **“World Class Equipment”** means the extraction and quality assurance equipment used by World Class or FV to produce quality, consumable Products.
- 1.17 **“World Class Premises”** means up to 5,000 square feet of space at the FV Facility to be developed by World Class for the purpose of locating the World Class Equipment for purposes of extracting and processing CBD enriched oil and other related extracts from cannabis supplied by FV.
- 1.18 **“World Class Lease”** means a lease dated October 30, 2018 between World Class and FV whereby World Class will lease 5,000 square feet for the World Class Premises at the FV Facility for a term of 10 years at an annual net rental of \$20,000 per year.
- 1.19 **“Territory”** shall mean Canada.

2. LICENSE GRANT

- 2.1 **Scope of License.** World Class hereby grants to FV for the Term a non-exclusive license (the “License”) in the Territory under the Patents, the Licensed Know-How and any Improvements thereto, for the purpose of manufacturing, commercializing, selling, and offering for sale the Product.
- 2.2 **Sublicenses.** The License granted to FV may not be sublicensed, in whole or in part, except to FV’s Affiliates provided such sublicensees agree to all of the terms of this Agreement. Such sublicenses shall automatically terminate or expire with this Agreement.
- 2.3 **Restrictive Covenant.** During the term of this Agreement, FSD covenants and agrees that it will not engage any other person, firm, corporation or other entity to provide extraction services at the FSD facility nor shall FSD process its own cannabis except as contemplated under this Agreement.

2.4 World Class Premises.

- (a) World Class shall locate the World Class Equipment at the World Class Premises, and World Class shall use the World Class Equipment for the purposes contemplated by this Agreement.
- (b) The Parties agree that, subject to FV's approval at all times, which will not be unreasonably withheld or delayed, World Class shall assume primary carriage of the development of the World Class Premises and provide (or procure) such services as may be necessary or appropriate in connection with such development and as may otherwise be approved by FV, acting reasonably, from time to time in accordance with the terms of this Agreement, including with respect to the design of the World Class Premises and the management and supervision of all professional services performed in connection therewith including, without limitation, architectural services, engineering services, construction services and security services.
- (c) As soon as reasonably practicable, taking into account the activities World Class will undertake as they relate to the development of the World Class Premises, the Parties shall negotiate and enter into a written lease agreement pursuant to which World Class will occupy the World Class Premises, which lease agreement will contain customary terms and conditions (the "**Lease**").
- (d) World Class shall be responsible for all costs, fees, disbursements, interest and payments of any kind whatsoever associated with the World Class Premises including fees payable to any third-party consultants, engineers, architects or other advisors. World Class shall reimburse FV for all reasonable out-of-pocket costs and expenses incurred by FV in connection with the development of the World Class Premises, including, the amendment application by FV to add cannabis oil to its existing license, as well as such other matters arising in connection with the foregoing activities.

2.5 Licensing.

- (a) It is acknowledged that the World Class Premises will need to be licensed under the *Cannabis Act* and Regulations, and comply with said act and Regulations as well as any related acts and/or regulations, including but not limited to the *Food & Drugs Act*, the *Narcotics Control Act & Regulation* and the *Controlled Drugs and Substances Act* as such may exist or be amended from time to time, (the "Regulatory Framework") , and both FV and World Class intend to seek all such requisite approvals and licenses.
- (b) The Parties agree that they will work together to prepare the necessary items to submit applications from FV and World Class to Health Canada to obtain Licenses permitting each of FV and World Class to produce the Products.
- (c) In connection with preparing the FV and World Class applications, FV shall, subject to and in accordance with all Applicable Laws, provide the following services:
 - (i) drafting, or coordinating the drafting, of all application materials, including sourcing the appropriate consultants to draft the applications in consultation with World Class and its advisor;

- (ii) sourcing together with World Class, all necessary third-party consultants required to prepare the applications including: (A) security designs and protocols; (B) quality assurance reports; (C) standard operating procedures; and (D) record keeping software and related service providers; and
- (iii) communicating with Health Canada, as necessary, throughout the application process, and FV agrees to keep World Class informed of such communications to and from Health Canada and to provide World Class with copies of all correspondence sent to or received from Health Canada.
- (d) World Class shall be responsible for all costs, expenses and fees payable: (i) to third-party consultants which have been sourced and hired in relation to the applications; (ii) to any Governmental Authority in respect of the applications; and (iii) otherwise payable to complete and submit the applications. World Class shall reimburse FV for all reasonable out-of-pocket costs and expenses incurred by FV in connection with the foregoing activities.

