

MANAGED STRIP SERVICES AGREEMENT

THIS AGREEMENT is effective as of November 1, 2018 (the “**Effective Date**”)

BY AND BETWEEN:

RAPID DOSE THERAPEUTICS INC., whose address is Unit 3 1121 Walkers Line, Burlington, ON L7N 2G4 Canada (hereinafter called “**RDT**”).

OF THE FIRST PART
- and -

APHRIA INC., whose address is 265 Talbot St. W, Leamington, ON (hereinafter called “**Licensee**”).

OF THE SECOND PART

Each of RDT and Licensee individually referred to as a “**Party**” and collectively as “**Parties**”.

WHEREAS:

(A) RDT has developed formulations and processes to produce thin film polymer strips for oral consumption containing an active ingredient(s) (the “**Strips**”) and has equipment and technology that automate the mass production of such Strips and Strips containing cannabis oils as an active ingredient;

(B) Licensee is a Cannabis Act License Holder in Canada (as that term is defined below), and is permitted to manufacture, possess and sell products incorporating cannabis oils. Licensee has or will have, prior to initiating the sale of Strips, all requisite permits, licences and authorizations, to possess, grow, make, use, and sell cannabis and cannabis products, such as fresh and dried cannabis and cannabis oils, as required to carry out its obligations under this Agreement;

(C) RDT desires to license its formulations, processes, equipment and certain of its technology to Licensee in consideration for ongoing payments [redacted]

(D) Licensee wants to license such formulations, processes, equipment, brands and trademarks and certain of the technology from RDT in order to produce Strips [redacted] as part of its cannabis-based product offering; [redacted as highly prejudicial]

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises and covenants herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereby agree as follows:

1. DEFINITIONS

1.1 Whenever used in this Agreement, the following terms shall have the following meanings respectively, unless otherwise specified:

1.1.1 “**Additional Territories**” has the meaning ascribed to it in **Schedule “D”**;



- 1.1.2 **“Affiliate”** of a party means any Person which directly or indirectly controls, is controlled by, or is under common control with, such party; as used herein, the term "control" or "controls" means possession of the power to direct or cause the direction of the management and policies of such Person, whether through the principalship of voting securities, by contract, law or otherwise, and the term "controlled" shall have the meaning correlative to the foregoing;
- 1.1.3 **“Agreement”** means this license agreement, the recitals set forth in the preamble herein, and all schedules attached hereto, as well as all amendments, additions, restatements or modifications made hereto and thereto, and all other documents incorporated herein or therein by reference, all of which are hereby made an integral part of and will be read as if included within the text of this Agreement;
- 1.1.4 **“Applicable Law(s)”** means the Law(s) applicable to a particular activity, circumstance and Territory;
- 1.1.5 **“Cannabis Act Licence Holder”** is an entity possessing the necessary Government Authorizations from the applicable jurisdiction (region or country) in the Territory;
- 1.1.6 **“Business Day”** means any day other than Saturday, Sunday or public holiday in the Province of Ontario, when banks in Toronto are open for business;
- 1.1.7 **“Confidential Information”** Each party hereto may be referred to as **“Provider”** or **“Recipient”** and may assume each or both roles, as the case may be. The Provider and the Recipient may herein be referred to collectively as the **“Parties”**. Confidential information means any and all information, documentation or knowledge in any form for which reasonable precautions have been taken to protect its secrecy, disclosed before or after the date of this Agreement verbally, in writing or in any other format and is clearly marked and identified as "Confidential" by the Provider at the time of disclosure or (ii) specifically deemed to be "Confidential Information" in this Agreement. Any information communicated orally by the Provider shall be considered "Confidential Information" only if (A) such information is promptly reduced to writing by the Provider and (B) such written record is clearly marked and identified as "Confidential" and provided to the Recipient within thirty (30) days after the initial disclosure of such information. For greater certainty only, "Confidential Information" includes without limitation, information relating to Provider's present and contemplated production processes, trade secrets, designs, inventions, improvements, standards, specifications, systems, methods and operating procedures, formulations and recipes, merchandising, marketing plans, tests and reports, profits, costs, pricing, know-how, product data, research and development, patents, trade-mark, copyright, industrial design and all other Intellectual Property and proprietary rights and shall also include the terms of this Agreement. "Confidential Information" does not include information which
- 1.1.7.1 becomes generally available to the public through no fault of the Recipient or
 - 1.1.7.2 was known to the Recipient prior to receipt from the Provider, as documented by written records possessed by Recipient prior to its receipt from Provider; or
 - 1.1.7.3 was independently developed by Recipient prior to its receipt from Provider, as documented by written records possessed by Recipient; or
 - 1.1.7.4 is disclosed to Recipient by a third party having the lawful right to make such disclosure and under no obligation of confidentiality to Provider with respect thereto;
- 1.1.8 **“Effective Date”** means the date first written hereinabove;
- 1.1.9 **“Encumbrances”** means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands, and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;

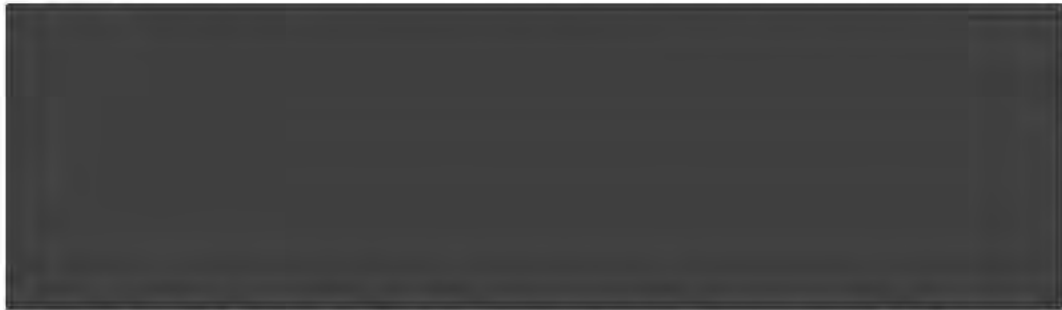
- 1.1.10 **“Equipment”** means the equipment as more particularly described in **Schedule “A”**;
- 1.1.11 **“Fees”** has the meaning ascribed to it in **Schedule “B”**;
- 1.1.12 **“Government Authorizations”** means all necessary authorizations, permits, licences, orders, qualifications and other requirements of a Regulatory Authority or otherwise as required by Law to enable the Parties to carry out the activities contemplated under this agreement;
- 1.1.13 **“Initial Term”** has the meaning ascribed to it in Section 17.1;
- 1.1.14 **“Initial Territory”** has the meaning ascribed to it in **Schedule “D”**.
- 1.1.15 **“Intellectual Property”** or **“IP”** as used herein includes inventions (inventions, arts, processes, machines, articles of manufacture, compositions of matter (which includes business methods, formulae, and developments) and any improvements of any of the above (whether patentable or unpatentable), technologies, works, discoveries, written material, compounds, information (including technical information in any form), documented know-how, trade secrets, domain names (whether registered primary domain names or secondary or other higher level domain names), confidential information, technical expertise, trademarks (trade-marks, design marks, logos, service marks, certification marks, official marks, trade names, business names, corporate names, trade dress, distinguishing guises, slogans, meta tags, keywords, adwords and other characters, brand elements or other distinguishing features used in association with wares or services, whether or not registered or the subject of an application for registration and whether or not registrable, and associated goodwill), copyright (including software in source code or object code form, documentation (including documentation relating to any invention(s), literary works, artistic works, pictorial works, graphic works, musical works, dramatic works, audio visual works, performances, sound recordings and signals, including their content, any compilations of any of them, and all copyright, whether or not registered or the subject of an application for registration, or capable of being registered and the benefit of any waivers of moral rights), designs (including variants and whether or not registered), integrated circuit topographies, ideas (including but not limited to any computer software), formulae, algorithms, concepts, proprietary data, techniques, instructions, processes, expert opinions, information, materials, program listings, flow charts, logic diagrams, manuals, specifications, instructions, or any copies of the foregoing in any medium, or the expression thereof, and any improvements, modifications or additions, of any of the foregoing;
- 1.1.16 **“Items”** has the meaning ascribed to it in Section 6.5;
- 1.1.17 **“Laws”** means all requirements imposed by statutes, regulations, rules, ordinances, by-laws, decrees, codes, guidelines, policies, judgments, orders, rulings, decisions, approvals, notices, permits, guidelines, or directives of any Regulatory Authority;
- 1.1.18 **“License Grant”** has the meaning ascribed to it in Section 2.1;
- 1.1.19 **“Licensee Premises”** means the premises located at 265 Talbot St. W, Leamington, ON, or such other site as may be mutually agreed upon by the parties;
- 1.1.20 **“Licensed Rights”** has the meaning ascribed to it in Section 2.1;
- 1.1.21 [redacted as highly prejudicial]
- 1.1.22 **“Net Sales”** means all of Licensee’s sales of Products, either directly or through its Affiliates, at retail for vertically integrated sales and at wholesale for sales to third-party retailers, net of returns, discounts and rebates recognized at the time of shipment from the Licensee Premises;

