

License Agreement

This License Agreement (“**License Agreement**”) dated as of January 19, 2023 (the “**Effective Date**”) is made by and between

Apollon Formularies PLC, a corporation incorporated under the laws of the United Kingdom, and traded on the Aquis Stock Exchange (“**Apollon**”), and

Global Hemp Group Inc., a corporation incorporated under the Business Corporations Act (British Columbia), and a “reporting issuer” in the provinces of British Columbia, Ontario and Alberta (“**GHG**”) (each a “Party” and collectively, the “Parties”).

RECITALS:

Further to the binding Letter of Intent (“**LOI**”) between the Parties dated January 9, 2023, **Apollon** desires to enter into this **License Agreement** with **GHG** covering the license to the rights of the **Patent Applications** and the **Technology** in the **Territory** and **GHG** desires to enter into this **License Agreement** under which it would become a licensee of the rights to the **Patent Applications** and the **Technology** in the **Territory** for the **Term** and on the terms and conditions set forth below.

Now therefore, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Definitions

1.1. “**Confidential Information**” of a Party shall include, but shall not be limited to, its current or proposed commercial and business plans, strategies, marketing plans, business methods, strategic partners, financial information, and trade secrets. **Confidential Information** shall not apply to or include information now in the public domain, information that may subsequently become public other than through breach by the recipient Party of its obligations hereunder, information disclosed to a Party hereto by a third party in respect of which such third party is not under an obligation of confidentiality, or information that is required by law to be disclosed.

1.2. “**Technology**” means proprietary information, trade secrets (as defined by the Uniform Trade Secrets Act), tangible property, whether for research, scale-up, or production purposes (including but not limited to materials, chemical compounds, equipment, tools, molds, prototypes, mock-ups, apparatus, standards, specifications, designs, blueprints, plans, flow charts, schemes, data, test results, and other published or unpublished tangible information, and other tangible property that embodies any aspect of the **Patent Applications** or **Licensed Products** in the **Territory**), intangible property (including but not limited to processes, methods, techniques, research, and experimental or practical designs, and other published or unpublished intangible information), and concepts and know-how, which is/are separately or collectively directly reasonably necessary for the development, use, manufacture or maintenance of the **Licensed Products** in the **Territory** in existence as of the date of this **License Agreement**.

1.3. “**Licensed Product**” means any product or use thereof in the **Territory** (a) which is covered (in whole or in part) by a claim contained in the **Patent Rights**; or (b) where the product, process of its manufacture, or use, import, offer for sale, sale, or manufacture in the **Territory** would be subject to a colorable claim of infringement but for the **Licensed Rights**; in either case regardless of whether the patent claim is pending or has issued.

1.4. “**Licensed Rights**” shall mean, collectively, the **Patent Rights** and **Licensed Products** in the **Territory**.

1.5. “**Patent Applications**” means those patent applications licensed under and relevant to this License Agreement, naming Stephen D. Barnhill as inventor or applicant, filed under the Patent Cooperation Treaty (“PCT”) and listed in Exhibit A hereto, and any national stage applications in the **Territory** flowing therefrom and claiming priority thereto, as well as any divisional or continuations applications in the **Territory** resulting therefrom.

1.6. “**Patent Rights**” means the rights of **Apollon** to the **Patent Applications** in the **Territory** and any patent now issued or hereafter issuing on the **Patent Applications** in the **Territory**, as defined in Section 1.9 of this **License Agreement**.

1.7. “**Improvement Patent Rights**” means a patent or patent application in the **Territory**, other than any **Patent Rights**, relating to any invention conceived and reduced to practice (actually or constructively) by **Apollon** in the **Territory** that is (i) directed to the subject matter expressly described in the specifications or claims of the **Patent Rights**, and (ii) the practice of which could not occur without infringing a pending or issued claim within the **Patent Rights**.

1.8. “**Term**” shall have the meaning given to it in Section 3.

1.9. “**Territory**” shall mean North America, specifically the countries of Canada, Mexico, and the United States.