2.6 Interim Period.

- (a) Prior to the time that World Class receives its License and is legally authorized to operate the World Class Equipment by Health Canada, the Parties intend that World Class shall operate under an extraction license that FV will seek to obtain and under the supervision of FV personnel at the World Class Premises, all in compliance with and subject to Applicable Laws and Regulations. After World Class receives the License, World Class shall be solely responsible for operating the World Class Equipment on its own, all in compliance with and subject to Applicable Laws and Regulations.

3. DATA, KNOW-HOW, DEVELOPMENT AND MANUFACTURING

3.1 **Product Development.** World Class shall locate the production and quality assurance equipment (Annex C) at FV's facilities, which World Class shall use for purposes of this Agreement.

3.2 Manufacturing.

- (i) All of the Product will be processed in compliance with Applicable Laws (including the Regulatory Framework) and by parties having the requisite licenses, registrations and approvals.
- (ii) It is acknowledged that the manufacturing site for the Product must be licensed as defined under the *Cannabis Act* and Regulations, and FV has or will apply to obtain all requisite approvals and licenses.
- (iii) FV will assist World Class in obtaining its own extraction license until World Class has its own license it will operate under FV's license.
- (vi) World Class shall be paid by FV for all Product sold in an amount equal to 7% of the total amount or value of the Product produced payable in cash or, upon receipt of its own license and at its sole discretion, cash and/or Product.

- (vii) FV acknowledges and agrees that World Class shall be entitled to continue with its R & D activities at FV's facility and shall be entitled to use cannabis supplied by FV for that purpose.
- (viii) Should World Class elect to receive Product in respect of all or part of its 7% return in order to process the Product further for use in association with other deliverables (e.g., vapes), then World Class shall pay FV 3% of the gross revenue on any such sales.

4. REPORTS

4.1 Until the end of the License, FV agrees as follows:

4.1.1 **First Commercial Sale Report.** FV shall report to World Class the date of the First Commercial Sale of Product manufactured using the Licensed Know-How and World Class Equipment.

4.1.2 **Royalty Reports.** With respect to each Royalty payment pursuant to Section 5.2 below, following the First Commercial Sale FV shall deliver to World Class reports including the reports herein referred to with respect to the period covered by the Royalty payment on a calendar quarterly basis within sixty (60) days following the end of each March, June, September, and December.

4.2 If this Agreement is terminated for any reason during the License, FV shall deliver a final report and associated Royalty payment to World Class within ninety (90) days after such termination or sell-off period, as applicable. Except as provided above, following termination, FV shall have no further reporting obligations under this Article 4.

5. FINANCIAL PROVISIONS

5.1 **Payments.**

5.1.1 FV shall pay 7.0% of all Product produced at the FV Facility to World Class, payable at the option of World Class in cash or, upon receipt of its own license, cash and/or Product.

5.1.2 World Class shall pay 3% of Gross Profit from the sale of any Product that undergoes further processing or development to FV.

5.2 **Due Dates for Payment.** All payments due pursuant to the provisions of Section 5.1 above shall be due and payable to World Class within Sixty (60) days after the close of each Calendar Quarter, delivered with the Royalty Reports which shall be certified as to accuracy by FV's CFO.

5.3 **Payment Method.** Unless otherwise agreed by the Parties, all amounts due to World Class under this Agreement will be paid in Canadian dollars, by wire transfer in immediately available funds to an account designated in writing by World Class or at its option and subject to obtaining its own license, in Product.

6. RECORDS RETENTION AND AUDIT

6.1 **Record Retention.** Until the expiry of the License, FV will maintain complete and accurate books, records and accounts that fairly reflect production of the Product, in sufficient detail to confirm the accuracy of any payments required hereunder.

