

DISTRIBUTOR AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into by and between **HED INTERNATIONAL, INC.** whose address is Hwy.31, P.O. Box 246, Ringoes, New Jersey 08551 (hereinafter called "Principal"), and **RAPID DOSE THERAPEUTICS INC.** whose address is 1100 WALKERS LINE, SUITE 401, BURLINGTON, ON L7N 2G3 CANADA (hereinafter called "Distributor").

THE PARTIES MUTUALLY AGREE as follows:

- I. Establishment of Distributorship for Cannabis Growers and Licensed Producers ("Cannabis Vertical"). Principal hereby appoints Distributor as its exclusive Distributor for the sale of all products described on Exhibit "A" attached hereto and incorporated herein by reference (the "Products") to Cannabis growers and Licensed Producers operating in legislated jurisdictions described on Exhibit "B" attached hereto and incorporated herein by reference (herein called the "Territory"), and Distributor hereby accepts such appointment and agrees to devote its best efforts to the sale of the Products, all upon the further terms and conditions of this Agreement.

Distributor shall observe Principal's instructions insofar as they relate to the execution of its duties on behalf of Principal as herein provided.

In the event of discontinuance of production or sale of the Products, or any part of them, by Principal, Distributor shall not be entitled to any compensation.

- II. General Duties, Powers and Covenants of Distributor. Distributor shall safeguard with due care the Principal's interests, and Distributor hereby agrees to:
- A. Promote the sale of the Products by its best endeavors in accordance with the terms and subject to the conditions of Agreement.
 - B. Service the Cannabis Vertical in its entirety by personal visits at regular intervals.
 - C. Purchase the Products from Principal at pricing agreed upon and set out as per Exhibit "C" for re-sale to Cannabis growers and Licensed Producers.
 - D. Keep accurate accounts, books and records and make these available for inspection by Principal. Provide information on the general economic conditions and special prospects of business in the Territory, with special reference to competition, giving full and complete details as reasonably possible including, but not limited to competitor's prices, terms of sale, and similar information.
 - E. Keep Principal informed of trade exhibits at which it may be desirable to exhibit the Products.
 - F. Keep Principal informed of the possibilities of obtaining and securing patent and similar protection as it relates to its applications in the Cannabis Vertical.
 - G. Bring to the attention of Principal complaints regarding the quality of the Products or complaints of any other nature affecting Principal's business in the Territory. Distributor shall examine all such above described complaints where originated

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and, subject to subsection L. below, shall take any and all necessary and appropriate remedial measures and shall submit in writing a report thereof to Principal.

- H. Inform third parties that they are not authorized to enter into agreements on behalf of Principal or otherwise to bind Principal in any fashion.
 - I. Keep confidential all price lists and other pricing information furnished by Principal to Distributor with respect to the Products.
 - J. Indemnify and hold harmless Principal from any and all claims, losses, damages and costs (including, without limitation, attorney fees) that Principal may sustain, or become liable for, by reason of Distributor's breach of any provision of this Agreement or by reason of claims by any other party against Principal on account of the acts of Distributor or of its employees or Distributors.
 - K. Maintain at all times adequate insurance against liabilities which may arise under the worker's compensation or similar laws of each state in which its employees operate hereunder, as well as under any similar laws of the United States or regulations issued pursuant thereto, and maintain automobile liability and comprehensive liability insurance for injuries to third parties and their property in such amounts and subject to such deductible clauses and other terms as are customary for persons engaged in businesses the same as, or similar to the business of Distributor.
- III. General Duties of Principal. Principal shall assist Distributor in the performance of its duties hereunder by placing at its disposal, in adequate quantities and free of charge, leaflets, literature, printed matter, and other promotional materials.

These materials shall (to the extent not intended for distribution to customers and not so distributed) remain the property of Principal, and shall be kept safely and in good order and shall, if no longer required for use in dealing with customers, be returned at Principal's request. Principal shall, from time to time, provide such other assistance as may be deemed necessary or desirable by Principal.