2. License Grants and Fees

2.1 License Grants

To GHG:

Subject to the terms and conditions of this **License Agreement** and the **LOI**, **Apollon** hereby grants to **GHG** for the **Term**, and **GHG** hereby accepts from **Apollon**, an exclusive and perpetual license to the **Licensed Rights** in the **Territory** to make, have made, use, practice, lease, promote, distribute, import and export, and sell or offer to sell the **Licensed Products**. Subject to **Apollon's** written approval, which shall not be unreasonably conditioned or withheld, **GHG** shall have the limited right to sublicense its **Licensed Rights** hereunder to one or more third parties who are duly licensed (or otherwise lawfully permitted) to, and have the capability to, exercise the **Licensed Rights** within the **Territory**. It is understood that, except as expressly provided herein, **GHG** has no rights, unless otherwise agreed upon by **Apollon**, to sell, or offer to sell the **Technology**, **Patent Rights** or the **Licensed Rights** or any part of the intellectual property developed by **Apollon** to any third party.

To Apollon:

GHG hereby grants to **Apollon** for the **Term**, and **Apollon** accepts from **GHG**, an exclusive, limited, perpetual, royalty-free license to the **Patent Applications**, and **Licensed Rights** in the **Territory** (“the **Back-License**”) to the limited extent reasonably necessary for Apollon to practice the full scope of any **Improvement Patents Rights** developed after the **Effective Date**. Nothing herein shall otherwise grant **Apollon** any rights under the **Patent Applications** licensed hereunder to **GHG**, nor otherwise limit or diminish the rights of **GHG** granted herein.

2.2 Licensing Fee During the **Term** of this **License Agreement** **GHG** shall pay a quarterly licensing fee to Apollon (“**Licensing Fee**”), the payment of which shall be triggered when revenues are first generated from sublicensing activities. Payment of the **Licensing Fee** shall commence with the subsequent quarter. **GHG** shall provide a quarterly accounting of sublicensing fees it has received not later than thirty (30) days after the end of each quarter and such **Licensing Fee** shall be due and payable at that time. The **Licensing Fee** shall equal 10% of gross sublicensing fees received by **GHG**. The Parties agree to reconsider the **Licensing Fee** from time to time, and if circumstances (including but not limited to the total sublicensing fees received by **GHG**) warrant, the Parties agree to negotiate in good faith to determine a reasonable revised **License Fee**.

3. Term

This **License Agreement**, unless earlier terminated under Section 10 hereof, will continue in full force and effect from the **Effective Date** until the expiration of the last to expire patent within the **Patent Rights** (the “**Term**”).

4. Representations and Warranties

4.1 Each Party hereto acknowledges and agrees that no representation or promise not expressly contained in this **License Agreement** has been made by either Party hereto or by any of its agents, employees, representatives or attorneys concerning the subject matter of this **License Agreement**. Each Party further represents and warrants that to the extent of its actual knowledge as of the **Effective Date**, it has the legal right, authority and power to enter into this **License Agreement** and to perform its obligations under this **License Agreement**, and the persons executing this **License Agreement** on its behalf are duly authorized to do so and to bind such Party.

4.2 **Apollon** represents and warrants to **GHG** that, as of the **Effective Date**, **Apollon** has all right, title and interest in and to the **Patent Rights**, free and clear of any liens or claims by others, and that the information set forth on **Exhibit A** is a complete list of the Patent Applications (relevant licensed patent applications in the **Territory** on which **Stephen D. Barnhill** is named as an inventor or an applicant).

4.3 **Apollon** and **GHG** each represent and warrant to each other that it will not enter into any agreement with any third party that will conflict with its obligations or representations hereunder.