6.2 **Audit.** World Class will have the right, at its own cost, to have an independent certified public accounting firm of nationally recognized standing, reasonably acceptable to FV and who agrees

to be bound by a customary undertaking of confidentiality, have access during normal business hours, and upon reasonable prior written notice, to FV's records as may be reasonably necessary to verify FV's compliance with the financial terms of this Agreement. If such audit reveals an underpayment or more than 5.0% then FV shall pay the cost of the audit and pay the amount of the underpayment within ten (10) days.

6.3 **Confidentiality.** World Class will treat all information subject to review under this Article 6 in accordance with the confidentiality provisions of Article 10 below.

7. REPRESENTATIONS AND WARRANTIES

7.1 **By Each Party.** Each Party hereby represents warrants and covenants to the other Party as of the Effective Date as follows:

7.1.1 **Corporate Authority.** Such Party (a) has the power and authority and the legal right to enter into this Agreement and perform its obligations hereunder, and (b) has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid and binding obligation of such Party and is enforceable against it in accordance with its terms subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights and judicial principles affecting the availability of specific performance and general principles of equity, whether enforceability is considered a proceeding at law or equity.

7.1.2 **Consents, Approvals, etc.** Such Party has obtained all necessary consents, approvals and authorizations of all governmental authorities and other parties required to be obtained by such Party in connection with the execution and delivery of this Agreement and the performance of its obligations hereunder have been obtained.

7.1.3 **Conflicts.** The execution and delivery of this Agreement and the performance of such Party's obligations hereunder (a) do not conflict with or violate any requirement of applicable law or any provision of the articles of incorporation, bylaws or any similar instrument of such Party, as applicable, in any material way, and (b) do not conflict with, violate, or breach or constitute a default or require any consent not already obtained under, any contractual obligation or court or administrative order by which such Party is bound.

8. LIMITATION OF LIABILITY

Except in the case of a willful or fraudulent misrepresentation under Article 7, and except in the case of indemnification for payments to third parties under Article 12, in no event shall either Party be liable to the other or any of its Affiliates for any consequential, incidental, indirect, special, punitive or exemplary damages (including, without limitation, lost profits, business or goodwill) suffered or incurred by such other Party or its Affiliates, whether based upon a claim or action of contract, warranty, negligence or tort, or otherwise, arising out of this Agreement.

9. PATENTS

9.1 Patent Prosecution and Maintenance

Prosecution by World Class. World Class undertakes to continue to prosecute, including re-examinations of the Patents, and maintain the Patents listed in Annex B in good standing.

9.2 Improvements

- 9.2.1 Any Improvements or enhancements that World Class makes to the Technology or additional Patents related to the Licensed Know-How during the Term shall automatically be added to the definition of Patents (and Annex B) and Licensed Know-How but only to the extent that they are required for FV to fulfill its obligations and to exercise its rights to said Product under this Agreement.
- 9.2.2 FV Improvements. All Improvements solely invented, generated or derived by or on behalf of FV, whether solely or jointly with World Class or its Affiliates, under this Agreement, shall be the exclusive property of World Class to the extent that the Improvements relate specifically and only to World Class' proprietary Technology and Licensed Know-How.

