

COLLABORATION AGREEMENT

THIS AGREEMENT made as of October ____, 2019 (the “Effective Date”)

B E T W E E N:

TETRA OILS INC.,

a corporation incorporated under the laws of the
Province of Ontario

(hereafter “**TETRA**”)

- and -

XTRX Solutions Inc.,

a corporation incorporated under the laws of the Province of Ontario

(hereafter “**XTRX**”)

WHEREAS:

- (A) TETRA is an equipment operator and consultant specializing in the manufacture of cannabis oils and isolates derived from industrial hemp biomass (which may include hemp leaves, flowers and branches or the whole hemp plants, hereinafter referred to as the “**Biomass**”).
- (B) XTRX is a late stage applicant to be a licensed processor and seller of cannabis pursuant to the provisions of the *Cannabis Act* and other relevant laws.
- (C) That TETRA has certain propriety knowledge and has designed, owns and has rights to certain Products as set out herein and has established a substantial business in the manufacture and sale of same.
- (D) That XTRX’s proposed Health Canada licensed processing facility is in Pickering, Ontario (the “**Facility**”) and once licensed will be able to manufacture and sell the Products under its licenses in collaboration with and under the direction of TETRA.
- (E) TETRA has agreed, for the consideration set out in this Agreement, to furnish or otherwise make available to XTRX rights to its Biomass supply chain, designs, drawings, manufacturing and material specifications and other technical data and information relating to the Products, subject to terms herein, in order to enable and assist XTRX to manufacture and sell the Products.
- (F) TETRA has further agreed to provide XTRX certain equipment, personal, consulting and operating services to assist XTRX in the manufacture and sale of the Products.
- (G) Pursuant to the terms herein, and pursuant to XTRX being licensed by Health Canada, XTRX agrees to manufacture and sell the Products in order to establish a market for the Products in all jurisdictions where the sale of cannabis and hemp products are legal.
- (H) Upon the execution of this Agreement by all Parties, the Parties intend to be legally bound, as set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual premises and covenants herein contained, and other good and valuable consideration, the receipt of sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

- (a) “**Advance**” has the meaning given to it in Section 5.2(c).
- (b) “**Agreement**” means this Collaboration Agreement entered into by and between TETRA and XTRX.
- (c) “**Applicable Laws**” means all laws, ordinances, rules and regulations applicable to manufacturing and packaging of the Products or any aspect thereof, including, without limitation, all applicable federal, provincial and local laws and regulations including the *Cannabis Act*.
- (d) “**Business Day**” means any day except Saturday, Sunday, and any other day on which banks in Toronto, Ontario are generally not open for business.
- (e) “**Confidential Information**” has the meaning given to it in Section 12.1(b).
- (f) “**Consultant Manager**” has the meaning given to it in Section 3.1.
- (g) “**Delivery Date**” means the earliest date any Biomass is delivered to the Facility: (i) pursuant to a Supply Agreement; (ii) at TETRA’s direction, or (iii) which is intended for the production of Products.
- (h) “**Disclosing Party**” has the meaning given to it in Section 12.1(a).
- (i) “**Equipment**” means the extraction, refining and processing equipment listed in Appendix “A”.
- (j) “**Facility**” has the meaning given to it in the recitals hereto.
- (k) “**Floor Plan**” means the floor plan of an extraction room at the Facility to contain the Equipment.
- (l) “**XTRX Products**” has the meaning given to it in Section 4.2.
- (m) “**Party**” means a Party to this Agreement and “**Parties**” means each of them.
- (n) “**Products**” means cannabis oil and extract products produced in the Facility which are intended for sale at Tetra’s direction.
- (o) “**Proposal**” has the meaning given to it in Section 5.1(a).
- (p) “**Purchase Agreement**” has the meaning given to it in Section 5.1(a)(iii).
- (q) “**Receiving Party**” has the meaning given to it in Section 12.1(a).

- (r) “**Supply Agreement**” has the meaning given to it in Section 5.1(a)(i).