- IV. Terms of Sale. All negotiations entered into by Distributor shall be based on the instructions, quotations, offers and terms of sale issued by Principal to Distributor. Sales shall be in accordance with prices and upon terms established by Principal. Principal may at any time, and from time to time, change the design of any of the Products without notice to Distributor. No sales contract shall be deemed to have been entered by, or become binding upon Principal until it shall have confirmed in writing acceptance thereof to the Distributor.
- V. Agreement Not to Compete: Distributor agrees that during the term of this Agreement, it will not, without Principal's prior written approval, promote or sell (either for its own account or as Distributor for another) any competing goods or products, new or used, other than Principal's Products and will not acquire, nor hold, either directly or indirectly, any capital stock or other proprietary interest whatsoever, in any corporation or other entity which promotes, sells, or manufactures any products which in the sole judgment of Principal compete with the Products or the goodwill associated with Principal's corporate name and any and all assumed names under which Principal is engaged in doing business.

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VI. Warranties: Distributor shall have no authority to make, and shall not make, any express warranty with respect to the Products other than the warranties, if any, that Principal may from time to time promulgate with respect thereto.

VII. Distributor not an Employee of Principal: Distributor is acting hereunder on its own behalf as an independent contractor. Nothing herein contained shall constitute, or be deemed to constitute Distributor as an employee of Principal for any purpose whatsoever or to create a relationship of partnership or of joint venture or any other relationship other than one of independent contractor. All salesmen and employees of Distributor shall be deemed to be employees of Distributor and under no circumstances shall such salesmen or employees of Distributor be deemed to be employees of Principal. Distributor shall make no representation to any person or entity which may lead such person or entity to believe that Distributor has any authority to bind or to obligate Principal in any manner.

VIII. Termination: This Agreement may be terminated at will by either party upon the giving of ~~Thirty (30)~~ ^{NINETY (90)} days prior written notice by registered or certified mail to the other party. However, in the event either party shall breach this Agreement, or become insolvent or adjudged bankrupt or shall make an assignment for the benefit of its creditors, or a receiver is appointed for it or any of its properties, or is adjudged insolvent or for any other reason whatsoever, the other party hereto may terminate this Agreement upon the giving of five (5) days prior written notice by registered or certified mail to the other party.

No officer, employee or Distributor of Principal, with the exception of the President of Principal, can modify this termination provision verbally, in writing or otherwise. Distributor shall not be entitled to rely upon any verbal or written representation from anyone on behalf of Principal which in manner modifies, amends and/or contradicts the right of Principal to terminate this Agreement at will without cause of any kind.

Upon the termination of this Agreement, for any reason whatsoever, all rights of Distributor under, or in any manner or to any extent attributable to, this Agreement shall cease and terminate. In no event or circumstance shall either party be liable to the other party to this Agreement for any loss or damage of any kind or character whatsoever on account of or by reason of, or which is attributable in any manner or to any extent, to the termination of this Agreement, except as stated and that Distributor shall be entitled to receive commissions for Products shipped by Principal pursuant to orders received from Distributor and accepted by Principal prior to the effective date of termination, which commissions shall be payable in accordance with Paragraphs V, VI, and VII above.

IX. Term: This Agreement shall be effective the date of execution by Principal and shall remain in effect, unless terminated as herein provided.

X. Notices: All notices, orders, payments, or other writings to be sent by either party to the other party pursuant to this Agreement shall be sent postage prepaid, directly to the receiving party at the address set forth below, unless the party shall designate in writing a different address to which such writing shall be sent:

If to Principal:
HED INTERNATIONAL, INC

PO Box 246
Ringoes, NJ 08551

If to Distributor:
RAPID DOSE THERAPEUTICS INC.