10. CONFIDENTIALITY

- 10.1 **Disclosure and Use of Confidential Information Restricted.** Each Party will keep confidential and will not publish, submit for publication or otherwise disclose, and will not use for any purpose except for the purposes contemplated by this Agreement, any Confidential Information (as such term is defined below) received from the other Party. Following termination or expiration of this Agreement neither party will use the Confidential Information of the other Party in any way.
- 10.2 **Confidential Information.** "Confidential Information" shall mean all information and know-how (including but not limited to Licensed Know-How according to Exhibit B) and any tangible embodiments thereof provided by or on behalf of one Party to the other Party either in connection with the discussions and negotiations pertaining to this Agreement or in the course of performing this Agreement, which may include data; knowledge; formulations; practices; processes; ideas; chemical identity of an active ingredient, research plans; engineering designs and drawings; research data; manufacturing processes and techniques; scientific, manufacturing, marketing and business plans; and financial and personnel matters relating to the disclosing Party or to its present or future products, sales, suppliers, customers, employees, investors or business. The formulation of the Product and related manufacturing information and methods are, to the extent they relate specifically and only to World Class' proprietary technology, deemed to be World Class' Confidential Information notwithstanding any other provision of this Agreement. Notwithstanding the foregoing, information or know-how of a Party shall not be deemed Confidential Information of such Party for purposes of this Agreement if such information or know-how:
- (i) was legally known by the receiving Party prior to disclosure, other than under an obligation of confidentiality or non-use, at the time of disclosure to such receiving Party;
 - (ii) was generally available or known to parties reasonably skilled in the field to which such information or know-how pertains, for example, the experience of a skilled person, or was otherwise part of the public domain, at the time of its disclosure to such receiving Party;
 - (iii) became generally available or known to parties reasonably skilled in the field to which such information or know-how pertains, or otherwise became part of the public domain, after its disclosure to such receiving Party through no fault of the receiving Party;
 - (iv) was legally disclosed to such receiving Party, other than under an obligation of confidentiality or non-use, by a third party who had no obligation to the disclosing Party not to disclose such information or know-how to others; or

- (v) was independently discovered or developed by such receiving Party, as evidenced by their written records, without the use of or reference to Confidential Information belonging to the disclosing Party and prior to any subsequent disclosure by the receiving Party.

10.3 **Authorized Disclosure.** Notwithstanding the provisions of Section 10.1 above, a Party shall be entitled to disclose the Confidential Information of the other Party hereto to the extent that such disclosure is:

- (i) made in response to a valid order of a court of competent jurisdiction; *provided, however,* that such Party will first (to the extent practicably possible) have given notice to such other Party and given such other Party a reasonable opportunity to quash such order and to obtain a protective order requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; and *provided further* that if a disclosure order is not quashed or a protective order is not obtained, the Confidential Information disclosed in response to such court or governmental order will be limited to that information which is legally required to be disclosed in response to such court or governmental order;
- (ii) otherwise required by law; *provided, however,* that the disclosing Party will provide such other Party with notice of such disclosure in advance thereof to the extent practicably possible and to the extent permitted, will redact from such disclosure the other party's Confidential Information or designate the same as trade secret;
- (iii) made by such Party to the Regulatory Authorities as required for the development or commercialization of a therapeutic product, including the Product, as required in connection with any filing, application or request for Regulatory Approval;
- (iv) made by such Party, in connection with the performance of this Agreement, to Sublicensees, Affiliates, directors, officers, employees, consultants, representatives or agents, each of whom prior to disclosure must be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Agreement;
- (v) made by such Party in the course of submitting financial accounts to relevant authorities as per local statutory requirements or to existing or potential acquirers; existing or potential collaborators; investment bankers; existing or potential investors, merger candidates, partners, venture capital firms or other financial institutions or investors for purposes of obtaining financing; or, strategic potential partners; each of whom prior to disclosure must be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Agreement; or
- (vi) made by such Party in the course of filing patent applications to protect the Product.

11. **PRESS RELEASES**

Press releases or other similar public communication by either Party relating to the terms of this Agreement will be approved in advance by the other Party, which approval will not be unreasonably withheld or delayed.

(vi) made by such Party in the course of filing patent applications to protect the Product.

11. PRESS RELEASES

Press releases or other similar public communication by either Party relating to the terms of this Agreement will be approved in advance by the other Party, which approval will not be unreasonably withheld or delayed.