ARTICLE 2
PRODUCTION FACILITY

- 21 **Facility Specifications:** XTRX and TETRA agree to collaborate on the design and specifications of the Floor Plan. The Floor Plan shall not be considered final until approved in writing by XTRX.
- 22 **Condition:** XTRX and TETRA shall work together to keep the extraction and processing space and Facility in good working condition and shall comply with the provisions of this Agreement.
- 23 **Use:** XTRX shall perform all of XTRX’s obligations under any declarations, covenants, by-laws, rules, or other documents governing the use, ownership or occupancy of the Facility.
- 24 **Reservation:** In the event XTRX does not adhere to article 2.2 or 2.3 above after 30 days’ written notice of any deficiency by TETRA, TETRA shall reserve the right to terminate this Agreement in accordance with the Termination article herein.
- 25 **All Activity Subject to XTRX’s Policies:** Notwithstanding anything else in this Agreement, any activity by or on behalf of TETRA or any of its employees, contractors, or representatives at the Facility shall at all times be subject to XTRX’s standard operating procedures and other security, quality assurance, and operational policies and procedures, in addition to the requirements of Applicable Law. XTRX retains the right to deny entry to anyone to the Facility, to restrict the access of anyone to certain areas of the Facility, to require garbing and other quality assurance procedures to be followed by anyone at the Facility, and to require that anyone leave the Facility at any time.

ARTICLE 3
PERSONNEL

- 3.1 **Consultant Manager:** TETRA will provide, at its own cost and during the hours of operation of the Facility, at least one (1) on-site consultant (the “**Consultant Manager**”) who is a qualified quality assurance person and who has applied for or received security clearance from Health Canada. The Consultant Manager will manage the operation of the Equipment and manufacturing of the Products and the XTRX Products. Proof of security clearance to be provided once received.
- 3.2 **Operations Team:** If TETRA requires any additional individuals to operate the Equipment beyond the Consultant Manager, TETRA will provide and pay the wages of such individuals. Said individuals will be required to provide criminal background checks satisfactory to XTRX.
- 3.3 **Training and SOPs:** Prior to the Delivery Date, TETRA will provide to XTRX all required training, know-how, and procedural documentation for quality and compliance specific to processing industrial hemp. XTRX acknowledges that all training will be provided in English, and TETRA makes no representation or warrants that such training or materials will be in any other language. TETRA shall ensure that any deficiencies in XTRX’s documentation, standard operating procedures, and validation processes are remedied prior to the commencement of extraction activities at the Facility.

- 3.4 **Non-Solicitation by TETRA:** During the Term and for three years after the termination of this Agreement, for whatever reason, TETRA will not directly or indirectly hire any of XTRX’s employees, contractors, directors, or officers, unless the XTRX waives the enforcement of this section in writing.
- 3.5 **Non-Solicitation by XTRX:** During the Term and for three years after the termination of this Agreement, for whatever reason, XTRX will not directly or indirectly hire TETRA’s employees, directors, or officers, unless TETRA waives the enforcement of this section in writing.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ARTICLE 5
MANUFACTURING, TESTING, PACKAGING, AND SALE OF PRODUCTS

- 5.1 **Proposals for Products:** The manufacturing and sale process for each Product shall be conducted in accordance with the following steps:
 - (a) TETRA shall submit a proposal (a “**Proposal**”) to XTRX containing the following information:
 - (i) each draft supply agreement that TETRA has negotiated with each desired supplier from which TETRA proposes XTRX should acquire Biomass, including the quantities, prices, and other business terms that TETRA has

agreed upon with such suppliers, provided that each such agreement shall include quality, indemnity and insurance provisions acceptable to XTRX (each a “**Supply Agreement**”);