- 1.1.23 **“Person”** means any person, individual, firm, association, syndicate, partnership, joint venture, trustee, trust, corporation, division of a corporation, unincorporated organization or other entity or a government agency or political subdivision thereof;
- 1.1.24 **“Preferred Vendor Status”** means rights which give priority to the Licensee for furthering the development and growth of sales of Products within the Initial Territory and Additional Territories set out in this Agreement;
- 1.1.25 **“Previous License Agreements”** means the license agreements entered into by RDT wherein RDT granted certain licenses in the Initial Territory and as applicable in any Additional Territory, the details of which are set forth in **Schedule “G”** and which may be updated from time to time by RDT;
- 1.1.26 **“Product”** means Strips containing cannabis oil(s) as an active ingredient;
- 1.1.27 **“RDT IP”** means the IP owned by or in which RDT has rights related to the RD Mx and processes and uses thereof, [REDACTED] and the Strips and all processes concerning the manufacture of the Strips and all documentation relating thereto, but expressly excludes the Licensee’s proprietary formulation of cannabis oil(s) and other ingredients used in the Product(s) and associated processes for incorporating same in the Products; [redacted as highly prejudicial]
- 1.1.28 **“RD Mx”** means the RDT proprietary formulation used to make the thin film polymer matrix of the Strips, and all documentation relating thereto. For clarity, “RD Mx” does not comprise active ingredients, such as cannabis oils;
- 1.1.29 **“RDT Property”** means all property that RDT owns [REDACTED] [redacted as highly prejudicial]
- 1.1.30 **“RDT Trade-mark Use Guidelines”** are RDT’s trade-mark use guidelines referred to in Section 2.1 which outline procedures and requirements for use of any of the Trade-Marks (including RDT’s control over the quality of all wares and services).
- 1.1.31 **“Regulatory Authority”** means any government, regulatory or administrative authority, agency, commission, utility or board (federal, provincial, state, supranational, municipal or local, domestic or foreign) having jurisdiction in the relevant circumstances and any person acting under the authority of any of the foregoing and any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances and Territory, including but not limited to Health Canada;
- 1.1.32 **“Renewal Term”** has the meaning ascribed to it in Section 17.2;
- 1.1.33 [REDACTED] [redacted as highly prejudicial]
- 1.1.34 **“SOPM”** means the standards and processes for the manufacture of the Products and for verification and reporting procedures on the manufacture of the Products contained in a Standard Operating Procedures Manual, and including RDT Trade-mark Use Guidelines, as may be updated from time to time by RDT, or if required by a Regulatory Authority, by Licensee to the extent required by said Regulatory Authority and only upon written approval by RDT, which will not be unreasonably withheld;
- 1.1.35 **“Strip”** means any thin polymer strip used for oral consumption capable of comprising an active ingredient;

- 1.1.36 “**Term**” means the term of this Agreement as set forth in Section 17.1 comprising the Initial Term and any Renewal Term;
- 1.1.37 “**Territory**” has the meaning ascribed to it in **Schedule “D”** and includes the Initial Territory and any Additional Territories;
- 1.1.38 “**Trade-marks**” means all the trade-marks and trade names, irrespective of whether registered, which are owned and used by or under license from RDT and which are set out at **Schedule “C”**, and as such Schedule may be changed from time to time in the sole and absolute discretion of RDT;
- 1.1.39 “**Trade-marks License**” means the license to the Trade-marks granted to the Licensee under the Licensed Rights pursuant to Section 2.1 and subject to all the terms and conditions of this Agreement;

1.1.40

1.1.41



[redacted as highly prejudicial]

- 1.2 The words “**hereof**”, “**herein**”, “**hereunder**” and similar expressions used in any section of this Agreement relate to the whole of this Agreement (including any Schedules attached hereto) and not to that section only, unless otherwise expressly provided for or the context clearly indicates to the contrary. Words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine and neuter genders and vice versa. The word “**including**” will mean “including without limitation”. Any headings in the Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.3 The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 1.4 The following Schedules are incorporated into this Agreement by reference and form an integral part hereof:

Schedule “A”	Equipment
Schedule “B”	Fees
Schedule “C”	Trade-marks
Schedule “D”	Territory
Schedule “E”	Licences and Government Authorizations
Schedule “F”	Insurance
Schedule “G”	Previous Licence Agreements
Schedule “H”	Supply of Manufacturing Materials Agreement

2. **LICENSE GRANTS**



[redacted as highly prejudicial]

2.1 Grant. Subject the terms and conditions of this Agreement, RDT hereby grants to Licensee, in the Initial Territory, and in each Additional Territory, exclusive Preferred Vendor Status (as defined in Section 7) for the Term, and an exclusive (subject to the Previous Licence Agreements), non-sublicensable, personal, non-transferable and revocable licence (the “**Licence Grant**”) to:

2.1.1 use the RDT IP solely in order produce Product at the Licensee Premises;



[redacted as confidential]

2.1.2 use the trade-mark and brand name QuickStrip™ solely in relation to the Product in its sales, marketing, packaging, and promotional materials of the Product where permitted by Applicable Law(s);

2.1.3

[redacted as highly prejudicial]

2.1.4 use the Trade-marks specified in **Schedule "C"** in and for the Territory for which they are designated, and on the condition that the relevant country or region is listed as an Initial Territory or Additional Territory for the Licensee, solely in order to co-brand the Product(s); and

2.1.5 market, distribute, promote, offer for sale, and sell, the Product in the Territory as set out in **Schedule "D"**;

all in accordance with Applicable Laws in consideration for the Fees and all terms and conditions set forth in this Agreement (collectively, the "**Licensed Rights**"). Licensee's use of any of the Trade-marks licensed under this Agreement shall be subject to RDT's trademark use guidelines (including control over quality of wares/services) ("**RDT Trade-mark Use Guidelines**") and all goodwill shall enure to the benefit of RDT.

2.2

[redacted as highly prejudicial]

2.3 Other than to an Affiliate, Licensee shall not be permitted to sublicense any of the Licenses Rights to any Person without the prior written consent of RDT, which consent may not be unreasonably withheld by RDT.

3. **RDT SUPPLY**

[redacted as highly prejudicial]

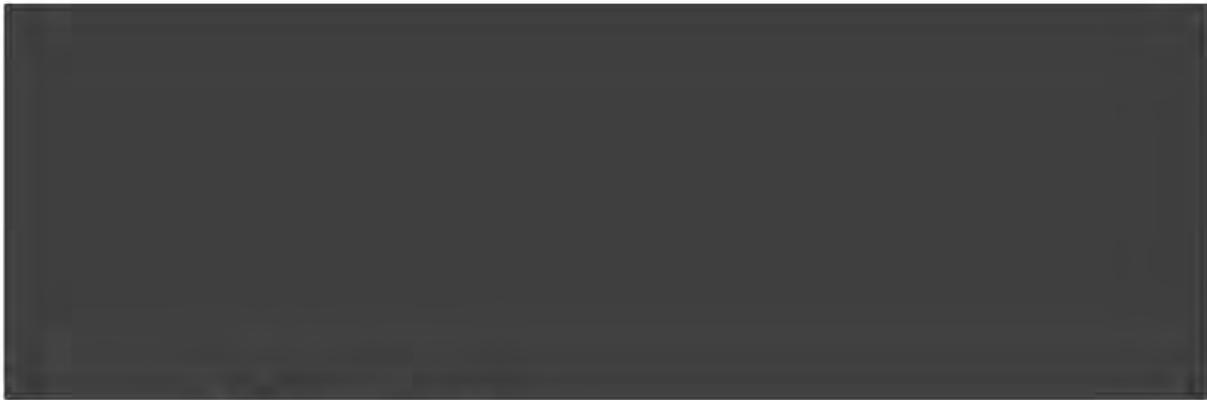
3.1 Supply of RDT IP. RDT agrees to deliver to Licensee RDT IP required to produce Products, including any technical assistance that Licensee may require to use the RDT IP to produce Products in accordance with Health Canada and other applicable regulatory requirements and Governmental Authorizations. Consideration for same are incorporated into the Fees set out in **Schedule "B"**;

3.2

[redacted as highly confidential]

3.3

3.4



[redacted as highly prejudicial]

4.



THE EQUIPMENT

4.1



[redacted as highly prejudicial]

4.2

Delivery of Equipment. RDT shall, at its own risk and cost, ship the Equipment to Licensee



4.3

Use and Training. Licensee may only have its employees, whom RDT has trained and certified (“**Trainers**”), train other operators to operate the Equipment. RDT shall arrange a mutually convenient time with Licensee after the Effective Date to train and certify Licensee’s designated Trainers to operate the Equipment in accordance with the SOPM. A Certificate of Completion shall be issued by RDT for Trainers who have completed the Training Program. RDT will provide additional training and certification to Licensee and its employees, during the Term, from time to time, as mutually agreed to by the parties and as may be reasonably requested by Licensee. The Training Program will take place at Licensee’s premises and the cost of providing training and certification of Licensee’s employees under this paragraph is included as part of the Fees paid by the Licensee in item 2 or item 4 of **Schedule “B”**.

4.4

RDT Installation and commissioning of Equipment. RDT shall install and test the Equipment at, the Licensee Premises, and shall provide Licensee with written confirmation that the Equipment has been commissioned in accordance with the SOPM. Licensee shall acknowledge receipt and acceptance of such confirmation from RDT. Following the commissioning of the Equipment, RDT shall provide reasonable assistance to Licensee with respect to responding to queries from a Governmental Authority in the Initial Territory and any Additional Territory with respect to the installation, testing and commissioning of the Equipment in the Licensee’s Premises.

4.5

Function of Equipment.

Licensee shall satisfy itself that the Equipment complies with SOPM and the requirements of the Governmental Authority issuing the necessary Regulatory Authorizations. If the Equipment does not comply with SOPM or the Governmental Authority issuing the necessary Regulatory Authorizations, then Licensee shall notify RDT in writing, before the expiry of the ten (10) Business Days, and provide detailed reasons for such conclusion. If Licensee provides no notification to RDT, then Licensee shall be deemed to have accepted the Equipment in the condition it was commissioned. If Licensee notifies RDT within the afore-mentioned prescribed period that any Equipment does not comply with SOPM, then RDT shall promptly repair, modify or replace the non-functioning or defective Equipment or component thereof. The foregoing shall constitute Licensee’s entire remedy in the event any Equipment fails to comply with SOPM within said prescribed period, and RDT shall have no other liability in respect of any such non-complying Equipment.

[redacted as highly prejudicial]



4.6

[Redacted]

[redacted as highly prejudicial]

4.7

Licensee Responsibilities. Once Licensee has provided written confirmation to RDT that the Equipment complies with the SOPM, Licensee shall thereafter be responsible for any maintenance of the Equipment requires as may be set out in the SOPM. Licensee agrees to comply with any preventive maintenance program set out in SOPM.