12. INDEMNIFICATION

- 12.1 **Indemnification of World Class.** FV will defend and hold World Class and its directors, officers, employees and agents (“**World Class Parties**”) harmless, from and against any and all liability, suits, investigations, claims or demands by a third party to the extent arising from or occurring as a result of or in connection with (a) the negligence or willful misconduct on the part of FV in performing any activity contemplated by this Agreement, (b) breach by FV of any representations, warranties, or covenants set forth in this Agreement and/or (c) Product liability to the extent caused by or arising from an act or omission by FV. FV shall not be obligated to pay any portion of any judgment that : (i) arises from FV practicing the Licensed Know-How and Patents or instructed or advised by World Class and (ii) is subject to indemnity by World Class as provided below.
- 12.2 **Indemnification of FV.** World Class will defend and hold FV, its Affiliates, and their respective directors, officers, employees and agents (“**FV Parties**”), harmless, from and against any and all liability, suits, investigations, claims or demands by a third party to the extent arising from or occurring as a result of or in connection with: (a) the negligence or willful misconduct on the part of World Class in performing any activity contemplated by this Agreement; (b) a breach by World Class of any representations, warranties, or covenants set forth in this Agreement; (c) Product Liability; and /or (d) arising from FV practicing the Licensed Know-How and Patents or activities conducted or arising from instructions or advise by World Class,.
- 12.3 **Limitations.** The Parties acknowledge and agree that Sections 12.1 and 12.2 set out the Parties’ sole rights, remedies and obligations with respect to the claims described therein.
- 12.4 **Conditions to Indemnity.** Each Party’s agreement to indemnify and hold the other harmless is conditioned upon the indemnified Party (i) providing written notice to the indemnifying Party of any claim, demand or action arising out of the indemnified activities within thirty (30) days after the indemnified Party has knowledge of such claim, demand or action, (ii) permitting the indemnifying Party to assume full responsibility to investigate, prepare for and defend against any such claim or demand, (iii) assisting the indemnifying Party, at the indemnifying Party’s reasonable expense, in the investigation of, preparation of and defense of any such claim or demand; and (iv) the indemnifying Party not compromising or settling such claim or demand without the indemnified Party’s prior written consent, unless such settlement includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified Party a complete release from all liability in respect of such claim or litigation; *provided that*, if the Party entitled to indemnification fails to promptly notify the indemnifying Party pursuant to the foregoing clause (i), the indemnifying Party shall only be relieved of its indemnification obligation to the extent it is prejudiced by such failure and *provided further that* the indemnified Party is not obligated to notify the indemnifying Party of claims, demands and/or actions made directly against the indemnifying Party only. Notwithstanding the foregoing, if in the reasonable judgment of the indemnified party, such suit or claim involves an issue or matter which could have a materially adverse effect on the business, operations or assets of the indemnified party, the indemnified party may waive its rights to indemnity under this Agreement and control the defense or settlement thereof, but in no event shall any such waiver be construed as a waiver of any indemnification rights such indemnified party may have at law or in equity.

13. TERM AND TERMINATION

13.1 **Term.** Unless earlier terminated in accordance with the provisions of this Article 133, the term of this Agreement (the “**Term**”) shall commence upon the Effective Date and will continue for a Term of ten (10) years (the “**Initial**” Term) and shall be automatically renewed thereafter for additional terms of one (1) year each (the “**Additional**” Terms). The Initial Term and the Additional Terms are collectively called the Term.

13.2 **Termination.**

13.2.1 **Termination for Breach.** Failure by a Party to comply with any of its material obligations contained herein will entitle the Party not in default to give to the defaulting Party notice specifying the nature of the material breach, requiring the defaulting Party to make good or otherwise cure such material breach, providing specific actions that the defaulting Party could take to cure such material breach, and stating its intention to invoke the provisions of ~~this~~ Section ~~14.3~~ if such material breach is not cured. If such material breach is not cured within 30 days after the receipt of such notice (or, if such material breach cannot be cured within such ~~90~~30-day period, if the defaulting Party does not commence actions to cure such material breach within such period and thereafter diligently continue such actions), the Party not in default will be entitled, without limiting any of its other rights conferred on it by this Agreement (except as expressly set forth herein), to terminate this Agreement by providing written notice to the breaching Party.

14. MISCELLANEOUS

14.1 **Assignment.** Except as provided for in Section 2.2, neither Party may assign this Agreement or its rights hereunder without the prior written consent of the other party, which consent may not be unreasonably withheld.