- (ii) the Products that TETRA proposes to manufacture, the proposed manufacturing process for such Products, and the packaging and labelling details for such Products; and
 - (iii) draft purchase agreements that TETRA has negotiated with each desired purchaser to which TETRA proposes XTRX should sell the Products, including the quantities, prices, and other business terms that TETRA has agreed upon with such purchasers, provided that each such agreement shall include indemnity and insurance provisions acceptable to XTRX (each a “**Purchase Agreement**”);
- (b) XTRX may approve, approve with modifications, or reject any Proposal put forward by TETRA pursuant to Section 5.1(a), including to ensure that any Supply Agreement or Purchase Agreement complies with Applicable Laws, provided:
- (i) XTRX will act in good faith and will not unreasonably reject or modify any part of a Proposal; and
 - (ii) XTRX shall be under no obligation whatsoever to negotiate any terms of any Supply Agreement or Purchase Agreement and is entitled to assume all such terms, including pricing, in any draft agreement provided by TETRA are acceptable to TETRA.

5.2 Steps upon Acceptance of Proposals and Payment by TETRA: If XTRX approves a Proposal or any Supply Agreement or Purchase Agreement:

- (a) XTRX shall enter into each applicable Supply Agreement and Purchase Agreement provided by TETRA;
- (b) at XTRX’s direction, TETRA shall pay the applicable amount of the purchase price of any Biomass under any Supply Agreement directly to the applicable supplier;
- (c) the Parties shall record the amount paid by TETRA to any Supplier (each an “**Advance**”) as an advance to XTRX, provided that TETRA shall bear all risk of loss of each Advance and shall only be repaid any Advance in accordance with this Agreement if and when XTRX receives actual revenue from the sales of the applicable Products;
- (d) the Parties will follow the steps set out in Section 5.3 with respect to the manufacturing of the Products and Section 5.4 with respect to the sale of the Products; and
- (e) payment of the License Fee by XTRX shall constitute repayment towards each respective Advance, provided that XTRX shall not be liable in any way to TETRA or anyone else to pay, repay, or make TETRA whole in respect of any Advance or other amount paid or payable by TETRA, including upon termination of this Agreement, except to pay to TETRA the License Fee in accordance with this Agreement. XTRX shall be under no obligation to ensure that any of TETRA’s activities, or XTRX’s activities at TETRA’s

direction, are profitable to TETRA.

5.3 **Manufacturing of Products:** The Products shall be produced in accordance with the following steps:

- (a) XTRX will receive, store, and test any Biomass delivered to the Facility pursuant to any Supply Agreement, provided that the cost of any such testing shall be borne by TETRA;
- (b) TETRA shall reimburse XTRX for any costs associated with batch release unless the Manager Consultant performs such function;
- (c) XTRX will provide TETRA with a certificate of analysis showing testing results in respect of the applicable Biomass;
- (d) TETRA may then use the Equipment to process the applicable Biomass and create the Products, subject to oversight by XTRX and in accordance with Section 2.5;
- (e) TETRA shall supply any required packaging for the Products, provided that both Parties shall be responsible for ensuring that any such packaging complies with applicable law;
- (f) TETRA will package and label the Products in accordance with labelling requirements of XTRX and applicable law, subject to oversight by XTRX; and
- (g) XTRX will apply excise duty stamps to the Products and shall remit all payments to the applicable governmental authorities.

5.4 **Sale of Products**

- (a) XTRX will coordinate delivery of finished Products to purchasers in accordance with applicable Purchase Agreements.
- (b) Upon receiving payment from the applicable purchasers, XTRX shall be entitled to set off any funds owed to XTRX and other disbursements of XTRX not already paid or reimbursed by TETRA against amounts owing to TETRA, and shall pay to TETRA the License Fee in accordance with Sections 7.5 and 7.6.

5.5 **Independent Purchase of Biomass by XTRX:** Nothing shall restrict XTRX from purchasing Biomass from any supplier for the production of XTRX Products, except any Biomass allocated for the benefit of TETRA under any draft or executed Supply Agreement.

ARTICLE 6 **OWNERSHIP**

6.2 **Title to Products:** XTRX shall own and retain title to the Products until such time as the Products are sold as contemplated in ARTICLE 7 SALES AND LICENSE FEE below. When such sales occur, title to the Products shall pass directly to the customer purchasing the Products.