[Redacted]

[redacted as highly prejudicial]

4.8

[Redacted]

4.9

4.10

Marking of Equipment. Licensee agrees that any names, plates, or markings on the Equipment shall not be removed from the Equipment.

4.11

[Redacted]

[redacted as highly prejudicial]

4.12

4.13

Encumbrances. Licensee undertakes to ensure that the RDT Property is and remains at all times free and clear of any Encumbrance whatsoever that may be connected or related to, to any degree, the Licensee or any Affiliate of the Licensee. In the event that any Person threatens to, attempts to, or does seize or take possession of, the RDT Property from the Licensee Premises or from the possession or control of the Licensee, or any property of the Licensee, Licensee shall inform in writing without delay: (i) RDT with details concerning the situation; and (ii) such Person that RDT owns the RDT Property and that Licensee has no right, title, or interest in the RDT Property. In the event that any Person seizes or takes possession of the RDT Property away from the Licensee, Licensee shall at its sole cost and expense use its best efforts and have the RDT Property returned to RDT within thirty (30) days of such seizure and possession taking; while the RDT Property is seized or in the possession of a third party because of the act, omission, negligence, or default, of

Licensee or an Affiliate of Licensee or in any way connected to the Licensee or any Affiliate of Licensee, the License Grant and the Licensed Rights shall be suspended until the later of the return of all of the RDT Property to RDT and RDT informing the Licensee that the License Grant and Licensed Rights suspension has ended, without any compensation for such suspension to Licensee and subject to the termination rights of RDT under this Agreement.

5. PACKAGING, WAREHOUSING AND PRODUCTION FACILITIES

5.1 Licensee Premises. Licensee represents and warrants and covenants throughout the Term that: (i) the Licensee shall use the Licensee Premises in compliance with all Applicable Laws in the Territory for the exploitation of the Licensed Rights, the fulfillment of all obligations, and the exercise of all rights, under this Agreement; (ii) it has sufficient space in the Licensee Premises to produce the Products, to exploit the Licensed Rights in compliance with all Applicable Laws in the Territory, and (iii) that the Licensee Premises satisfies the SOPM [redacted as highly prejudicial]

5.2 Packaging. Licensee shall provide RDT with all necessary information pertaining to packaging and labelling for the Products with respect to the requirements of the Applicable Laws within the Territory and the Additional Territories, as the case may be. The Licensee represents and warrants and covenants throughout the Term that the packaging constitutes packaging that complies with the Applicable Laws in the Initial Territory and in each country and region named in the Additional Territories, as the case may be, where it shall be used.

5.3 Storage. Licensee shall store Products and any and all materials used in or ancillary to the production of same and the exploitation of the License Grant and the Licensed Rights in compliance with all Applicable Laws in the Territory.

5.4 Packaging Equipment. Packaging equipment provided by, and the responsibility of, the Licensee shall be capable of packaging [redacted] into final packages and into display boxes or other protective packaging mechanisms, processes, or requirements as set out by the Applicable Laws in the Territory. The supply of such [redacted] packaging will be subject to the provision of the Supply of Manufacturing Materials Agreement set forth in Schedule "H". [redacted as highly prejudicial]

6. TRADE-MARK LICENSE

6.1 Use of Trade-marks. The Licensee shall affix the QuickStrip™ co-branded trade-mark to all the Products and their packaging in the manner specified by RDT and as specified in SOPM (including RDT's Trade-Mark Usage Guidelines) and as permitted under packaging regulations and Applicable Laws. RDT, in its sole discretion, may require the use of another mark other than QuickStrip (or no mark), upon reasonable notice to Licensee. If another mark other than QuickStrip™ is required by RDT, Licensee shall have one hundred and twenty (120) Business Days, subject to Applicable Law, to sell the inventory held by Licensee of Product produced wherein the QuickStrip™ trade-mark has been affixed or otherwise employed. RDT acknowledges that Licensee is permitted to use its own trade-marks on the Product, in addition to the "QuickStrip™" trade-marks.

6.2 Restriction on License. The Licensee agrees that it shall not use the Trade-marks or any part of the Trade-marks as or in any names, trade-marks, corporate names, business names, trade names, domain names, which are the same or confusingly similar to the Trade-marks, nor will Licensee develop or use their own trade-marks, names or logos that are the same or confusingly similar to the Trade-marks.

6.3 No Registration of License. The Licensee shall not be permitted to note on the Trade-marks Register in the Canadian Intellectual Property Office, or any other office in the world, that the Licensee is a licensee of the Trade-marks without the prior written consent of RDT.

6.4 Quality. The Licensee agrees to use the Trade-marks in accordance with the requirements of this Agreement and the SOPM (including the RDT Trade-mark Use Guidelines). The SOPM (including RDT Trade-mark Use Guidelines) shall set out the standard, character and quality of the Products, branding guidelines [redacted]

governing the use of the Trade-marks and the behaviour of Licensee while using the Trade-mark, which may be updated and amended from time to time by RDT upon reasonable notice.

- 6.5 Packaging and Promotion. The Products and each and every tag, label, imprint or other device, carton, container, packing or wrapping material or other accessory to the Products which incorporates the Trade-marks and any art work, advertising, advertising copy, publicity, publication or display or promotion material relating to the Products (collectively the "Items") which incorporate the Trade-marks shall comply with the SOPM (including the RDT Trade-mark Use Guidelines) in relation to design, manufacture and materials used.
- 6.6 Sample of Packaging. In order to ensure that Licensee is complying with its obligations hereunder, including particularly the quality standards and use requirements set forth by RDT, Licensee shall, upon request provide RDT with samples of materials (including Items) that bear any Trade-marks.
- 6.7 Submission of Products. The Licensee shall provide to RDT within thirty (30) days of the written request of RDT, the written report or quality testing of Licensee's own production of the Product and those of any permitted third party producing Product on behalf of Licensee, providing an analysis on the quality and characteristics of the Products sufficient for RDT to verify the product quality of Product(s), free of cost to RDT, in order that RDT may determine whether the Products satisfy the quality and characteristics of products used in association with the Trade-marks as set out in the SOPM. All such information and reports provided by the Licensee to RDT under this provision shall be deemed to be Licensee's Confidential Information.
- 6.8 Inspection. No more than once per Quarter (or more if required by Applicable Law or as agreed to by the Parties) and on four (4) Business Days' prior written notice, the Licensee agrees that RDT shall have the right during normal business hours to attend at the Licensee Premises to check the method of manufacture of the Products and Items, the quality of the Products and Items, and to ensure the SOPM is being maintained and complied with.
- 6.9 Markings. Subject to the requirements and restrictions of the Laws in Canada or in the country or region named in the Additional Territories, as the case may be, the Licensee shall mark in the appropriate place on or within each of the Products or Items which bear the Trade-marks, an appropriate notice of copyright, trade-mark or otherwise as stipulated by RDT from time to time and shall indicate ownership and, in addition, notice that the Licensee is using the Trade-marks as an "Official Licensee" or other such designation, as required from time to time by RDT.
- 6.10 Compliance with Laws. The Products shall be manufactured, distributed, advertised and sold, in compliance with all Applicable Laws. The Licensee shall cause accurate labelling regarding the care, maintenance and use of the Products where applicable, to be affixed to the Products or otherwise associated with the Products such as the Items as may be required by Applicable Laws.
- 6.11 Ownership. The Licensee acknowledges and agrees that it has no right, title or interest in or to the Trade-marks, copyright or in or to any other intellectual property right of RDT, nor any part thereof, except as set out in this Agreement. The Licensee shall not seek to register the Trade-marks (or domain names or links using same) directly or indirectly in any jurisdiction of the world without the prior written consent of RDT.
- 6.12 Licensee Use. The Licensee further agrees that it shall use the Trade-marks solely in accordance with the provisions of this Agreement and in such manner as to protect and preserve all RDT's rights in the Trade-marks and otherwise.
- 6.13 No Sub-licence. The Licensee may not sublicense any of the rights it has received under this Agreement in respect of the Trade-marks other than to an Affiliate, without the written consent of RDT. Where Affiliate is located in an Additional Territory, the parties will execute a separate appendix for each Jurisdiction subject to the terms of the Trademark Licence set forth in this Agreement but setting forth only variations in Applicable Laws or currency in each Additional Territory.

[redacted as confidential]

- 6.14 Territory for Trade-mark. The Licensee shall only use the Trade-marks specified in **Schedule “C”** in the country or region within the Territory, and on the condition that the country or region is listed as an Initial Territory or Additional Territory for the Licensee as set out in **Schedule “D”**.
- 6.15 Advise RDT of Infringements. The Licensee agrees that if it receives knowledge of any actual or intended manufacture, advertising, distribution, or sale of products or provision of services in association with the Trade-marks or any part thereof or any names, trade-marks, trade names, corporate name, symbols, emblems, designs or colours which would be confusingly similar in the minds of the public to any of the Trade-marks or any part thereof, by anyone other than the Licensee, RDT, a permitted licensee, or a permitted sublicensee, or should the Licensee become aware of the breach of any other intellectual property right of RDT, the Licensee will immediately bring such fact to the attention of RDT by written notice.
- 6.16 Action on Infringement. Should an infringement of any of the Trade-marks or any part thereof occur, RDT may in its sole and absolute discretion commence, prosecute, defend, settle or otherwise dispose of legal proceedings arising out of any such infringement, and the Licensee shall cooperate and assist in the commencing, prosecuting, defending, settling or other disposition of any such legal proceeding. If requested by RDT, the Licensee shall join in or cooperate in the commencing, prosecuting, defending, settling or other disposition of such legal proceeding as may be instituted by RDT. All such commencement, prosecution, defence, settlement or other disposition, sole or joint, of any such action by RDT with or without the Licensee as a party shall be at RDT’s expense, including but not limited to reasonable legal fees incurred by the Licensee.
- 6.17 Proceeds of Litigation. The proceeds, if any, of any legal proceedings concerning the Trade-marks or anything partially related thereto, in the form of damages, profits or other recovery, shall belong to RDT.
- 6.18 Benefit of Use. All of Licensee’s use of the Trade-marks and associated goodwill (past, present and future) shall accrue to the benefit of RDT and the Licensee agrees to execute all documents that RDT requests be signed to assign the benefit and goodwill associated with Licensee’s use of the Trade-marks to RDT.