14.2 **Severability.** Should any term or provision of this Agreement be or become invalid or unenforceable or should this Agreement contain an omission, the validity or enforceability of the remaining terms or provisions shall not be affected. In such case, subject to the next following sentence, the Parties shall immediately commence to negotiate in good faith in order to replace the invalid or unenforceable term or provision by such other valid or enforceable term or provision which comes as close as possible to the original intent and effect of the invalid or unenforceable term or provision, or respectively, to fill the omission by inserting such term or provision which the Parties would have reasonably agreed to, if they had considered the omission at the date hereof. In the event that any term or provision as aforesaid is invalid, void or unenforceable by reason of its scope, duration or area of applicability or some similar limitation as aforesaid, then the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision so that they shall be enforceable to the maximum scope, duration, area or applicability permitted by applicable law which shall not exceed those specified in this Agreement or to replace such term or provision with a term or provision that comes closest to expressing the intention of the invalid or unenforceable term or provision

14.3 **Governing Law.** This Agreement will be governed by and construed in accordance with the law of the Province of Ontario and, as may be applicable, the laws of Canada, and the Parties shall irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario or the Federal Court of Canada.

14.4 **Notices.** All notices or other communications that are required or permitted hereunder will be in writing and delivered personally with acknowledgement of receipt, sent by electronic mail (provided receipt is acknowledged), facsimile (and promptly confirmed by personal delivery,

registered or certified mail or overnight courier as provided herein), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to World Class, to:

1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9
Attention: Donal Carroll, CFO

If to FV, to: 520 Williams Street

Cobourg, Ontario
K9A 3A5
Attention: Thomas Fairfull, President & CEO

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such communication will be deemed to have been given (i) when delivered, if personally delivered, (ii) on the business day (on the receiving end) after dispatch, if sent by nationally-recognized overnight courier (third business day if sent internationally), (iii) on the third business day following the date of mailing, if sent by mail and (iv) on the first business day (on the receiving end) after being sent by facsimile or by if sent by electronic. It is understood and agreed that this Section 15.4 is not intended to govern the day-to-day business communications necessary between the Parties in performing their duties, in due course, under the terms of this Agreement.

- 14.5 **Entire Agreement; Modifications.** This Agreement sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understanding, promises and representations, whether written or oral, with respect thereto are superseded hereby. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth herein. No amendment, modification, release or discharge will be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.
- 14.6 **Relationship of the Parties.** It is expressly agreed that the Parties will be independent contractors of one another and that the relationship between the Parties will not constitute a partnership, joint venture or agency.
- 14.7 **Waiver.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. Any such waiver will not be deemed a waiver of any other right or breach hereunder.
- 14.8 **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- 14.9 **No Third Party Beneficiaries.** The representations, warranties, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and they will not be construed as conferring any rights on any other parties.
- 14.10 **Further Assurances.** Each Party will duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary to carry out the provisions and purposes of this Agreement.

- 14.11 **Force Majeure.** Neither party shall be responsible to the other for failure or delay in performing any of its obligations under this Agreement or for other non-performance hereof but only to the extent that such delay or non-performance is occasioned by a cause beyond the reasonable control and without fault or negligence of such party, including, but not limited to earthquake, fire, flood, explosion, discontinuity in the supply of power, court order or governmental interference, act of God, strike or other labor trouble, act of war or terrorism and provided that such party will inform the other party as soon as is reasonably practicable and that it will entirely perform its obligations immediately after the relevant cause has ceased its effect. If any such force majeure event continues for a continuous period of 12 months, the Party whose performance is not prevented by such event may terminate this Agreement with immediate effect by providing the other Party with written notice.
- 14.12 **Communication from Regulatory Authorities.** Each Party will inform the other Party within ten (10) days of any formal communication it receives from a Regulatory Authority that directly mentions or pertains to the Product(s). Further, FV will keep World Class informed of all substantial correspondence or submissions to any Regulatory Authority with respect to the Product(s) and shall provide World Class with copies of same.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

World Class Extractions Inc.

signed "*Donal Carroll*"

Signature

Name: Donal Carroll

Title: CFO

FV Pharma Inc.

signed "*Zeeshan Saeed*"

Signature

Name: Zeeshan Saeed

Title: **President**

ANNEX A
LICENSED KNOW-HOW

(See attached.)

Nil.

ANNEX B

PATENTS

(See attached.)

World Class Extractions, Inc.
CASE MATRIX
February 12, 2019