ARTICLE 7
SALES AND LICENSE FEE

- █ [REDACTED]
- 7.2 **Sales Revenues:** Subject to Article 5, XTRX agrees to complete the sale of all Products manufactured under this Agreement to end customers and subject to Section 7.3 shall be responsible for collecting all revenues from said sales.
- 7.3 **Bad debts:** TETRA agrees that XTRX assumes no liability in the event of inability or refusal of any customer to pay for the Products. However, XTRX shall use every commercially reasonable means (determined in XTRX's discretion) to collect amounts due.
- 7.4 **Bank Account and Financial Records:** XTRX shall establish a separate bank account for the purpose of tracking revenues generated pursuant to this Agreement and make financial records available for inspection to TETRA on reasonable terms and request from TETRA.
- 7.5 **License Fee:** XTRX shall pay to TETRA a licensing fee equal to the total sales revenues received from the sale of the Products to customers, minus applicable statutory deductions, taxes, and any other disbursements of XTRX which have not otherwise been reimbursed by TETRA (the "**License Fee**").
- 7.6 **License Fee Transfer:** XTRX shall pay the License Fee to TETRA within two (2) Business Days of receiving said sales revenue from a customer. For greater clarity, there shall be no profit sharing on the sale of Products.
- 7.7 **Currency of Payments:** All payments and dollar amounts contemplated in this Agreement are in Canadian Dollars.
- 7.8 **Electronic Transfer of Funds:** Unless otherwise agreed by the Parties hereto, each Party will pay amounts owing to the other Party pursuant to the terms herein by way of wire transfer, pre-authorized debit or other form of electronic funds transfer. Each Party shall provide particulars for the purpose of receiving any such amounts.
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 **Mutual Representations and Warranties:** each Party represents, warrants, and covenants to the other as follows:

- (a) it is a corporation duly organized and validly existing under the laws of the Province of Ontario;
- (b) it has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted;
- (c) it is and will remain in compliance with all Applicable Laws;
- (d) the execution, delivery and performance by such Party of this Agreement is within its powers, has been duly authorized by all necessary action and does not and will not: (i) contravene any provision of its articles, bylaws, partnership agreement, trust agreement or other constating documents; or (ii) violate any applicable law;
- (e) this Agreement has been duly executed and delivered and is the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

9.2 **Representations and Warranties of XTRX:**

- (a) XTRX has applied for the required licenses under the *Cannabis Act* that it requires in order to carry out its obligations under this Agreement.

9.3 **Representations and Warranties of TETRA:**

- (a) the Products will not infringe upon or violate any applicable law or any rights of third Parties, including infringement, violation or misappropriation of any intellectual property.

9.4 **No Guarantee; No Warranty; Limitation of Liability:**

Other than as expressly provided for in this Agreement:

- (a) neither Party makes any guarantee, warranty or representation;
- (b) all Confidential Information, services, equipment or products provided, recommended or sourced by a Party pursuant to this Agreement are provided “as is” and without warranty of merchantability, fitness for a particular purpose or any other warranty, express or implied;
- (c) a Party shall not be liable to the other Party or to any third Party for any consequential, indirect, incidental, exemplary, special or punitive damages whatsoever, including any damages for business interruption, loss of use, revenue or profit, cost of capital, loss of business opportunity, or loss of goodwill, whether arising out of breach of contract, tort (including negligence), any other theory of liability or otherwise, regardless of whether such damages were foreseeable and whether or not the breaching Party was advised of the possibility of such damages.

ARTICLE 10 **DISPUTE RESOLUTION**

- 10.1 **Arbitration:** Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the rules of the ADR Institute of Ontario (“**ADR Ontario**”) as at present in force. The appointing authority shall be ADR Ontario. The number of arbitrators shall be one or three.

