

COOPERATION AGREEMENT

This Cooperation Agreement (the "**Agreement**") is entered into as of April __, 2019 (the "**Effective Date**") by and between SOLSKEN LIMITED, a private limited company incorporated in Gibraltar (or its successors and assigns) ("**SOLSKEN**") and Innocan Pharma Ltd., a company organized under the laws of Israel with ("**INNOCAN**", and together with SOLSKEN each, a "**Party**" and collectively, the "**Parties**").

Whereas, the Parties executed a non-legally binding heads of terms dated March 18, 2019 regarding SOLSKEN's investment in INNOCAN and the Parties' cooperation in certain activities relating to the business of the respective Parties (the "**Cooperation**"), and **Whereas**, pursuant to such heads of terms, the Parties have entered into a Share Purchase Agreement and certain other agreements related thereto .

NOW THEREFORE, in consideration of the Parties' mutual covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties hereto have hereby mutually agreed as follows:

1. Definitions

- 1.1. "**Affiliates**" means, with regard to an entity, any company, corporation, firm, partnership or other entity which directly or indirectly controls, is controlled by, or is under common control with any Party, where control means the power, direct or indirect, to direct or cause the direction of the management and policies of such entity, whether by contract, through the by-laws of the aforementioned entities or otherwise.
- 1.2. "**Cannabis Products**" means any cannabis flower, trim, parts of plants or extracts, oils and isolated active ingredients therefrom.
- 1.3. "**Cosmetic Products**" means any product, substance or mixture intended to be placed in contact with the various external parts of the human body (including but not exclusively: epidermis, hair system, nails and lips) with a view to cleansing, perfuming, changing appearance, correcting body odors, protection and/or keeping them in good condition, across all delivery systems infused and/or otherwise combined with cannabinoids (CBD or other) or other components of the cannabis plant as an additional active ingredient.
- 1.4. "**Intellectual Property Rights**" or "**IP Rights**" means any and all patents and patent applications (collectively "**Patents**"), formulas, utility models, registered designs, unregistered design rights, know-how, methods, techniques, formulas, compounds, trade secrets, copyrights data, documentation, hardware, software and other intellectual property of any kind (whether or not registered or registrable under patent, trademark, copyright or similar law) copyright, database rights, trademarks, rights in respect of confidential information, rights under data exclusivity laws, rights under orphan drug laws or under pediatric laws, extension of the terms of any such rights (including supplementary protection certificates), applications for and the right to apply any of the foregoing registered property and rights, and similar or analogous rights in any part of the world.
- 1.5. "**INNOCAN Intellectual Property**" means the Intellectual Property Rights relating to OTC Products and Cosmetic Products held, exclusively licensed or registered by or on behalf of INNOCAN and/or any of its Related Parties.
- 1.6. "**Market Price**" means: (i) the average price of at least three (3) Cannabis Products of the

same quality, and used for similar purposes and in the same manner, between a willing bona fide buyer would pay and a willing seller would accept, both being fully informed, within a reasonable period of time to effect the sale and upon such Market Standard Terms.

- 1.7. "**Market Standard Terms**" means the customary sale terms of Cannabis Products between a willing bona fide buyer and a willing seller, both being fully informed, within a reasonable period of time to effect the sale.
- 1.8. "**Gross Sales**" means the amount actually received by SOLSKEN and/or its Related Parties for the sale of a SOLSKEN Branded Product (below defined).
- 1.9. "**OTC Products**" means pharmaceutical products manufactured based on formulas approved for sale over the counter for specific ailments across all delivery systems, by the FDA or such other similar regulatory authority, as applicable, infused and/or otherwise combined with cannabinoids (CBD or other) or other components of the cannabis plant as an additional active ingredient.
- 1.10. "**Products**" means all OTC Products and Cosmetic Products developed by and/or on behalf of INNOCAN or any of its Related Parties, encompassing and/or incorporating the INNOCAN Intellectual Property.
- 1.11. "**Production Facility(ies)**" means any facility for cultivating, growing, processing, extraction, or any handling of Cannabis plants, parts of plants, extracts, oils, isolated active ingredients and any other part of the Cannabis plant in any form.
- 1.12. "**Related Party(ies)**" means in relation to each Party, its Affiliates, parent and holding companies and direct and indirect subsidiaries, as they may be from time to time.

