



CONSULTING SERVICE AGREEMENT

PREPARED FOR:

**BEVCANNA ENTERPRISES INC.
c/o Martino Ciambrelli**

2019-03-13

This service agreement (this “**Agreement**”), is entered into and made effective as of March 13th, 2019 (the “**Effective Date**”), by and between:

BEVCANNA ENTERPRISES INC., a British Columbia, Canada company with an office located at
1672 west 2nd, Vancouver , BC _____ (the “**Client**”), and

CANNDELTA INC., an Ontario, Canada company with an office located at 99 Yorkville Ave, Suite 200,
Toronto, Ontario, M5R 3K5, Canada (the “**Consultant**” or “CannDelta”).

WHEREAS:

1. The Client has indicated a need for the Services (as such term is defined below)
2. The Consultant has expressed an interest in performing services for the Client in accordance with the terms of this Agreement.
3. The Client and Consultant (the “**Parties**”) wish to set forth the terms and conditions upon which certain services will be provided by the Consultant to the Client;

NOW THEREFORE, in consideration of the mutual promises herein contained and the sum of two dollars (\$2.00) paid by each party to the other, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Services: The Consultant will provide the following services (“**Services**”) to the Client whereby the sum of these Services define the project (the “**Project**”):

- (a) Provide the following general services in relation to the deliverable(s) set out in Section 1(b) below.
 - i. Provide expert review and gap analysis of the Client’s existing Standard Cultivation, Standard Processing, Sales for Medical Purposes, Research, and Industrial Hemp licensing applications, including all supporting materials, which were originally prepared and submitted by the Client to Health Canada under the Cannabis Act and Cannabis Regulations by the Client.
 - ii. Identify necessary content needed in the Client’s applications to meet the regulatory compliance requirements for the intended licensing activities under the Cannabis Act and Cannabis Regulations.
 - iii. Manage the submission of the submitted licencing applications up until licence issuance, including preparing responses to Health Canada to address any comments regarding the application package submission.
 - iv. Offer assistance preparing the Site Evidence Package to demonstrate the client’s confirmation of readiness.
 - v. On request of client, conduct a site inspection (1) upon initiation of the project outlined in this Agreement and/or (2) prior to the submission the Site Evidence Package to Health Canada for licence issuance to assess readiness.
 - vi. Provide continuous regulatory support for the duration of the application process.
 - vii. Participate in conference calls with the Client.

(b) **Description of Deliverable(s):**

- i. Detailed recommendations and responses to Health Canada’s Requests for More Information (RMI) in a timely manner.
- ii. Strategic planning to optimize the Client’s success in Health Canada’s licensing application screening/review process and subsequent licensing approval under the Cannabis Act and Cannabis Regulations.
- iii. Support the Client’s submitted licence applications through any revisions required by Health Canada until such a time that Health Canada issues the Client the desired and intended licence.
- iv. Assist preparing Site Evidence Package for their intended licences to demonstrate confirmation of readiness.

2. Project Schedule:

Start Date: Agreement Effective Date
 Completion Date: TBD

3. Fees

(a) All fees payable hereunder (the “**Fees**”) shall be in Canadian dollars.

(b) The Consultant shall charge the Client the following fee for service (“**Service Fee**”):

CANDELTA SERVICES	FEES	QUANTITY	TOTAL FEES
<i>Management of multiple Licence Applications under the Cannabis Act and Cannabis Regulations – Standard Cultivation, Standard Processing, Sales for Medical Purposes, Research, Industrial Hemp</i>			
Application Management and Support	\$20,000	1	\$20,000
-Review of licence application			included
-Review of supporting materials			included
-Gap analysis and current compliance evaluation			included
-Responses to Requests for More Information			included
-An on-site Inspection/audit	\$2,200	0	\$0
-Assistance Preparing Site Evidence Package			included
-Compliance recommendations for facility design and process flow			included
Continuous regulatory support until licence issuance			included
TOTAL PROJECT FEE (CAD)			\$20,000

(c) **Taxes:** The Client shall pay the Consultant an additional 13% for the Harmonized Sales Tax (“**HST**”) plus any additional applicable taxes relating to the Services provided hereunder.

(d) The Client shall pay the Consultant an administration fee of \$200.