ARTICLE 11 **NOTICES**

- 11.1 **Address for Notice:** Any notice or other documents required or permitted to be given hereunder shall be in writing and shall be delivered in the manner set out in sub-paragraph 10.2 below addressed to the Party or Parties to whom it is to be given at the address shown below or at such other address or addresses as the Party or Parties to whom such writing or document is to be given shall have last notified all other Parties hereto in accordance with the provisions of this section:

- (a) XTRX at: 1080 Brock Road, Pickering, Ontario, L1W 3X4
Attention: Igal Sudman, CEO
- (b) TETRA at: 295 Matheson Boulevard East, Mississauga, Ontario L4Z 1X8,
Attention: Peter Awad, President and Director

- 11.2 **Delivery of Notice:** Any such notice or other document shall:

- (a) if delivered by courier be deemed to have been given and received at the place of receipt on the date of delivery as shown on the courier waybill or electronic confirmation of delivery, provided that if such date is a day other than a Business Day in the place of receipt, such notice or document shall be deemed to have been given and receive at the place of receipt on the first Business Day in the place of receipt, thereafter;

- (b) if delivered personally, be deemed to have been given and received at the place of receipt on the date of actual receipt as set out in an affidavit of service from the individual who made the delivery.

ARTICLE 12 **CONFIDENTIALITY**

12.1 Confidential Information

(a) Each Party (the “Receiving Party”) acknowledges that before or after the execution of this Agreement, it may be entrusted with Confidential Information (as defined below) belonging to the other Party (the “**Disclosing Party**”) pursuant to or otherwise in connection with this Agreement.

(b) For the purposes of this agreement, “**Confidential Information**” means any and all information disclosed by the Disclosing Party, including information relating to its business, operations, facilities, plans, equipment, prospects and affairs which is disclosed to the Receiving Party prior to or after the date of this Agreement, regardless of whether such information is in oral, visual, electronic, written or other form and whether or not it is identified as “confidential”, including without limitation:

- (i) information as to products, formulations, combinations, ingredients, strains, and cannabinoid and terpene content;
- (ii) cultivation, production, processing, harvesting, trimming, curing, testing, quality assurance, record-keeping, extraction, distillation, and isolation practices and equipment;
- (iii) business opportunities, strategies, sales or marketing techniques, plans, or proposals; business, statistical and technical data, reports, records and files;
- (iv) information as to research and development activities, including information about clinical studies and other research and development activities being sponsored, planned, undertaken or contemplated;
- (v) trade secrets, know-how, technology, inventions, prototypes, and designs;
- (vi) information on agents, shareholders, clients, customers, consumers, suppliers, distributors, consultants and dealers;
- (vii) employee and contractor compensation information and records;
- (viii) pricing information, costs and budgets;
- (ix) intellectual property, license or sublicense arrangements;
- (x) contracts, including this Agreement, leases, and third party relationships;
- (xi) financial information and projections, legal information and communications, mail, notes, correspondence, discussions and memoranda;

- (xii) floor plans, layouts and architectural and engineering designs;
- (xiii) all correspondence with federal, provincial or local legal or regulatory authorities;
- (xiv) all information about plants and other biological material; and
- (xv) standard operating procedures, operations and service manuals, and any other operational matters and practices.

12.2 **Use of Confidential Information:** The Receiving Party agrees that it will not use, and will not permit or aid others in the use of, the Confidential Information for any purpose other than the purposes contemplated by this Agreement.

12.3 **Protection of Confidential Information:** Subject to the terms of this Article, the Receiving Party acknowledges and agrees that it will take reasonable steps at least substantially equivalent to the steps it takes to protect its own proprietary information, but in no event less than reasonable steps, to maintain the Disclosing Party's Confidential Information during the term of this Agreement and indefinitely thereafter unless and until the applicable Confidential Information ceases to be Confidential Information.

12.4 **Not Confidential Information:** Notwithstanding the foregoing, the following shall not constitute Confidential Information:

- (a) information that is or becomes generally available to the public other than as a result of any disclosure made by a person in violation of this Article;
- (b) information demonstrably already in the Receiving Party's possession without restriction on disclosure;
- (c) information that comes into Receiving Party's possession from a third Party without restriction on disclosure, other than in violation of any agreement of which the Receiving Party is aware; or
- (d) information that the Disclosing Party has given its written permission for the Receiving Party to disclose.