2. License

2.1. Existing Products:

- 2.1.1. INNOCAN hereby grants to SOLSKEN a worldwide, non-exclusive, non-transferable, irrevocable (except as explicitly provided herein) license in the Products as necessary to manufacture (either directly or on an outsourced basis), use, sell, market and distribute the Products (the "**License**") under SOLSKEN's brand, using SOLSKEN's trademarks, packaging and marketing material (with respect to the OTC Products, the "**SOLSKEN Branded OTC Products**," with respect to the Cosmetic Products, the "**SOLSKEN Branded Cosmetic Products**", "Additional Products" and collectively the "**SOLSKEN Branded Products**"). With regard to any INNOCAN Intellectual Property owned by any Related Party, INNOCAN shall procure such Related Party's signature of a license agreement, substantially in the same form as this Agreement, for the benefit of SOLSKEN.
- 2.1.2. INNOCAN shall make available to SOLSKEN, all know-how, formulae, information and documents required and/or relating to the manufacture, packaging and labelling of the Products and such technical assistance as may reasonably be required by SOLSKEN in connection therewith.
- 2.1.3. SOLSKEN may subcontract any or all of the rights under the License to any other person or entity (including an Affiliate of SOLSKEN) for the manufacture,

marketing, sale and/or distribution of any or all SOLSKEN Branded Products. SOLSKEN shall be liable towards INNOCAN for payment of Royalties for sale of SOLSKEN Branded Products by any such sublicensee.

2.2. Developed Products

- 2.2.1. SOLSKEN may, from time to time and acting reasonably, request that INNOCAN develop specific OTC Products and Cosmetic Products not then under development by INNOCAN (the "**Additional Products**"), subject to the availability of development resources (INNOCAN to act in good faith when making said determination), pursuant to a statement of work to be entered into between the Parties (each, an "**SOW**"). The SOW shall set forth the pricing for such development, which shall be based on the reasonable development cost, and shall be agreed by the Parties acting in good faith, in the SOW, and the Royalty attributable to the product per Clause 4.1 upon the terms contained in Clause 4.
- 2.2.2. INNOCAN hereby grants to SOLSKEN a license to the Additional Products on the same terms and conditions as the License.
- 2.2.3. INNOCAN shall make available to SOLSKEN, all know-how, formulae, information and documents required and/or relating to the manufacture, packaging and labelling of the Additional Products and such technical assistance as may reasonably be required by SOLSKEN in connection therewith.
- 2.2.4. Notwithstanding anything to the contrary, INNOCAN may manufacture, use, sell, market and distribute any Additional Products under INNOCAN's brand and INNOCAN may also license the manufacture, marketing, sale and/or distribution of any such Additional Product.
- 2.2.5. All Additional Products Intellectual Property Rights attributable shall be owned solely and exclusively by INNOCAN, and except as explicitly set forth herein, SOLSKEN shall have not rights in such Additional Products Intellectual Property Rights.

2.3. Market Specific Strategic Cooperation

- 2.3.1. Process re New Markets. With respect to any jurisdictions where neither INNOCAN, with respect to any INNOCAN branded OTC Products, nor SOLSKEN with respect to the SOLSKEN Branded Products have any sales presence ("**New Markets**"), the parties agree to have a strategic discussion prior to SOLSKEN accessing said jurisdiction to ensure a coordinated approach to specific jurisdictions between INNOCAN and SOLSKEN.
- 2.3.2. Process re Existing Markets. With respect to any jurisdiction where SOLSKEN is present (i) relating to INNOCAN OTC Products, the Parties agree to have discussions, in good faith, with respect to the access to said jurisdiction, and (ii) relating to INNOCAN Cosmetic Products, the Parties agree to have discussions, in good faith, with respect to possibility of the Parties collaborating and/or coexisting in said jurisdiction.

- 2.3.3. Notwithstanding anything to the contrary contained in Clauses 2.3.1 and 2.3.2, the Parties agree that SOLSKEN shall, with respect to the SOLSKEN Branded Products, have priority over INNOCAN's branded products with respect to the Gibraltar market and United Kingdom market.
- 2.3.4. In the event that a global pharmaceutical company (a "PharmaCo") is seeking to enter into a material, worldwide exclusive licensing agreement with INNOCAN for a specific OTC Product, INNOCAN shall use best efforts, on a good faith basis, to seek to preserve SOLSKEN's rights pursuant to this Agreement however, if it is not possible to agree such terms with the said PharmaCo this Agreement shall, upon 30 days' notice to SOLSKEN, terminate with respect to said OTC Product provided that SOLSKEN shall be given a reasonable amount of time to sell any existing stock of the relevant SOLSKEN Branded Product. For the avoidance of any doubt, the remainder of this Agreement and its application to all other Products shall continue and not otherwise be impacted by this provision.