(e) **Payment Terms/Schedule:** The Client shall pay the Consultant 50% of the project fee outlined in section 3(b) plus applicable taxes in section 3(c) and the administration fee in section 3(d) upon signing of the Agreement. The remaining balance plus applicable taxes in section 3(c) will be due

one month following the date of this Agreement. All invoices issued in accordance with this Agreement are due immediately upon invoice receipt by the Client.

(f) Additional Hours:

- i. If the project warrants changes in scope that exceeds the Services and Deliverables outlined in section (1)(a) and section (1)(b) respectively, the Consultant shall charge the Client the base hourly rate fee ("**Base Hourly Rate**") of \$550 per hour plus applicable taxes. The parties shall agree upon the additional hours ("**Additional Hours**") required and the Client shall pay the additional fees that are equal to the agreed Additional Hours multiplied by the Base Hourly Rate.
- ii. Invoices for the Additional Hours outlined in Section 3(f)(i) shall be issued by the Consultant on a monthly basis and are due within fifteen (15) calendar days as of the receipt by the Client.

(g) Consultant Expenses and Travel Per Diem:

- i. Subject to Section 3(g)(ii) below, the Client shall pay any and all Consultant out of pocket costs and expenses including, but not be limited to, taxis, rental cars, hotels, round-trip travel to/from meetings (not including in-office meetings), video conference expenses and third-party out of pocket expenses. Subject to proper submission of invoice including details with respect to the date and time of such expense.
- ii. Notwithstanding Section 3(g)(i) above, the Consultant shall secure the approval for any aggregate expenses that exceed \$300.00 in a given month. If the Consultant does not secure the Client's pre-approval or post approval for the expenses over \$300 per month, then the Client shall not be obligated to pay the applicable expense invoice.
- iii. The Client shall pay and the Consultant has the right to charge a per diem of \$80 per day if the Consultant spends one or more hours per day traveling to perform the Services.
- iv. Invoices for the expenses and costs outlined in this Section 3(g) shall be issued by the Consultant on a monthly basis.

(h) Interest: The Client shall pay 6% compound interest on any and all Consultant invoices that are not paid within thirty (30) calendar days of the date the Client received the applicable invoice.

(i) Payment Method: Payments are to be made by electronic wire-transfer (SWIFT code), or certified cheque or money order by registered mailed to CannDelta Inc., 99 Yorkville Ave, Suite 200, Toronto, Ontario, M5R 3K5, Canada.

4. General Terms and Conditions: The Parties acknowledge that the Schedule A which sets out the Agreements general terms and conditions, is attached hereto, is incorporated into this Agreement and forms an integral part of this Agreement.

IN WITNESS WHEREOF, by their respective signatures below, the Parties have caused the Agreement, inclusive of Schedule A, to be duly executed and effective as of the Effective Date.

Client
Per:

CANNDELTA INC.

U #
Authorized Signing Officer Signature

..... O "
Authorized Signing Officer Signature

Name: Martino Ciambrelli
Title: PRESIDENT
Company: BevCanna Enterprises Inc.