4.4 Nothing in this **License Agreement** shall be construed as (i) a warranty or representation by **Apollon** as to the validity, scope or enforceability of any **Licensed**

Rights, or a representation or warranty that any of the applications comprising the **Patent Rights** will issue, (ii) a warranty or representation that designing, developing, testing, possessing, screening, making (including without limitation manufacturing), using, offering for sale (including without limitation marketing, promotion, storage and advertisement), selling (including without limitation shipment), importing or distributing **Licensed Products**, or other exploitations of the **Licensed Rights** or commercialization of **Licensed Products**, or other use of **Licensed Products** in the Territory, or other information or property provided under this **License Agreement**, or arising from **GHG's** publication or distribution of test reports, data or other information relating to said items does not or will not infringe patents, trade secrets or other proprietary rights of third parties; (iii) an obligation to bring or prosecute actions or suits against third parties for infringement; (iv) conferring by implication, estoppel or otherwise any implied or express license or rights under any patents or patent applications of **Apollon** other than the **Patent Rights**; (v) a warranty or representation that any of the **Licensed Rights**, **Patent Rights**, or **Licensed Products** may be practiced to any extent in the **Territory**, or that the making, using, selling, offering for sale, importing, or exporting of any such rights or any **Licensed Products** is or will be lawful in the **Territory** or any country therein; (vi) any other representations or warranties, either express or implied, unless specified in this **License Agreement**; and (vii) imposing any obligation or any liability on any Party contrary to the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

5. Diligence

GHG will use such efforts which, in **GHG's** reasonable business judgment, may be necessary to bring **Licensed Products** to market through a diligent marketing program for exploitation of the **Licensed Rights** within the **Territory**. **GHG** has the right to brand and market the **Technology** as it deems appropriate for these purposes.

6. Patent Prosecution

6.1 Upon completion of the obligations of the Parties expressed in the LOI, being the completion of the asset purchase, prosecution of the **Patent Applications** within the **Patent Rights** and maintenance of all patents issuing therefrom will be the primary responsibility of **GHG**; provided, however, that **Stephen D. Barnhill** will cooperate and advise **GHG** in such filing, prosecution and/or maintenance.

7. Confidential Information

7.1 During the term of this **License Agreement** and until such time thereafter as such **Confidential Information** is no longer considered **Confidential Information** hereunder, the Parties agree that all **Confidential Information** shall be maintained in confidence by the receiving Party and shall not be disclosed by the receiving Party to any third parties unless agreed to in writing by the Party providing the information; nor shall any such **Confidential Information** be used by the receiving party for any purpose other than those contemplated by this **License Agreement**.

7.2 **GHG** and **Apollon** agree that the confidentiality obligations hereunder shall require that each Party use those security and confidentiality procedures and practices as each would use for its own confidential records.

8. Infringement

8.1 During the Term of this Agreement, **GHG** will have the right, but not the obligation, to prosecute at its own expense any such infringements of the **Patent Rights** and, in furtherance of such prosecution, **GHG** may join **Apollon**, if necessary, as a third party plaintiff in any such suit, without expense to **Apollon**. Similarly, during the **Term** of this **Agreement**, **GHG** will have the right to defend at its own expense any declaratory judgment action alleging invalidity or non-infringement of any of the **Patent Rights** and, in furtherance thereof, **GHG** may join **Apollon** as a necessary party in any such suit without expense to **Apollon**. In the event that **GHG** undertakes the enforcement and/or defense of the **Patent Rights** by litigation, including any declaratory judgment action and/or any suit for infringement, the total cost of any such action commenced or defended solely by **GHG** shall be borne by **GHG**. Any recovery of damages (including without limitation statutory damages, compensatory damages, lost profits damages, exemplary damages, increased damages, and awards of costs and/or attorney's fees) by **GHG** as a result of such action shall be applied first in satisfaction of any reasonable unreimbursed expenses and attorneys' fees of **GHG** relating to the action, and second in satisfaction of unreimbursed reasonable attorneys' fees of **Apollon** reasonably incurred, if any, relating to the action. The balance remaining from any such recovery shall be distributed to **GHG**.