12.5 **Legal Disclosure to Third Parties:** Notwithstanding anything contained herein to the contrary, a Receiving Party may disclose Confidential Information pursuant to a statutory and/or governmental regulation or requirement, subpoena or other legal or administrative process, in which case, the Receiving Party shall:

- (a) use reasonable efforts to provide the Disclosing Party with prior written notice, to the extent permitted by applicable law; and
- (b) reasonably and legally cooperate with the Disclosing Party in its attempts to seek a protective order or to otherwise limit or restrict disclosure of its Confidential Information.

In the event the Disclosing Party is unable to obtain a protective order or to otherwise limit or restrict disclosure of its Confidential Information, the Receiving Party may disclose such

Confidential Information, but only to the extent legally required.

- 12.6 **Disclosure Within Organization:** Each Receiving Party agrees that, except for directors, officers, employees, contractors, and representatives of such Receiving Party that have a reasonable reason to be informed of the Disclosing Party's Confidential Information in the ordinary course of business and who are bound by obligations of confidentiality at least as restrictive as under this Agreement, such Receiving Party will not disclose any of the Disclosing Party's Confidential Information to any Person or entity not authorized in writing by the Disclosing Party to receive or use its Confidential Information, except as set out in Section 12.5.
- 12.7 **Public Announcements:** Neither Party shall, nor shall it permit any of its directors, officers, employees or representatives to, issue any press release or make any public statement identifying the other Party or containing any of the other Party's Confidential Information without the prior written consent of the other Party.

12.8 **Information**

(a) TETRA will ensure that XTRX is provided, on a timely basis, with all information and documentation concerning TETRA which XTRX may reasonably require or consider appropriate in carrying out this Agreement or which XTRX may reasonably request in the performance of this Agreement, including reasonable access to the officers, directors, employees, and representatives of TETRA.

(b) Subject to compliance by TETRA with applicable securities laws, TETRA will further ensure that XTRX is advised, on a timely basis, of any change that is known to TETRA in any material or significant element in any of the data or information previously furnished to XTRX by TETRA or any change in circumstances or new development concerning TETRA which might reasonably be considered material to this Agreement or the relationship of the Parties.

(c) TETRA acknowledges and agrees that XTRX shall be relying upon the accuracy and completeness of the information and documentation furnished to it by TETRA pursuant to this Agreement and shall be under no obligation to independently verify the accuracy or completeness of such information and documentation or to investigate whether any changes have occurred to the facts set out or referred to in such information or documentation subsequent to the date thereof (but may consider the impact of any such changes of which it is aware or that are brought to its attention).

ARTICLE 13 **TERM AND TERMINATION**

- 13.1 **Term:** This Agreement shall continue in effect (the "**Term**") for three (3) years or until the date it is terminated in accordance with this Article 13 (the "**Termination Date**").
- 13.2 **Mutual Agreement:** The Parties may at any time mutually agree to terminate this Agreement.
- 13.3 **Mutual Right of Termination:** Either Party may terminate this Agreement upon written notice to the other Party if:
- (a) **Breach:** if the other Party is in default in any material respect in the performance of any of its obligations under this Agreement or otherwise commits any material breach

of this Agreement or otherwise commits any material breach of this Agreement, and such default continues after thirty (30) days' written notice from the non-defaulting Party to the defaulting Party stating the particulars of such default. For the purposes herein, any failure to make any payment due hereunder shall be a material default; or

- (b) **Insolvency:** bankruptcy or insolvency proceedings are instituted by or against the other Party, which the other Party does not defend or which it is not successful in defending, or the other Party is adjudicated a bankrupt, becomes insolvent, makes an assignment for the benefit of creditors or proposes or makes any arrangement for the liquidation of its debts or a receiver or receiver and manager is appointed with respect to all or any part of the assets of the other Party.

13.4 **TETRA Right to Terminate:** TETRA, may terminate this Agreement on written notice to XTRX if:

- (i) the whole or substantially the whole of the assets of XTRX are sold or conveyed to an arm's length company;
- (ii) XTRX assigns or purports to assign this Agreement without the prior written consent of TETRA; and
- (iii) Subject to Section 2.4, XTRX does not adhere to Article 2.2 or 2.3 above.