SUITE 401, 100 WALKERS LINE
BURLINGTON ON L7N 2G3

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- XI. Confidential Information: Distributor agrees to not divulge or use to the detriment of Principal, confidential data, drawings or information, including, but not limited to, price lists, customer lists, or trade secrets, or any other information of a proprietary nature obtained from Principal by Distributor.
- XII. Governing Law: This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of New Jersey, U.S.A.
- XIII. Assignability: Neither this Agreement nor any rights or obligations thereunder shall be assignable by Distributor, without the prior written consent of Principal, and Distributor shall not transfer, pledge or assign the same or any part thereof, or any commissions due, or to become due to him, without first obtaining, in each instance, the written consent of Principal.
- XIV. Interpretation: Whenever reasonably necessary for the interpretation of this Agreement, pronouns of any gender shall be deemed synonymous, as shall singular and plural pronouns.
- XV. Entire Agreement: This Agreement sets forth the entire Agreement between the parties hereto and supersedes all prior agreements and understandings, written or oral, between the parties hereto.
- XVI. Amendments and Waivers: No waivers or amendments of this Agreement shall be deemed to have been made by Principal or Distributor of any of their respective rights or obligations hereunder unless the same shall be a waiver only with respect to the specific matter involved and in no way shall extend to any further matter.
- XVII. Severability: If any term or provision of this Agreement or the application thereof shall, to any extent, be invalid or unenforceable, the remainder thereof shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers on the day and year indicated.

Dated at Ringoes, NJ, U.S.A. this 15th day of November 2017.

"James W. Dennis"
By James W. Dennis, President
HED INTERNATIONAL, INC.

Dated at BURLINGTON this 10 day of NOVEMBER 2017.

"Mark Upsdell"
By Mark Upsdell, CEO
RAPID DOSE THERAPEUTICS, INC.

EXHIBIT A TO DISTRIBUTOR AGREEMENT

DATED AS OF NOVEMBER 15, 2017

The Products referred to in Section I of the Distributor Agreement are described below:

LAB-CAST TAPE CASTERS

Pro-CAST TAPE CASTERS 

Limited to Accounts in:

CANNABIS VERTICAL, DEFINED AS CANNBIS GROWERS AND
LICENSED PRODUCERS

MED

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EXHIBIT B TO DISTRIBUTOR AGREEMENT
DATED AS OF NOVEMBER 15, 2017

The Territory referred to in Section I of the Distributor Agreement is described below:

The COUNTRIES of: CANADA

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EXHIBIT C TO DISTRIBUTOR AGREEMENT
DATED AS OF NOVEMBER 15, 2017

DISTRIBUTOR PRICING DISCOUNT

Five (5%) percent of the Net Sales Price of all parts with a minimum order value of Two Hundred and Fifty (\$250) Dollars used as spare or replacement parts on equipment manufactured by Principal.

With respect to other Equipment

- (i) Ten (10%) percent of the Net Sales Price of the equipment up to Fifty Thousand (\$50,000) Dollars; and
- (ii) Seven and one half (7 1/2%) percent for the portion of the Net Sales Price for Equipment over Fifty Thousand (\$50,000) Dollars but less than One Hundred Thousand (\$100,000) Dollars.
- (iii) Five (5%) percent for the portion of the Net Sales Price of Equipment over One Hundred Thousand (\$100,000) Dollars, but less than Two Hundred and Fifty Thousand (\$250,000) Dollars.
- (iv) Two and one half (2 1/2%) percent for the portion of the Net Sales Price of Equipment over Two Hundred and Fifty Thousand (\$250,000) Dollars, but less than Five Hundred Thousand (\$500,000) Dollars.
- (v) One (1%) percent for the portion of the Net Sales Price of Equipment over Five Hundred Thousand (\$500,000) Dollars.

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Appendix 1

Products Description and Price list

To be provided by ODF based upon the SKUs required and volumes
forecasted

Appendix 2

Marketing Strategy

A marketing plan will be presented to ODF within 30 days of the execution of this agreement and updated no less than annually

RDT strategy is to provide a full line of OTC products to US based retail chains using a US based distributor and a US based warehouse depot

The initial strategy is to sign on with one targeted national US chain with one to three SKUs

The chain will select a percentage of their stores and run acceptance testing prior to entering into a full commitment covering all their stores. The test is expected to run four to six months (1-2 quarters)

RDT will warehouse sufficient for fulfillment and in anticipation of surge orders or first-time orders from a second US retailer

RDT will explore further opportunities with Canadian retailers during the first six months of this agreement.