8.2 If, within one hundred eighty (180) days after having been notified of any alleged infringement of any **Patent Rights**, **GHG** has been unsuccessful in persuading the alleged infringer to desist, or has not brought or otherwise is not diligently prosecuting, an infringement action, or if **GHG** notifies **Apollon** at any time prior thereto of its intention not to bring suit against any alleged infringer, then **Apollon** will have the right, but not the obligation, to prosecute at its own expense any infringement of the **Patent Rights** and **Apollon** may, for such purposes, use the name of **GHG** as plaintiff if necessary. Settlement, consent judgment or other voluntary final disposition of the suit may be entered into by **Apollon**, provided, however, that **Apollon** will not settle or compromise any claim or action, including without limitation any declaratory judgment action alleging invalidity or non-infringement of any of the **Patent Rights**, in a manner that imposes any monetary or other material contractual obligations or restrictions on **GHG** or otherwise adversely affects **GHG's** rights under the **Patent Rights** without **GHG's** express written consent. The total cost of any such infringement action commenced or defended solely by **Apollon** will be borne by **Apollon**, and any recovery or damages for past infringement or otherwise derived therefrom will be applied first in satisfaction of any reasonable unreimbursed expenses and attorneys' fees of **Apollon** relating to the action, and second in satisfaction of unreimbursed reasonable attorneys' fees of **GHG** reasonably incurred, if any, relating to the action. The balance remaining from any such recovery shall be distributed to **Apollon**.

8.3 In the event an action for infringement or any declaratory judgment action alleging invalidity or non-infringement of any of the **Patent Rights** is brought against **GHG** arising from **GHG's** designing, developing, testing, possessing, practicing, distributing, making,

using, selling, offering for sale or importing **Licensed Products**, or other exploitation of the **Licensed Rights** or commercialization of **Licensed Products**, or other use of **Licensed Products**, **Licensed Rights** or other information or property provided under this **License Agreement**, or arising from **GHG's** publication or distribution of test reports, data or other information relating to said items, **GHG** will defend against such action and will be solely responsible for all attorneys' fees, costs of defense, and liability arising out of that action. **GHG** shall retain any recovery and damages derived therefrom or from any counterclaims asserted therein to the extent such consideration is attributable to infringement of the **Patent Rights**.

8.4 In the event that a declaratory judgment action alleging invalidity or non-infringement of any of the **Patent Rights** is brought by a third party against **GHG**, **Apollon**, at its option, will have the right to intervene and take over the sole defense of the action at its own expense, in which event **Apollon** will distribute any recovery and damages derived therefrom or from any counterclaims asserted therein first in satisfaction of any reasonable unreimbursed expenses and attorneys' fees of **Apollon** relating to the action, and second in satisfaction of unreimbursed reasonable attorneys' fees of **GHG** reasonably incurred, if any, relating to the action. The balance remaining from any such recovery shall be distributed to **Apollon**. Unless and until **Apollon** elects to intervene and take over the sole defense of the action, **GHG** will be responsible, at its sole expense, for the defense of the action, in which event any recovery or damages derived therefrom or from any counterclaims asserted therein shall be applied first in satisfaction of any reasonable unreimbursed expenses and attorneys' fees of **GHG** relating to the action, and second in satisfaction of unreimbursed reasonable attorneys' fees of **Apollon** reasonably incurred, if any, relating to the action. The balance remaining from any such recovery shall be distributed to **GHG**.

8.5 In any infringement suit brought or declaratory judgment action defended by either Party to protect any of the **Patent Rights** pursuant to this **License Agreement**, the other Party will, at the request and expense of the Party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

9. Indemnification

9.1 **GHG** will indemnify **Apollon**, its officers, employees, subsidiaries and affiliates and hold all such parties harmless from any action, claim, or liability, for death, personal injury, and/or property damage, arising directly or indirectly from **GHG's** negligence in connection with the possession, testing, distribution or other use of **Licensed Products**, **Licensed Rights**, and **Patent Rights** or other information or property provided under this **License Agreement**. If any such claim is asserted or such suit is brought against **Apollon**, **Apollon** shall notify **GHG** as promptly as practicable, specifying in reasonable detail the nature of the claim; provided, that the failure to provide such notice in a timely manner shall not excuse **GHG** from its indemnification obligations hereunder except to the extent **GHG** can demonstrate that **GHG** was materially prejudiced by such delay. Upon receipt of notice of a third party claim, **GHG** may elect to defend the claim or suit at the sole expense of **GHG** through counsel of its own choosing and upon assumption of the defense of the claim, **Apollon** may continue to participate in the defense of the claim