7.

7.1

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[redacted as highly prejudicial]

7.4

[Redacted]

[redacted as highly prejudicial]

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[Redacted]

8.3

8.4

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8.6

9.

PAYMENTS

[redacted as highly prejudicial]

9.1

Payment [Redacted] The Licensee shall calculate and pay [Redacted] to RDT, as set out in **Schedule "B"**, without delay as and when the Agreement requires without set-off, deduction, or abatement.

[Redacted]

[redacted as confidential]

9.2 Calculation of Fees. Licensee agrees to provide RDT with quarterly production and sales reports to be used for determining the calculation of the Fees earned by RDT for the Quarter, such reports to be provided within three (3) Business Days following month-end of quarter end. Such product and sales reports shall include information and be in a form as reasonably requested by and satisfactory to RDT. All such information and reports provided by the Licensee to RDT under this provision shall be deemed to be Licensee's Confidential Information.

9.3 The conversion of any amounts under this Agreement to Canadian dollars shall be calculated based on the noon Bank of Canada currency exchange rates on the last Business Day of the Calendar Quarter to which such payment relates [redacted]

[redacted as highly prejudicial]

10. ADDITIONAL OBLIGATIONS OF LICENSEE

10.1 During the term of this agreement, in addition to any other obligations set forth herein, Licensee shall:

10.1.1 use its commercially reasonable efforts in the performance of its obligations under this Agreement including with respect to optimizing commercialization and sales of the Product in accordance with Applicable Laws,

10.1.2 commit and adhere to the highest standards of operation, including but not limited to those standards as set out in the SOPM and as authorized, required, or approved by the Applicable Laws;

10.1.3 comply with and cause itself and its Affiliates to comply with all Applicable Laws in Canada and in the Additional Territories, as the case may be;

10.1.4 keep complete and accurate records with respect to the RDT IP provided by RDT under this Agreement;

10.1.5 be responsible for sourcing and providing cannabis oil(s) in accordance with Applicable Laws and any supplies other than what is provided by RDT pursuant to this Agreement, to make the Product(s); and

10.1.6 provide RDT with immediate notification if it becomes aware that any of Sections 10.1.1 – 10.1.5 or Article 11 is no longer true and of the loss or suspension of any license rights or Government Authorizations or court orders or legal proceedings that affect to any degree the ability of the Licensee to exploit the Licence Grant, to fulfill its obligations under this Agreement, or to take advantage of any of its rights and permissions under this Agreement, and to describe the impact of such loss or suspension on any of the foregoing.

11. REPRESENTATIONS AND WARRANTIES OF LICENSEE

11.1 Licensee represents and warrants and covenants during the Term to RDT, acknowledging that RDT is relying upon such representations and warranties and covenants in connection with its entering into this agreement, as follows:

11.1.1 Licensee is a valid subsisting corporation incorporated pursuant to the laws of Canada,

11.1.2 Licensee has all requisite power and authority to execute and deliver this Agreement and has all necessary power and authority to perform the obligations of Licensee as set out herein;

11.1.3 the entering into of this Agreement will not result in the violation of any of the terms and provisions of any agreement, written or oral, to which Licensee may be a party;

[redacted as confidential]

- 11.1.4 the execution and delivery of this Agreement has been duly authorized by all necessary action on the part of Licensee and this Agreement, when duly executed and delivered by Licensee, will constitute a legal and binding obligation of Licensee enforceable in accordance with its terms;
- 11.1.5 the Licensee has all right, power, licences, and authority under the Laws to exploit the License Grant and the Licensed Rights as granted to it under this Agreement and to create, produce, market, and sell the Products in accordance with this Agreement; and
- 11.1.6 the Licensee has or will have, a licence and any other Government Authorizations from Health Canada and any other Regulatory Authority that permits it to exploit the License Grant, to fulfill its obligations under this Agreement, and to take advantage of any of its rights and permissions under this Agreement, including without limitation, the permission to produce, sell, and deal with the Products, the particulars of which licence and Government Authorizations are set out in Schedule "E".
- 11.1.7 Licensee has all right, power, and authority to produce, market, package, label, and sell the Products in the Initial Territory and in the Additional Territories in compliance with all Applicable Laws; and
- 11.1.8 the Licensee's exercise of all of its rights under this Agreement and fulfillment of all of its obligations under this Agreement shall not contravene any Applicable Laws.

12. REPRESENTATIONS AND WARRANTIES OF RDT

12.1 Subject to the disclosures set out in Appendix 12.1 hereof, RDT represents and warrants and covenants during the Term to Licensee, acknowledging that Licensee is relying upon such representations and warranties and covenants in connection with its entering into this agreement, as follows:

- 12.1.1 RDT is a valid subsisting corporation incorporated pursuant to the laws of the province of British Columbia, Canada, and in good standing under such laws;
- 12.1.2 RDT has all requisite power and authority to execute and deliver this Agreement and has all necessary power and authority to perform the obligations as set out herein;
- 12.1.3 the execution, delivery and performance of this Agreement does not and will not: (i) result in the violation of, or constitute a breach or default under, any of the terms and provisions of any agreement, written or oral, to which RDT may be a party [redacted] or (ii) require the consent, approval, or authorization of, or notice, declaration, filing, or registration with, any third party or any Regulatory Authority; [redacted as highly prejudicial]
- 12.1.4 the execution and delivery of this Agreement has been duly authorized by all necessary action on the part of RDT and this Agreement, when duly executed and delivered by RDT, will constitute a legal and binding obligation of RDT enforceable against it in accordance with its terms;
- 12.1.5 RDT has not previously granted and will not grant any rights or interests to any third party which are, nor contract with any third party in any manner which is, inconsistent with the rights and interests granted herein;
- 12.1.6 RDT is and shall remain the exclusive owner of the Equipment and such Equipment is and shall remain at all times free and clear of any Encumbrance whatsoever that may be connected or related to, to any degree, RDT;
- 12.1.7 the Equipment: (a) shall be in good working order and condition when delivered; (b) shall be suitable for producing the Product when operated in accordance with the SOPM; and (c) and its operation in accordance with the SOPM will comply, throughout the Term, in all material [redacted]

[redacted as confidential]

Confidential

respects with Applicable Laws and any other standards applicable to such Equipment or other equipment of a similar sort;

- 12.1.8 [redacted] is the exclusive owner of all RDT IP, Trade-marks, SOPM and RDT's Confidential Information free and clear of all Encumbrances, and has the right to grant all rights and Licences granted to Licensee hereunder, including the License Grant, the Licensed Rights and the Trade-mark License; [redacted as highly prejudicial]
- 12.1.9 [redacted] there is no pending, or to RDT's knowledge, threatened, litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review in which any of the RDT IP, Trade-marks, SOPM or RDT's Confidential Information is alleged to be improperly held in the name of RDT; [redacted as highly prejudicial]
- 12.1.10 [redacted] none of the RDT IP, Trade-marks, SOPM and RDT's Confidential Information is subject to any litigation, court or administrative proceedings, arbitration, mediation, dispute resolution, claim, suit, action, investigation or judicial review, with respect to adverse ownership, infringement of, or conflict with any Intellectual Property of any Person, or, to RDT's knowledge, to any threatened suit, proceeding, claim, demand, action or investigation of any nature or kind and RDT is not aware of any circumstances likely to give rise to such; [redacted as highly prejudicial]
- 12.1.11 [redacted] neither the use of any of the RDT IP, Trade-marks, SOPM, RDT's Confidential Information and Equipment nor the exercise of any of Licensed Rights, breaches, violates, conflicts with, infringes or interferes with any rights or obligations of, or duties owed to, any Person or require payment or consent for the exercise or use of any Intellectual Property of another Person; [redacted as highly prejudicial]
- 12.1.12 **Schedule "G"** contains a true, complete and correct list of all Previous License Agreements in force as at the Effective Date, along with a summary description of the scope and nature of the licenses granted thereunder and the applicable territory, and RDT covenants to update **Schedule "G"** promptly with any changes following the Effective Date; and
- 12.1.13 to RDT's knowledge, there are no infringements of, passing-off related to, or other interference with, any of the RDT IP, Trade-marks, SOPM or RDT's Confidential Information by any third party: (a) in the Initial Territory as at the Effective Date; and (b) in any Additional Territory as at the date such Additional Territory is added to **Schedule "D"**.