Name: Sherry Boodram
Title: CEO

SCHEDULE A

GENERAL TERMS AND CONDITIONS

CANDELTA INC., AND CLIENT AGREEMENT

I. INTELLECTUAL PROPERTY RIGHTS

1. *Retained Rights.* Subject to any licenses granted herein, each party will retain all right, title, and interest in and to its own Pre-Existing Intellectual Property irrespective of any disclosure made by a party of such Pre-Existing Intellectual Property to the other party. For the purpose of this agreement the term “**Pre-Existing Intellectual Property**” means any right to any discovery, invention, patent, copyright, other proprietary right, or opinion that a party owns or controls or has a right to use prior to the Effective Date of this Agreement.
2. *Pre-Existing Intellectual Property.* Consultant will not use any Consultant or third party’s Pre-Existing Intellectual Property in connection with this Agreement unless Consultant owns the property and/or has a license to use the property for the purposes outlined in this Agreement. If Consultant is not the owner of such Pre-Existing Intellectual Property, Consultant warrants and covenants to secure any and all requisite licensing rights necessary to enable the Consultant to use the applicable Pre-Existing Intellectual Property when performing the Services in accordance with the terms of this Agreement. In this regard, the Client is hereby granted a license to use any and all Pre-Existing Intellectual Property that is incorporated by the Consultant in the Services.
3. *Ownership of Deliverables.* All property rights (other than Pre-Existing Intellectual Property which the Client has been granted a license to use and are incorporated into the Services) related to the Services provided hereunder (the “**Deliverables IP**”), whether complete or in progress, are hereby assigned and shall be owned by the Client. In this regard, the Consultant hereby assigns and agrees that Client will own all patents, inventor’s certificates, utility models or other rights, copyrights or trade secrets covering the Deliverables IP and will have full rights to use the Deliverables IP as well as the Pre-Existing Intellectual Property that is incorporated into the Services without claim on the part of Consultant for additional compensation and without challenge, opposition or interference by Consultant. Consultant will, and will cause each of its employees, agents or staff who provide services to the Consultant in relation fulfilling the Consultant’s Services, to waive their respective moral rights where applicable therein. Consultant will sign any reasonable documents required to give effect to this Section I(3) of Schedule A.
4. *No Rights to Client Pre-Existing Intellectual Property or Deliverables IP.* Except for the limited license to use the Client’s Pre-Existing Intellectual Property or Deliverables IP as may be necessary solely in order for Consultant to perform Services under this Agreement, Consultant is granted no additional right, title, or interest by Client in any such Client Pre-Existing Intellectual Property or Deliverables IP.

II. CONFIDENTIALITY

1. *Confidential Information.* Subject to Section II(2) of Schedule A below, "Confidential Information" shall mean all information or material proprietary to Client or designated as confidential by Client, as well as information about which Consultant obtains knowledge or access, through or as a result of this Agreement (including information conceived, originated, discovered or developed in whole or in part by Consultant).
2. Notwithstanding Section II(1) of Schedule A above, Confidential Information shall not include:
 - (a) information that is or becomes publicly known without restriction and without breach of this Agreement or that is generally employed by the trade at or after the time the Consultant first learns of such information;
 - (b) information the Consultant lawfully receives from a third party without restriction on disclosure and without breach of a nondisclosure obligation;
 - (c) information the Consultant rightfully knew prior to receiving such information from the Client to the extent such knowledge was not subject to restrictions on further disclosure, and as evidenced by Consultant's written records; or
 - (d) information the Consultant develops independent of any information originating from the Client, as evidenced by Consultant's written records.
3. *Non-Disclosure.* The Parties hereby agree that during the term hereof and for five years thereafter, and except as specifically permitted herein or in a separate writing signed by the Client, the Consultant shall not use, commercialize or disclose Confidential Information to any person or entity. Upon termination, or at any time upon the request of the Client, the Consultant shall return to the Client or destroy, at the Client's option all of the Client's Confidential Information, including all notes, data, reference materials, sketches, drawings, memorandums, documentations and records which in any way incorporate Confidential Information.
4. *Right to Disclose.* With respect to any information, knowledge, or data disclosed to Client by the Consultant, the Consultant warrants that the Consultant has full and unrestricted right to disclose the same without incurring legal liability to others. Any restrictions on Client's use of any information, knowledge, or data disclosed by Consultant under this Agreement shall be made known to Client as soon as practicable and in any event agreed upon before the start of any work or performance of the Services.

III. INDEMNIFICATION

1. The Parties shall indemnify and hold each other harmless from any loss or liability arising from the breach of the terms of Sections I and II of this Schedule A.

IV. TERMINATION

Rights to Terminate.

1. Client may terminate this Agreement and/or an individual project for its convenience, at any time, upon providing thirty (30) days prior written notice to Consultant and paying the Consultant any and

all outstanding invoices and Fees that were issued or incurred prior to the end the termination date. The Client shall not be entitled to reimbursement or repayment of any retainers previously paid to Consultant prior to the termination date.