through its separate counsel (but at **Apollon's** expense); provided, that the counsel chosen by **GHG** (which may be the same attorneys as those representing **GHG** unless prohibited by attorney ethics rules relating to conflicts of interest) must be reasonably acceptable to **Apollon**; and provided, further, that when **GHG** and **Apollon** are co-defendants, **Apollon** will be free to select its own counsel (the reasonable cost of which shall be borne by **GHG** provided such counsel is reasonably acceptable to **GHG**) if it, in good faith, determines that an actual or potential material conflict of interest would arise if a single counsel were to represent both parties in defense of the claim or suit. **Apollon** will cooperate with **GHG** (at **GHG's** expense) in the management of the defense of the claim or suit, including providing reasonable access to all relevant documents and records. **GHG** will not settle or compromise any claim or action in a manner that imposes any restrictions or obligations on **Apollon** without **Apollon's** prior written consent, which consent will not be unreasonably withheld.

9.2 **GHG** shall carry such insurance covering its potential liability under the above Section as **GHG**, after consultation with its insurance company or agent, in its reasonable business judgment considers sufficient and appropriate for its exposure.

9.3 **Apollon**, on one hand, and **GHG** on the other hand, jointly and severally, agree to indemnify, defend, and hold harmless the other Party, its affiliates and subsidiaries and their respective directors, officers, employees and agents from and against any and all claims, suits, losses, damages, costs, fees, and expenses (including without limitation attorney's fees and court costs, regardless of outcome) resulting from or arising, directly or indirectly, out of the breach of any Representation or Warranty made under Section 4.

10. Termination

10.1 In the event that **GHG** exercises its option to purchase the entirety of **Apollon's** assets in accordance with the terms of the LOI, this License Agreement shall automatically terminate.

10.2 Should either Party commit a material breach (the " **Breaching Party**") of any material representation, warranty or agreement made under Section 4 hereof, the other will have the right, in addition to all other remedies available, to terminate the license granted under this **License Agreement** (in which case all rights hereunder shall revert to **Apollon**, and **GHG** shall have no further obligations hereunder) by giving the **Breaching Party** ninety (90) days' prior written notice of such termination, provided, however, that if the **Breaching Party** will have substantially cured such default or breach within such ninety (90) day period, then this **License Agreement** will remain in effect and the rights and licenses herein granted will be in force as if no default or breach had occurred on the part of the **Breaching Party**.

10.3 This Agreement shall terminate upon the entry of a decree of a judicial dissolution under the applicable federal or provincial bankruptcy laws of Canada if such decree is not appealed within sixty (60) days and stayed.

11. Notices

Any notice, or other communication pursuant to this Agreement will be sufficiently made or given on the date of mailing if sent to such Party by overnight courier, postage prepaid, addressed to it at its address below or as it will designate by written notice given to the other Party:

If to Apollon:

48 Warwick Street
London, United Kingdom W1B5AW
Attention: Dr. Stephen D. Barnhill
Email: barnhillmd@sprynet.com

With a copy to:

Continuum Legal Group LLP
5605 Glenridge Drive, Suite 600
Atlanta, Georgia 30342
Attention: William G. Leonard
Email: bleonard@ContinuumLG.com

If to GHG:

#106 - 1169 Mt. Seymour Road
North Vancouver, BC V7H 2Y4
Attention: Mr. Curt Huber
Email: curt@globalhempgroup.com

With a copy to:

Dunton Rainville LLP
800 Square Victoria Street – 43rd Floor
Montreal, Quebec, CANADA H4Z 1H1
Attention: Mr. Michel Lebeuf Jr., Partner and Jody Belly, Associate
Email: mlebeuf@duntonrainville.com and jbelly@duntonrainville.com

12. Severability

The provisions of this **License Agreement** are severable, and in the event that any provision of this **License Agreement** is determined to be invalid or unenforceable under any controlling body of law, such invalidity or unenforceability will not in any way affect the validity or enforceability of the remaining provisions hereof.