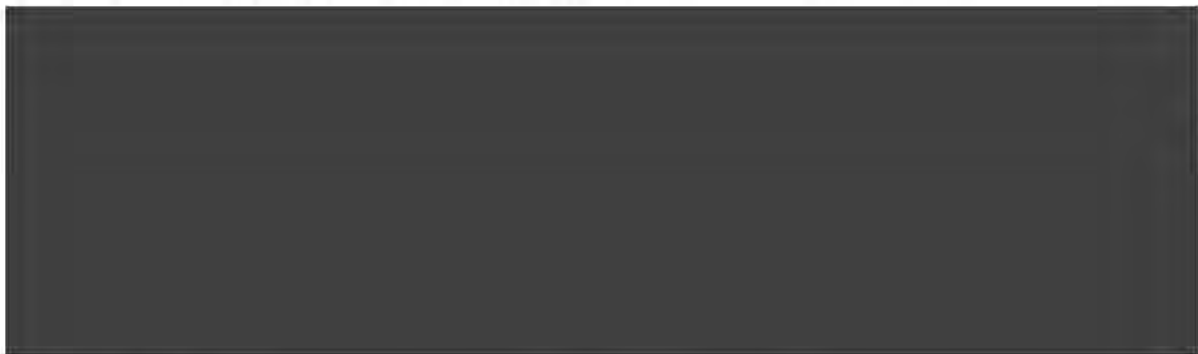
13. CONFIDENTIAL INFORMATION

- 13.1 When and if required, each party will furnish the necessary information so that each party can exercise its rights and fulfill its obligations hereunder. This information shall constitute part of the Confidential Information as defined in the Agreement.
- 13.2 From time to time, RDT may periodically provide Licensee with new or up-graded data that has become available, documentation, tests, reports or other pertinent information relating to the RDT IP and Equipment or otherwise, which information will also form part of RDT's Confidential Information and which will assist in keeping Licensee knowledgeable in regard to the RDT IP and Equipment and maintaining a competitive edge in the marketing and sales of the Strips or Product.
- 13.3 Each party acknowledges that in its relationship with the other party and/or by virtue of the performance of this Agreement, it and/or its employees (collectively, "Representatives") have been, will be and shall hereafter continue to be exposed to and provided with Confidential Information, the public disclosure of which would be highly detrimental to the other party. Each party further acknowledges that the right to maintain confidential such Confidential Information constitutes a legal right of the other party, which the other party is entitled to protect. Accordingly, and notwithstanding anything to the contrary herein expressed, each party covenants and agrees:

[redacted as confidential]

- 13.3.1 that it shall not use or copy, or permit the use or copy of any of the Confidential Information, directly or indirectly, for any purpose other than the fulfillment of its obligations under this Agreement or the production of Products and activities ancillary thereto;
 - 13.3.2 that it will maintain the absolute confidentiality of the Confidential Information and that it will not either individually, or in partnership or jointly, or in conjunction with any other Person, as agent, shareholder, or in any manner whatsoever, disclose, reveal, release, utilize, sell, assign, supply, or transfer to any person at any time, any of the Confidential Information, unless it has received the prior written consent of the other party;
 - 13.3.3 that it will take all necessary action and will do all that is reasonably within its power to prevent the disclosure, release or supply of any of the Confidential Information to any Person, including but not limited to by any of its Representatives;
 - 13.3.4 in furtherance of the above, each party will advise its Representatives, and any other Persons who are given access to the Confidential Information, of the confidential and proprietary nature of the Confidential Information and of the restrictions imposed by this Agreement and, if appropriate or at the request of the other party shall require each of them to signify in writing their agreement to abide by the terms of this Agreement and maintain the confidentiality of the Confidential Information. Notwithstanding any such agreement, by any of such Representatives, each party acknowledges that it shall be fully responsible and liable to the other party for any and all damages and costs (including but not limited to legal fees) suffered or incurred by it as a consequence of any breach by any of its Representatives, and/or any other Persons given access to the Confidential Information, of the restrictive covenants contained herein.
- 13.4 Upon termination of this Agreement for any reason, each party shall immediately return to the other party any Confidential Information and shall thereafter refrain from using or disclosing any such Confidential Information to any Person for any purpose whatsoever.

13.5

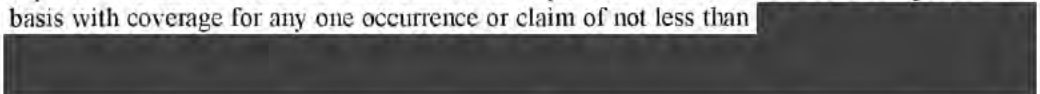


[redacted as highly prejudicial]

14. INSURANCE

14.1 Licensee Insurance. Licensee shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

14.1.1 commercial general liability and property damage insurance, including but not limited to, personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Licensee Premises, which coverage shall include the business operations conducted by the Licensee and any other Person on the Licensee Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than



[redacted as highly prejudicial]

14.1.2 Licensee shall have in full force and effect and will maintain during the Term and for a period of 2 years after the term, at its own expense and cost, product liability insurance of not less than



[redacted as confidential]

Confidential

- 14.1.3 such other forms of insurance as may be reasonably required by RDT from time to time as set out in **Schedule "F"**.
- 14.2 All such insurance shall be with insurers and shall be upon such terms and conditions as RDT reasonably approves. All insurance shall name as an additional insured RDT and anyone else with an interest in the Licensee Premises from time to time designated in writing by RDT. All public liability insurance shall contain a provision for cross-liability or severability of interest as between RDT and Licensee.
- 14.3 Licensee shall obtain from the insurers under such policies undertakings to notify RDT in writing at least thirty (30) days prior to any cancellation thereof. Licensee shall furnish to RDT without delay certificates of all such policies within fifteen (15) days of the Effective Date, on every anniversary date of this Agreement, immediately after any policy is renewed, and on the written request of RDT. Licensee agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, RDT shall have the right to take out such insurance and pay the premium therefor and, in such event, Licensee shall pay to RDT the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Fees on the first day of the next month following payment by RDT.
- 14.4 Notwithstanding any other provision in this Agreement in no event, except if the result of the wilful act or the negligence of RDT, its Representatives, agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall RDT be liable for:
- 14.4.1 damage to property of the Licensee or others located on the Licensee Premises;
 - 14.4.2 any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Licensee Premises or from the water, steam or drainage pipes or plumbing works of the Licensee Premises or from any other place or quarter;
 - 14.4.3 any damage caused by or attributable to the condition or arrangement of any electrical or other wiring; or
 - 14.4.4 any indirect or consequential damages suffered by Licensee.

15. **AUDIT**

- 15.1 No more than once per Quarter (unless more are agreed to by the Parties or required under Applicable Law) and upon four (4) Business Days notice, Licensee will provide RDT, its representatives, and auditors, upon reasonable written notice, with access to all such books, records and facilities (including any Products, Equipment and supplies, procedures, SOPs located therein) as reasonably necessary to verify compliance with this Agreement. [redacted as highly prejudicial]
- 15.2 Such audits, examinations and inspections may be conducted once per Quarter or more if there is an immediate concern as to safety or compliance with Applicable Laws and only by those persons bound by a duty of confidentiality directly to Licensee as reasonably requested by Licensee. Licensee agrees to provide a post termination audit period of at least three months.
- 15.3 Licensee shall respond in writing to any observations made as a result of any audit undertaken pursuant to this Article within thirty (30) Business Days of receipt of such observations and correct any non-compliance with any provision of this Agreement and will complete and communicate in writing to RDT a plan for resolution of the matters identified to be completed at Licensee's cost within a reasonable time. [redacted as highly prejudicial]

[redacted as confidential]

- 15.4 RDT's costs of any audit conducted in accordance with this Agreement will be borne by RDT unless such audit reveals an underpayment by Licensee in respect of a fee paid of at least 5% in respect of the period examined or material breach of the Agreement in which case RDT's costs of the audit will be borne by Licensee.

16. **EQUITABLE RELIEF**

The parties acknowledge that in the event of the breach of any of its obligations under this Agreement, particularly breach of any confidentiality provisions, either party will likely suffer irreparable harm and that monetary damages will be inadequate to compensate such party. Accordingly, each party shall be entitled to seek and a court of competent jurisdiction may grant specific performance and injunctive or other equitable relief as a remedy for any breach of this Agreement. Such remedy shall be in addition to all other remedies, including monetary damages, available to each party at law or in equity.

17. **TERM**

- 17.1 The initial term of this Agreement shall come into effect on the Effective Date and, unless terminated earlier in accordance with the terms of this Agreement, shall continue in full force and effect for a period of five (5) years (the "**Initial Term**"), subject to renewal pursuant to Section 17.2, any such term of renewal shall be referred to as a "**Renewal Term**". The Initial Term and the Renewal Term being collectively referred to as the "**Term**".

- 17.2 Provided Licensee shall have complied with all the terms and conditions hereof, this Agreement shall be automatically renewed at the end of the Initial Term or any Renewal Term, as the case may be, on the same terms and conditions as set forth herein for a further term [redacted] (in each case a "**Renewal Term**"), unless either party shall have provided written notice to the other party that it does not intend to renew this Agreement not less than [redacted] prior to the expiration of the Initial Term or Renewal Term, as the case may be. [redacted as highly prejudicial]

18. **TERMINATION**

- 18.1 In the event that the Licensee shall be in breach of this Agreement or in default of any of its obligations under this Agreement, except where such breach or default is addressed below, and such breach or default shall continue for a period of thirty (30) consecutive days after written notice by RDT to the Licensee specifying with reasonable particularity the nature of such default and requiring the same to be remedied, RDT shall be entitled to terminate this Agreement immediately in its entirety or at RDT's sole discretion, with respect to any one or more jurisdictions (region/country).

- 18.2 Notwithstanding any other provision herein, the parties hereto agree that a party may terminate this Agreement (or any part thereof with respect to country or region within the Territory) without requirement of an opportunity to cure, upon the occurrence of the following events:

- 18.2.1 if a decree or order of a court having competent jurisdiction is entered adjudging the other party bankrupt or approving as properly filed a petition seeking or winding up of such party under the *Companies Creditors Arrangement Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or under any analogous, comparable or similar law in the Territory, in the Additional Territories, or in other applicable jurisdictions, or under any other process of execution or similar effect against any substantial part of the property of such party, including, without limitation, the appointment of a receiver in respect thereto, or ordering for the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of thirty (30) consecutive days;

- 18.2.2 if the other party admits in writing its inability to pay its debts as they become due, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the Bankruptcy and Insolvency Act (Canada) or any comparable or similar law in the Territory, in the Additional Territories, or in other applicable jurisdiction, seeks relief under the Companies' Creditors Arrangement Act (Canada), the Winding-up and Restructuring [redacted]

[redacted as confidential]

Act (Canada) or any other bankruptcy, insolvency, or analogous, comparable or similar law in the Territory, in the Additional Territories, or in other applicable jurisdiction, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers to itself or of all of any substantial portion of its property or assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under the applicable bankruptcy, insolvency, moratorium, reorganization or other similar law in the Territory, in the Additional Territories, or in other applicable jurisdiction affecting creditors' rights or consents to or acquiesces in, the filing of such a petition; or