13.5 **XTRX Right to Terminate:** XTRX may terminate this Agreement on written notice to TETRA if:

- (a) the whole or substantially the whole of the assets of TETRA are sold or conveyed to an arm's length company;
- (b) subject to Section 17.3, TETRA assigns or purports to assign this Agreement without the prior written consent of XTRX.

13.6 **XTRX Right to Purchase Equipment:** If the whole or substantially the whole of the assets of TETRA are sold or conveyed to an arm's length company, XTRX has the right to purchase the Equipment and assets of TETRA located at the Facility for fair market value.

ARTICLE 14

CONSEQUENCES OF TERMINATION

14.1 Upon the Termination Date, all rights and duties of the Parties toward each other shall cease except:

- (a) all manufacturing rights acquired by XTRX under this Agreement shall cease except for the completion of the manufacturing and sale of any Products already commenced;
- (b) any Products in the process of completion or finished at the same time of termination of this Agreement shall be disposed of in accordance with this Agreement;
- (c) the Parties will pay to each other all payments due pursuant to this Agreement, whether or not such amounts had been invoiced prior to the Termination Date;

- (d) TETRA shall remove the Equipment from the Facility at its own expense;
- (e) Article 12, along with any other provisions of this Agreement necessary to give effect thereto, shall survive termination of this Agreement and continue in full force and effect indefinitely, subject to its terms; and
- (f) each Party shall forthwith, and not later than 30 days thereafter, return free of any charge to the other Party or destroy all of such Party's Confidential Information. Further, each Party agrees that it will forthwith discontinue the use of and refrain from using, disclosing or exploiting the Confidential Information of the other Party.

ARTICLE 15

RELATIONSHIP OF THE PARTIES

- 15.1 **No Partnership:** The Parties are independent contractors. The Parties specifically disclaim the creation of any partnership, joint venture, fiduciary, agency or non-contractual relationship between, or the imposition of any partnership, joint venture, fiduciary, agency or non-contractual duties on, either Party.
- 15.2 **Sub-Contractors; Other Service Providers:** Without limiting any of the rights of each Party hereunder, each Party may sub-contract to any third Party any of its obligations under this Agreement only with the prior written approval of the other Party and in accordance with Applicable Law. Each Party shall remain responsible for all of its obligations under this Agreement to the same extent as if such Party had not subcontracted such obligations and provided further that the sub-contractor acknowledges the obligations of confidentiality of each Party in this Agreement.
- 15.3 **Non-Disparagement:** Unless authorized by the board of directors of the other Party, neither Party shall make or publish (including on any form of social media) any written or oral statements or remarks which are or could reasonably be interpreted as being critical, negative, disparaging, or damaging to the integrity, reputation, or goodwill of the other Party or any of its directors, officers, contractors or employees.

ARTICLE 16

FORCE MAJEURE

- 16.1 Except for obligations of payments to a Party, neither Party shall be held liable or responsible for failure or delay in fulfilling or performing any obligation of this Agreement in the event such failure or delay is due to acts of God, fire, flood, war, explosion, terrorism, civil commotion, acts or omissions of any Governmental Authority, change in law or regulation or policy of a governmental authority (including changes to the *Cannabis Act* and guidance issued by any governmental authority in relation to the *Cannabis Act*), or any other condition beyond the reasonable control of the affected Party, provided such Party has taken commercially reasonable steps to avert or mitigate such causes or conditions. Each Party agrees to give the other Party prompt written notice of the occurrence and the nature of any such condition, and the extent to which the affected Party will be unable to fully perform its obligation hereunder. Each Party further agrees to use all reasonable efforts to correct the condition as quickly as possible and to complete its obligations hereunder as promptly as reasonably practicable. This provision may not be relied on by either Party to avoid performance under this Agreement to the extent said performance is possible.