13. Marking

For **Licensed Products** made, used or sold in the United States, GHG shall mark the products and/or the packaging with all applicable United States patent numbers as may be required under United States Patent Law. For **Licensed Products** used, shipped to or sold in other countries, the products or packaging will be marked in such a manner as to conform to the patent laws of the country of use, shipment or sale.

14. Miscellaneous Provisions

14.1 Law to Govern This **License Agreement** will be construed, governed, interpreted, and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, except that questions affecting the construction and effect of any patent will be determined by the law of the country in which the patent was granted.

14.2 Dispute Resolution Claims, disputes or controversies concerning the validity, construction or scope of any of the **Patent Rights** shall be resolved in the country in which the patent was granted. Should any other dispute arise between or among the Parties in connection with this **License Agreement**, the Parties agree to use their best efforts to resolve the dispute through negotiation. If the dispute cannot be resolved through negotiation, the Parties agree to submit the dispute to mediation with a mediator chosen jointly and all costs of the mediation shared equally. If the Parties mutually agree to waive mediation, such claim or dispute will be adjudicated in the Province of British Columbia, and all Parties consent to the exclusive jurisdiction of such Courts. Venue will lie only in the Province of British Columbia.

14.3 Non-Assertion The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this **License Agreement** will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party.

14.4 Benefit and Waiver

14.4.1 This **License Agreement** will be binding and inure to the benefit of the Parties hereto and their respective affiliates and permitted successors and assigns. No failure or successive failures on the part of the Parties to enforce any provisions of this **License Agreement**, and no waiver or successive waivers on either Party's part of any condition of this **License Agreement**, shall operate as a discharge of such provision or condition, or render the same invalid, or impair the right of such Party to enforce same in the event of any subsequent breach or breaches by the other Party.

14.4.2 The representations, warranties, covenants, and undertakings contained in this **License Agreement** are for the sole benefit of the Parties hereto and their permitted successors and assigns, and such representations, warranties, covenants, and undertakings will not be construed as conferring any rights on any other party.

14.5 Nothing contained in this **License Agreement** will be deemed to place the Parties hereto in a partnership, joint venture, or agency relationship, and neither Party will have the right or authority to obligate or bind the other Party in any manner, except as expressly provided herein.

14.6 Survival of Provisions The provisions of Sections 7, 8, 9, and 14 shall survive the expiration or termination of this **License Agreement**.

14.7 Execution This **License Agreement** may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

14.8 Headings The section and paragraph headings contained in this **License Agreement** are for reference purposes only and shall not in any way affect the meaning or interpretation of this **License Agreement**.

14.9 Controlling Language This agreement was negotiated and written in English (US). The final agreement may be translated into other languages for the convenience of one or more individuals. To the extent any portion or version of this agreement as translated into any other language conflicts with the English version, the English version controls.

14.10 Entire Agreement The Parties hereto acknowledge that this **License Agreement** sets forth the entire agreement and understanding of the Parties hereto as to the License which is the subject matter hereof, and it supersedes any and all prior written and oral agreements, understandings, promises or offers, including without limitation any term sheet which preceded its drafting, and will not be subject to any change or modification except by a written instrument. The initial drafting of this **License Agreement** by Apollon was for the convenience of the Parties, and the Parties agree that such fact shall not result in any of the above clauses being construed against Apollon should such clauses become in dispute.

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals and caused this **License Agreement** to be duly executed this as of the day and year first set forth above.

for Apollon



Signature:

Date: JANUARY 19, 2023

Position: CEO

for GHG



Signature:

Date: JAN 19/23

Position: CEO

Exhibit A to License Agreement

Patent Applications

| REF. # | Application Number |
|---------|--------------------|
| AIP-001 | PCT/IB2021/057017 |
| AIP-002 | PCT/IB2021/057018 |
| AIP-009 | PCT/US2022/014806 |
| AIP-010 | PCT/US2022/014791 |