- 18.2.3 if a governmental regulatory order or final judgment or decree in any jurisdiction which materially and adversely affects the ability of the other party to fulfill its obligations under this Agreement shall have been made, issued obtained or entered against such party and such order, judgment or decree shall not have been vacated, discharged or stayed pending appeal within the applicable time period.
- 18.3 Notwithstanding any other provision herein, the parties hereto agree that RDT may terminate this Agreement (or any part thereof with respect to country or region within the Territory) without requirement of an opportunity to cure, upon the occurrence of the following events:
 - 18.3.1 if Licensee loses its licence, permits or any Government Authorizations to manufacture, sell or distribute cannabis products in Canada;
 - 18.3.2 on written notice to the Licensee within sixty (60) days of RDT becoming aware of a change in control of the Licensee by acquisition of any Person engaged in a business that is competitive with the business of RDT; or
 - 18.3.3 on written notice to the Licensee within thirty (30) days following any Person seizing or taking possession of, or attempting to seize or take possession of, any property of RDT at the Licensee Premises or in the possession or control of the Licensee, including without limitation, Confidential Information, the RD Mx, the Equipment, and the RDT IP.
- 18.4 This Agreement may also be terminated by Licensee at any time in the event that RDT commits a breach of any provision of this Agreement and RDT fails to remedy such breach within thirty (30) days after receipt of written notice specifying the breach from Licensee.
- 18.5 Early termination pursuant to the above paragraphs shall not relieve either party of any obligation arising hereunder prior to such termination including, without limitation, Licensee's obligation to pay RDT for the Fees and for and products and services provided to the date of termination or relieve either party of its liability for breach of its obligations pursuant to the terms and conditions of this Agreement incurred prior to such early termination; nor shall it deprive either party of its right to pursue any other remedy available to it

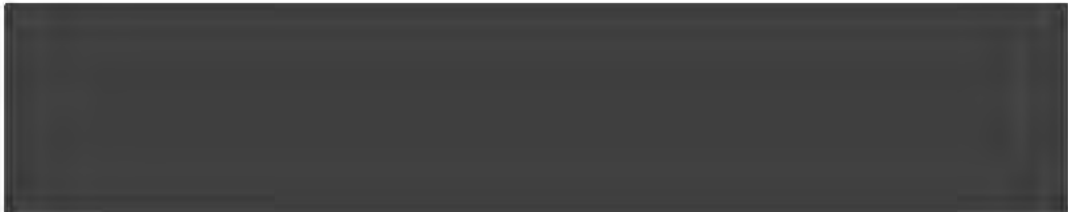
18.6 [redacted as highly prejudicial]

18.7 **Effects of Termination.** Upon termination of this Agreement for any reason whatsoever:

- 18.7.1 the Licence Grant and the Licensed Rights shall immediately terminate and be revoked;
- 18.7.2 all rights granted by RDT to Licensee will be immediately relinquished by Licensee who shall immediately pay all amounts due and owing by it to RDT forthwith, and in any event within ten (10) Business Days of the date of termination of this Agreement;
- 18.7.3 other than as may be required by Applicable Law, Licensee shall return to RDT all RDT Confidential Information, advertising and promotional materials,

[redacted as highly prejudicial]
[redacted as confidential]
Confidential

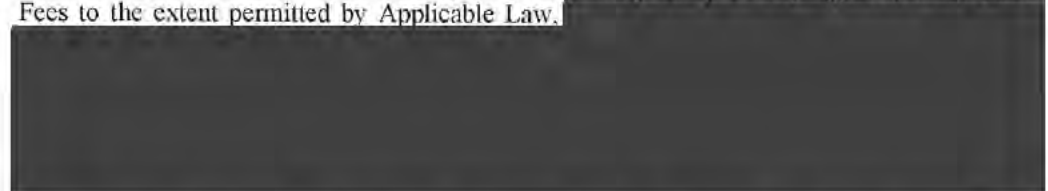
18.7.4



18.7.5

All saleable finished product, in the form of foil packaged Products, will be sold by the Licensee under the terms and conditions with regards to regulatory compliances, Applicable Laws and Fees to the extent permitted by Applicable Law.

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as highly
prejudicial]



18.7.6

the Trade-mark License shall terminate and be revoked, and Licensee shall cease using RDT's Trade-marks and shall thereafter refrain from holding itself out as having any association with RDT or Strips or Product branded with the Trade-marks, and other than as set forth in Section 6.1, Licensee will forthwith remove and thereafter discontinue any marketing that incorporates any reference or association with RDT or the Products branded with the Trade-marks; and

18.7.7

RDT shall not be liable to Licensee by reason of the proper termination of this Agreement for any damages, whether direct, consequential or incidental, on account of the loss of prospective profits on anticipated sales or on account of expenditures, investments, leases or commitments in connection with the business, arising from such termination of this Agreement.

19. LIMITATION OF LIABILITY AND INDEMNITIES

19.1 Except as expressly provided in this Agreement, there are no representations or warranties, express or implied, statutory or otherwise, relating to the subject matter of the Licence Grant, the RDT IP, and the Equipment, including, without limitation, any implied warranty of merchantability or fitness for any particular purpose. Except as otherwise provided for in this Agreement, Licensee assumes all risk and liability for any loss, damage or injury resulting from its exercise of the Licence Grant and License Rights and its production and commercialization of the Products.

19.2 NEITHER PARTY WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY DAMAGES OR OTHER SIMILAR DAMAGES NOR FOR ANY LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF SAVINGS, OR LOSS OF BUSINESS, WHETHER UNDER TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE), CONTRACT OR OTHER THEORIES OF RECOVERY, EVEN IF IT WAS OR SHOULD HAVE BEEN AWARE OR WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

19.3 RDT hereby agrees to defend, indemnify and hold harmless Licensee, its Affiliates and their respective officers, directors, agents and employees from any and all any loss, damage, liability, demand, lawsuit, debt, charge, action, penalty, interest, claim, cost, tax or expense whatsoever, including without limitation any and all out-of-pocket costs and actual legal and accounting fees, indemnities, duties, accounts, bonds, covenants, claims over, claims for contribution or indemnity, warranties, either at law or in equity that may at any time be incurred by any of them by reason of any third party claims, actions, suits or proceedings to the extent they relate to or arise out of: (i) RDT's act, omission, negligence, default or fraudulent actions, or any material breach of any provision of this Agreement by RDT, and (ii) the Licensee's use, or alleged use, of the RDT IP and the Trade-marks.

19.4



[redacted
as highly
prejudicial]

[redacted as confidential]



19.5 Licensee hereby agrees to defend, indemnify and hold harmless RDT, its Affiliates and their respective officers, directors, agents and employees from any and all any loss, damage, liability, demand, lawsuit, debt, charge, action, penalty, interest, claim, cost, tax or expense whatsoever, including without limitation any and all out-of-pocket costs and actual legal and accounting fees, indemnities, duties, accounts, bonds, covenants, claims over, claims for contribution or indemnity, warranties, either at law or in equity that may at any time be incurred by any of them by reason of any third party claims, actions, suits or proceedings relating to or arising out of: (i) Licensee's act, omission, negligence, default, or fraudulent actions, or any material breach of any provision of this Agreement by Licensee; and (ii) any non-compliance of Licensee with the Applicable Laws, provided that Licensee shall not be liable under this section to the extent any of the foregoing is caused by the act, omission, negligence, default, or fraudulent actions of RDT, its Affiliates and their respective officers, directors, agents and employees, or a material breach of any provision of this Agreement by RDT or RDT's obligations [redacted]

[redacted as
highly
prejudicial]

19.6 Any claim for indemnification hereunder shall be subject to the following provisions: (i) the indemnifying party shall be given prompt written notice of the claim by the indemnified party, provided that any delay in providing notice shall not relieve the indemnifying party of its indemnity obligations under this Agreement unless, and only to the extent, the indemnifying party was prejudiced by the delay; (ii) the indemnifying party shall have the right to control the defense and all negotiations relative to the settlement of any such claim, provided that it diligently undertakes such defense and that no settlement admitting liability on the part of the indemnified party or limiting the indemnified party's rights hereunder may be made without the express written consent of the indemnified party; and (iii) the indemnified party shall reasonably cooperate with the indemnifying party and its counsel at the indemnifying party's cost and expense. The indemnified party will be entitled to assume control of the defense and all negotiations relative to the settlement of any such claim and the indemnifying party will be bound by the results obtained by the indemnified party with respect to such claim, and will reimburse the indemnified party's costs and expenses incurred as a result of assuming such control, provided that in such case, such settlement shall be subject to Licensee's approval, such approval not to be unreasonably withheld, conditioned or delayed.

20. **FORCE MAJEURE**

20.1 No failure or omission by RDT or Licensee in the performance of any obligation under this Agreement shall be deemed a breach of this Agreement or create any liability if the same arises on account of force majeure, which term shall include any event or cause beyond the control of RDT or Licensee, as the case may be, including but not restricted to acts of God, acts or omissions of any government, or agency thereof, rebellion, insurrection, riot, sabotage, invasion, quarantine, restrictions, strike, lock out and transportation embargoes, provided that the party relying on this Section shall forthwith after any such event give written notice to the other party of its inability to perform such obligation and the reasons therefore. If force majeure continues for a period of more than three (3) months, without the parties hereto being able to develop an alternative satisfactory arrangement, then either party has the option of immediately terminating this Agreement.

21. **MISCELLANEOUS**

21.1 Notices. Any notice, request, demand, consent or other communication required or permitted under this Agreement (each a "Notice") shall be in writing and shall be given by personal delivery (including courier) by prepaid registered or certified mail or by fax (confirmed by mail) addressed to the party for which it is intended at the address below and shall be deemed to be given on the day of delivery or transmission if during normal business hours (i.e. prior to 4:00 p.m. local time in the place of receipt), or, if after business hours, on

[redacted as confidential]

the next following Business Day, or if mailed by registered or certified mail, on the day which is five (5) Business Days after such notice is mailed during normal postal conditions. In the event of a postal disruption, any notice mailed will be deemed received on the seventh (7th) Business Day following resumption of regular postal service:

21.1.1 if to RDT:

Rapid Dose Therapeutics Inc.