ARTICLE 17
GENERAL

- 17.1 **Legal Expenses:** The Parties shall each at their own expense in their own provinces, take such steps as may be required to obtain any legal advice or services necessary to ensure that they comply with any laws in their respective province that apply to the obligations under this Agreement.
- 17.2 **Effective Date:** This Agreement shall not become effective until the execution of this Agreement by both Parties.
- 17.3 **Assignment:** Except as provided in this Section 17.3, neither this Agreement nor any of the rights or duties of either Party hereunder shall be assigned, transferred or conveyed by either Party, by operation of law or otherwise, nor shall this Agreement or any rights of either Party inure to the benefit of any trustee in bankruptcy, receiver, creditor, trustee or successor of such Party's business or of its property, whether by operation of law or otherwise, or to a purchaser of all of the shares of such Party or to a purchaser of the entire business or substantially all of the assets of such Party, without the prior written consent of the other Party, which will not be unreasonably withheld.
- 17.4 **Extended Meanings:** Words importing the singular number include the plural and vice versa and words importing gender include all genders. The Parties hereto acknowledge and agree that the recitals set out at the beginning of this Agreement are true and correct.
- 17.5 **Interpretation not affected by Headings:** The division of this Agreement into articles, sections, causes and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 17.6 **Governing Law:** This Agreement shall be governed by laws of Canada and the law of the Province of Ontario. It shall be construed and applied accordingly.
- 17.7 **Entire Agreement:** This Agreement, together with the Security Agreement, constitutes the entire agreement of all the Parties hereto with respect to the subject matter hereof and, except as herein stated and in the instruments and documents to be executed and delivered pursuant hereto, contains all of the representations, undertaking and agreement of all Parties hereto respecting the subject matter hereof. There are no representations, undertakings, or agreements of any kind between all the Parties hereto respecting the subject-matter hereof except those contained herein.
- 17.8 **Severability:** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.
- 17.9 **Amendment of Agreement:** None of the terms, conditions or provisions of this Agreement shall be held to have been changed, waived, varied, modified or altered by any act or knowledge of either Party, their respective agents, servants or employees unless done so in writing signed by both Parties.
- 17.10 **Waiver of Breach:** No waiver on behalf of any Party of any breach of the provisions hereof shall be effective or binding upon such Party unless the same shall be expressed in writing.

Any waiver so expressed shall not limit or affect such Party's right with respect to any future breach of any of the provisions thereof.

- 17.11 **Successors and Assigns:** This Agreement shall be binding upon and enure to the benefit of the successors and permitted assigns of both Parties and all persons or corporations succeeding to or acquiring the business now carried on by TETRA or XTRX.
- 17.12 **Time:** Time shall be of the essence of this Agreement.
- 17.13 **Honest Performance:** Each Party hereby agrees to perform their obligations herein in good faith. A Party shall not mislead or misrepresent to any other person any matter in connection with this Agreement including the terms herein or any aspect of performance hereunder.
- 17.14 **Execution:** This Agreement may be signed in paper form or by electronic signature. It may also be signed in on or more counterparts and, once signed can be delivered personally, or by email of the signing page in Adobe Portable Document Format (PDF). Each counterpart shall be considered binding on the signatory thereto and when put together shall be constitute a single instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first above written.

XTRX SOLUTIONS INC.,

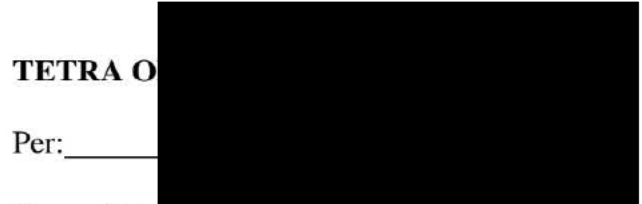


Name: Igal Sudman

Title: CEO

I have authority to bind the Corporation

TETRA O



Per: _____

Name: Peter Awad

Title: President

I have authority to bind the Corporation

[Counterpart Signature Page to Agreement]

APPENDIX "A"
EQUIPMENT SPECIFICATIONS