2. Consultant may terminate this Agreement and/or an individual project for its convenience, without liability at any time, upon providing thirty (30) days prior written notice and reimbursing the Client for any unused portion of the Initial Retainer that has been paid.
3. Either party may terminate this Agreement immediately for cause if the other party fails to materially perform any of its obligations under this Agreement or if a party breaches any of the material obligation provided herein and fails to correct such failure or breach within ten (10) calendar days (unless extended by the innocent party) following notice by innocent party.
4. Upon termination of this Agreement and the full and complete payment of all outstanding invoices and Fees by the Client, Consultant will immediately provide Client with any and all work in progress or work completed prior to the termination date. Notwithstanding any other provision contained in this Agreement, the Client shall be prohibited from using the Deliverable IP unless any and all proper fees and amounts that are due and payable under this Agreement have been duly paid to the Consultant.
5. Any provision or clause in this Agreement that, by its language or context, implies its survival (including without limitations those contained in Section I and II of this Schedule A) shall survive any termination or expiration of this Agreement.

V. COVENANTS

Consultant covenants to Client that:

1. The Consultant covenants to the Client that:
 - (a) Carrying out the obligations under this contract shall not infringe upon any third party's patents, trademarks, trade secrets, copyrights or other proprietary rights,
 - (b) It has all necessary permits and is authorized to do business in all jurisdictions where Services are to be performed,
 - (c) It will comply with all applicable federal and other jurisdictional laws in performing the Services,
2. The Parties covenant to each other that:
 - (a) They have all rights to enter into this Agreement; and
 - (b) There are no impediments to the respective party's execution of this Agreement or performance hereunder.

VI. LIMITATION OF LIABILITY

1. Except as set forth in this section below, in no event will either Party be liable for any special, indirect, incidental, or consequential damages nor for loss of data, profits or revenue, cost of capital or downtime costs, nor for any exemplary or punitive damages, arising from any claim or action,

incidental or collateral to, or directly or indirectly related to or in any way connected with, the subject matter of the agreement, whether such damages are based on Agreement, tort, statute, implied duties or obligations, or other legal theory, even if advised of the possibility of such damages.

2. Notwithstanding the foregoing, any purported limitation or waiver of liability shall not apply to either party's obligation under Sections I and II of this Schedule A or either party's liability to the other for personal injury, death or physical damage to property claims.
3. Subject to Section VI (2), the Consultant's total liability under this Agreement shall be limited to the total fees paid by the Client to the Consultant under this Agreement.
4. Consultant shall be responsible for maintaining professional liability insurance to insure its obligations hereunder.

VII. MISCELLANEOUS

1. *Assignment.* The Parties shall not assign any rights of this Agreement and no assignment shall be binding without the prior written consent of the other Party. Subject to the foregoing, this Agreement will be binding upon the Parties' heirs, executors, successors and assigns.
2. *Governing Law.* This Agreement will be construed and enforced in accordance with the laws of the Province of Ontario, Canada, excluding its choice of law rules and either Party shall have the right to seek injunctive relief where applicable.
3. *Severability.* The Parties recognize the uncertainty of the law with respect to certain provisions of this Agreement and expressly stipulate that this Agreement will be construed in a manner that renders its provisions valid and enforceable to the maximum extent possible under applicable law. To the extent that any provisions of this Agreement are determined by a court of competent jurisdiction to be invalid or unenforceable, such provisions will be deleted from this Agreement or modified so as to make them enforceable and the validity and enforceability of the remainder of such provisions and of this Agreement will be unaffected.
4. *Independent Consultant.* Nothing contained in this Agreement shall create an employer and employee relationship, a master and servant relationship, or a principal and agent relationship between Consultant and Client. Client and Consultant agree that Consultant is, and at all times during this Agreement shall remain, an independent Consultant.
5. *Force Majeure.* Neither Party shall be liable for any failure to perform under this Agreement when such failure is due to causes beyond that Party's reasonable control, including, but not limited to, acts of state or governmental authorities, acts of terrorism, natural catastrophe, fire, storm, flood, earthquakes, accident, and prolonged shortage of energy. In the event of such delay the date of delivery or time for completion will be extended by a period of time reasonably necessary by both Consultant and Client. If the delay remains in effect for a period in excess of thirty days, Client may terminate this Agreement immediately upon written notice to Consultant.
6. *Entire Agreement.* This document and all attached or incorporated documents contains the entire agreement between the Parties and supersedes any previous understanding, commitments or

agreements, oral or written. Further, this Agreement may not be modified, changed, or otherwise altered in any respect except by a written agreement signed by both Parties.