Unit 3, 1121 Walkers Line, Burlington ON L7N 2G4

Tel: 416-477-1052

Email: mupsdell@rapid-dose.com

Attention: Mark Upsdell

21.1.2 if to Licensee:

APHRIA Inc.

265 Talbot St. W. Leamington, ON, N8H 3C4

Tel: 416-454-1378

Email: [REDACTED] [redacted as confidential]

Attention: Chief Legal Officer

- 21.2 Either party may change its address for notices and other communications upon notice to the other party in the manner aforesaid. Rejection or other refusal to accept, inability to deliver because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver.
- 21.3 Amendment. Except as otherwise provided herein, this Agreement may not be amended or otherwise modified except in writing signed by both parties (or their authorized representatives).
- 21.4 Entire Agreement. This Agreement, including but not limited to all Schedules attached hereto, constitutes the entire agreement and understanding between the parties with respect to all matters herein and supersedes all prior oral or written agreements and understandings between the parties with respect to the subject matter of this Agreement. The Schedules are an integral part of this Agreement.
- 21.5 Assignment. Neither party may assign this agreement without the prior written consent of the other party, which consent will not be unreasonably withheld. This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.
- 21.6 No Subcontractors, Agents. Other than Affiliates, Licensee has no right to permit any other Person, or party, such as a subcontractor or agent: (i) to use or employ the Licensed Rights or any other grant, license, or right under the Agreement; and (ii) to fulfill the obligations of the Licensee under this Agreement.
- 21.7 No Partnership or Agency. The status of Licensee shall be that of an independent contractor. Nothing in this Agreement shall constitute or be deemed to constitute a partnership or joint venture between the parties or constitute or be deemed to constitute Licensee as the agent of RDT for any purpose whatsoever and Licensee shall have no authority or power to bind RDT in any manner whatsoever or to assume or incur any obligation or responsibility, express or implied, for or on behalf of, or in the name of RDT, except as specifically provided for herein. Licensee shall not list, print or display RDT's name in any manner so as to indicate or imply that there is an employer-employee or an RDT-agent relationship between RDT and Licensee. All expenses related to Licensee's performance of this Agreement shall be borne by Licensee who shall be solely responsible for the payment thereof.
- 21.8 Waiver. The failure by either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect its right to require performance at any time thereafter, and no term or provision of this Agreement is deemed waived and no breach excused unless such waiver or consent is in writing and signed by the party to have so waived or consented. Any consent by any party to, or waiver of, a breach by the other party, whether expressed or implied, does not constitute a consent to, waiver of, or excuse for, any other different or subsequent breach by such other party of the same or any other provision.

- 21.9 Time. Time shall be of the essence of this Agreement.
- 21.10 Severance. If any provision of this Agreement shall, to any extent, be held to be invalid or unenforceable, it shall be deemed to be separate and severable from the remaining provisions of this Agreement, which shall remain in full force and effect and be binding as though the invalid or unenforceable provision had not been included.
- 21.11 Further Assurances. Each of the parties hereto covenant and agree to execute and deliver such further and other agreements, assurances, undertakings or documents, cause such meetings to be held, resolutions passed, and by-laws enacted, exercise their votes and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement.
- 21.12 Mutual Understanding. This Agreement is the result of mutual negotiations between the Parties, and each Party agrees that no part of this Agreement shall be interpreted as against the other Party (or its Subsidiaries) on the grounds that particular language was drafted by such party. Each party acknowledges that it has been afforded an opportunity to obtain independent legal advice with respect to this Agreement and that it understands the nature and the consequences of this Agreement.
- 21.13 Currency. Unless otherwise specifically provided for herein, all monetary amounts referred to herein shall be in lawful Canadian dollars.
- 21.14 Language. The Parties hereto have requested and agreed that this Agreement and all correspondence and all documentation respecting this Agreement, be written in the English language. *Les parties aux présentes ont exigé que la présente entente, de même que toute la correspondance et la documentation relative à cette entente soient rédigées en langue anglaise.*
- 21.15 Counterparts. This Agreement may be executed in identical duplicate counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument. The delivery by facsimile transmission of an executed counterpart will be deemed to be valid execution and delivery of this Agreement and each party hereto undertakes to provide each other party hereto with a copy of the Agreement bearing original signatures as soon as possible after delivery of the facsimile copy.
- 21.16 Survival. Upon Termination by either Licensee or RDT in accordance with Section 18.5 or 18.6, Section 2, Section 3, Section 4.1 to 4.8, Section 5, Section 6 (subject to sell off of inventory), Section 7, Section 9 (aside as required to deliver last reports and last payments), Section 10, Section 12, Section 17 of this Agreement, have no further force or effect. The Parties hereby acknowledge and agree that all other sections and provisions of this Agreement shall survive indefinitely and remain in full force and effect.
- 21.17 Communication. Other than as permitted in this Agreement, neither Party shall use the name, trademarks, logos, physical likeness or other symbol of the other Party (or their employees) for any purposes other than regulatory compliance, licensing and required government submissions without the prior written authorization of the other Party, including making reference to the provisions of this Agreement and the current and on-going relationship between the parties. Further, any news release or other communication regarding the entering into or execution of this Agreement shall be mutually agreed to in writing by the Parties.

22. GOVERNING LAW AND ARBITRATION

- 22.1 The parties agree that the validity, operation and performance of this Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (notwithstanding conflict of law rules), and subject to Section 22.2, the parties do expressly and irrevocably attorn to the jurisdiction of courts of Ontario with respect to any matter or claim, suit, action or proceeding arising under or related to this Agreement. To the fullest extent permitted by Applicable Law, Licensee waives and agrees not to assert, as a defense or otherwise, (i) any claim that it is not subject to the jurisdiction (in person or otherwise) of any such court, (ii) any objection that it may now or hereafter have to

[redacted as confidential]

the laying of venue in any such court, or (iii) any claim that any action, suit or proceeding has been brought in an inconvenient forum.

- 22.2 All disputes, disagreements, controversies, questions or claims arising out of or relating to this Agreement, including, without limitation, with respect to its formation, execution, validity, application, interpretation, performance, breach, termination or enforcement, (“**Disputes**”), will be determined by a sole arbitrator (the “**Arbitrator**”) under the *Arbitration Act, 1991* (Ontario) (the “**Arbitration Act**”). In addition:
- 22.2.1 Section 7(2) of the Arbitration Act will not apply to the arbitration of a Dispute;
- 22.2.2 the Arbitrator will be any person on whom the Parties can agree. If the Parties cannot agree, the Arbitrator will be appointed by a judge of the Superior Court of Justice of Ontario on the application of any Party on notice to all the other Parties. No individual will be appointed as Arbitrator unless he or she agrees in writing to be bound by the provisions of this Section 22.2;
- 22.2.3 the arbitration will take place in the City of Toronto unless otherwise agreed in writing by the Parties;
- 22.2.4 the language to be used in the arbitration will be English;
- 22.2.5 the Arbitrator, after giving the Parties an opportunity to be heard, will determine the procedures for the arbitration of the Dispute, provided that those procedures will include an opportunity for written submissions and responses to written submissions by or on behalf of all Parties, and may also include an opportunity for exchange of oral argument and any other procedures as the Arbitrator considers appropriate. However, if the Parties agree on a code of procedures or on specific matters of procedure, that agreement will be binding on the Arbitrator;
- 22.2.6 the Arbitrator will have the right to determine all questions of law and jurisdiction, including questions as to whether a Dispute is arbitrable, and will have the right to grant legal and equitable relief including injunctive relief and the right to grant permanent and interim injunctive relief, and final and interim damages awards. The Arbitrator will also have the discretion to award costs, including reasonable legal fees and expenses, reasonable expert’s fees and expenses, reasonable witnesses’ fees and expenses pre-award and post-award interest and costs of the arbitration, provided that the Arbitrator will not make an award of costs on a distributive basis;
- 22.2.7 the Parties intend, and will take all reasonable action as is necessary or desirable to ensure, that there be a speedy resolution to any Dispute, and the Arbitrator will conduct the arbitration of the Dispute with a view to making a determination and order as soon as possible;
- 22.2.8 the Parties desire that any arbitration should be conducted in strict confidence and that there will be no disclosure to any Person of the existence or any aspect of a Dispute except as is necessary for the resolution of the Dispute. Any proceedings before the Arbitrator will be attended only by those Persons whose presence, in the opinion of any Party or the Arbitrator, is reasonably necessary for the resolution of the Dispute. All matters relating to, all evidence presented to, all submissions made in the course of, and all documents produced in accordance with, an arbitration under this Article, as well as any arbitral award, will be kept confidential and will not be disclosed to any Person without the prior written consent of all the Parties except as required in connection with an application of a Party under section 46 or section 50 of the Arbitration Act, by applicable laws, or by an order of an Arbitrator;
- 22.2.9 the fees of the Arbitrator will be paid by the non-prevailing party; and
- 22.2.10 Subject to Section 44 of the Arbitration Act, all awards and determinations of the Arbitrator will be final and binding on the Parties, and there will be no appeal of any such award or determination on any grounds.
- 22.3 Interim Relief.

[redacted as confidential]

- 22.3.1 Prior to the appointment of the Arbitrator, the Parties may apply to the courts for interim relief. A request for interim relief by a Party to a court will not be considered to be incompatible with Section 22.2 or as a waiver of that provision.
- 22.3.2 At the request of any Party, the Arbitrator may take any interim measures that the Arbitrator considers necessary in respect of the Dispute, including measures for the preservation of assets, the conservation of goods or the sale of perishable goods. The Arbitrator may require security for the costs of those measures.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

Licensee:

APHRIA INC.

Per: "Jakob Ripshtein"
Jakob Ripshtein, CCO

Rapid Dose Therapeutics Inc.:

Per: "Mark Upsdell"
Mark Upsdell, CEO

SCHEDULE "A"

[redacted
as highly
prejudicial]


[redacted as confidential]

Confidential



SCHEDULE "B"

[redacted as
highly
prejudicial]



[redacted as
highly
prejudicial]

[redacted as confidential]



SCHEDULE "C"

TRADE-MARKS

The Licensee shall only use the Trade-marks specified below in and for the Initial Territory or Additional Territory for which they are designated, and on the condition that the relevant country or region is listed as an Additional Territory for the Licensee in **Schedule "D"**.

Trade-marks

290 RDT-014-CA TM FILMJET	1877410
290 RDT-014-US TM FILMJET	88158964
290 RDT-015-CA TM QUICKSTRIP	1878623
290 RDT-015-US TM QUICKSTRIP	87763516
290 RDT-019-CA TM QUICKSTRIP LOGO	1883521
290 RDT-019-US TM QUICKSTRIP LOGO	88163086
290 RDT-020-CA TM Q LOGO	1883522
290 RDT-020-US TM Q LOGO	88162762
290 RDT-021-CA TM Q	1883611
290 RDT-021-US TM Q	88159417
290 RDT-.024-CA.TM.RAPID DOSE THERAPEUTICS LOGO.	1903456
290 RDT-.024-US.TM.RAPID DOSE THERAPEUTICS LOGO.	87954345
290 RDT-025-CA. ANYTIME, ANYWHERE	1903448
290 RDT-025-US ANYTIME, ANYWHERE.	87668760
290 RDT-026-CA. QUICK CONVENIENT PRECISE DISCREET	1907075
290 RDT-026-CA. QUICK CONVENIENT PRECISE DISCREET	88021002

[redacted as confidential]



SCHEDULE "D"

"TERRITORY"

"Territory" as used in this agreement means the Initial Territory and Additional Territories.

"Initial Territory" means the approved Territory as of the Effective Date:	Jurisdiction (Region or Country)
1. Canada	Canada (not subject to removal by RDT)

"Additional Territories" means any other country or jurisdiction. RDT may add to this Schedule "D" from time to time after the Effective Date pursuant to Article 7 of the Agreement:	Jurisdiction (Region or Country)
2.	
3.	
4.	
5.	

[redacted as confidential]



SCHEDULE "E"

LICENCES AND GOVERNMENT AUTHORIZATIONS

To be added as and when obtained

[redacted as confidential]



SCHEDULE "F"

INSURANCE

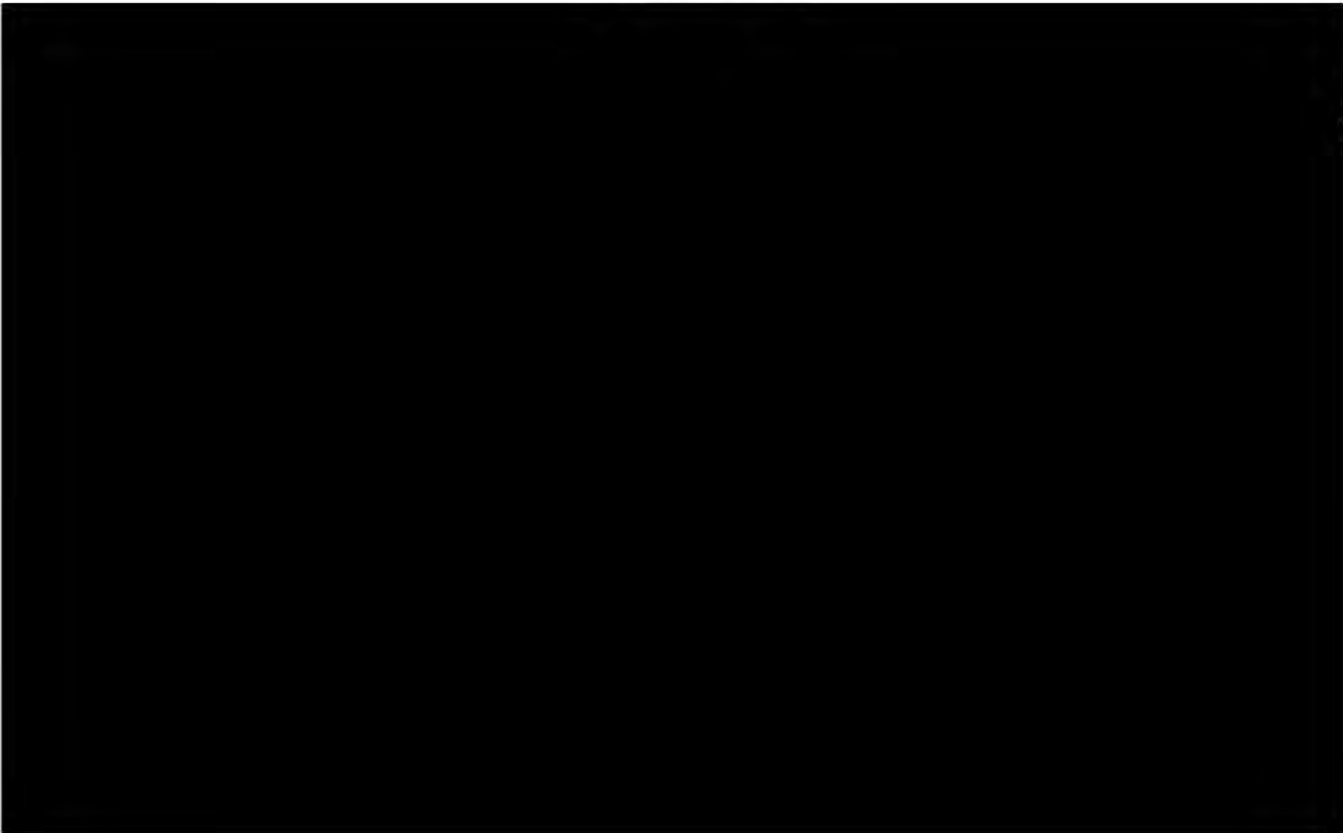
To be inserted upon completion of completing the Insurance coverage requirements and Also Named Insured as applicable

[redacted as confidential]

Confidential



SCHEDULE "G"



[redacted
as highly
prejudicial]

[redacted as confidential]



SCHEDULE "H"

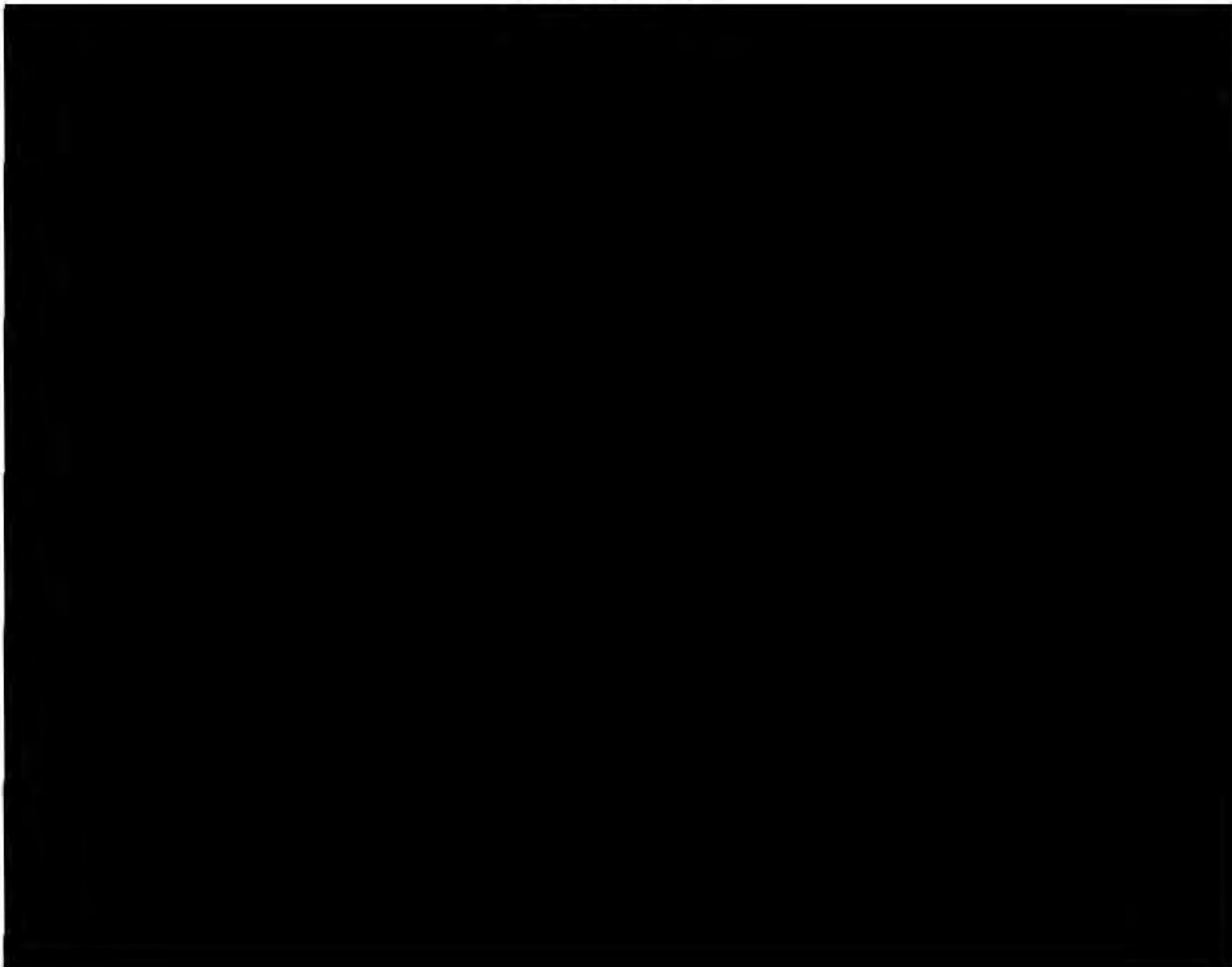
SUPPLY OF MANUFACTURING MATERIALS AGREEMENT

[redacted as confidential]



APPENDIX "12.1"

[redacted as
highly
prejudicial]



[redacted as confidential]