3. Regulatory Approvals

- 3.1. SOLSKEN shall be responsible for, and undertakes to use commercially reasonable efforts to obtain and maintain, at its own expense, throughout the term of this Agreement, all regulatory approvals pertaining to the formulae of Products necessary for their distribution over the counter or as cosmetics products, as applicable, in such jurisdictions as agreed pursuant to Clause 2.3 .
- 3.2. SOLSKEN will have the sole and absolute responsibility for registration and receiving all required approvals in order to market the SOLSKEN Branded Products to the extent necessary following approval of the formulae, and shall procure that all Products distributed by SOLSKEN. INNOCAN shall, and shall procure that its Related Parties shall, provide reasonable assistance to SOLSKEN in conjunction therewith at SOLSKEN's sole cost.

4. Royalties

- 4.1. SOLSKEN shall pay to INNOCAN a royalty ("Royalty") based on sales of SOLSKEN Branded Products, as follows:
- 4.1.1. for the License of the OTC Products, an annual royalty to be agreed between the Parties in good faith from time to time (but not to be varied more often than once every 24 months) at a rate equal to the lower of: (i) 8% of Gross Sales of the SOLSKEN Branded OTC Products up to US\$1,000,000, and 6.5% of Gross Sales of the SOLSKEN Branded OTC Products exceeding US\$1,000,000, calculated annually at the end of each calendar year, or (ii) Market Standard Terms for the licensing of over the counter products of a similar nature and composition to the OTC Products;
- 4.1.2. for the License of the Cosmetic Products, an annual royalty to be agreed between the Parties in good faith from time to time (but not to be varied more often than once

every 24 months) at a rate equal to the lower of: (i) 5% Gross Sales of the SOLSKEN Branded Cosmetic Products up to US\$1,000,000, and 4% of Gross Sales of the SOLSKEN Branded Cosmetic Products exceeding US\$1,000,000, calculated annually at the end of each calendar year, or (ii) Market Standard Terms for the licensing of over the counter products of a similar nature and composition to the Cosmetic Products

- 4.2. Within 30 days following the end of each calendar quarter (a "**Quarterly Period**"), SOLSKEN shall submit or cause to be submitted to INNOCAN a statement in writing recording the calculation of the Royalties payable and including: (i) the number of SOLSKEN Branded Products, that were sold during the Quarterly Period, (ii) the aggregate amount of Gross Sales of the relevant SOLSKEN Branded Products sold during the Quarterly Period, (iii) the amount of Royalties due and payable, and (iv) the amount of withholding or other taxes required to be deducted pursuant to any applicable laws and regulations from the Royalty amount payable (the "**Report**"). INNOCAN shall approve the report and issue an invoice thereon within 30 days of receipt. SOLSKEN shall pay duly issued invoices within 7 days of receipt of such invoice.
- 4.3. If INNOCAN disputes the contents of the Report, INNOCAN shall notify SOLSKEN about the details of the dispute and SOLSKEN shall pay the Royalty pursuant to the amounts contained within the Report and SOLSKEN and the INNOCAN shall seek to resolve the dispute in accordance with Clause 13 however:
 - 4.3.1. INNOCAN shall have the right, on its own expense, to audit such report by assigning a CPA, reasonably acceptable to SOLSKEN for such an audit.
 - 4.3.2. SOLSKEN will reasonably cooperate and furnish relevant documentation to the CPA assigned by INNOCAN, including but not limited to SOLSKEN's books and records and INNOCAN's CPA relevant paperwork.
 - 4.3.3. Such CPA shall sign an NDA, in such form as may reasonably be required by SOLSKEN, prior to initiating any such audit / receiving any such information.
- 4.4. Notwithstanding anything to the contrary, if INNOCAN enters into an agreement with a third party for the license of any Products upon terms more favourable than those contained in Clauses 4.1 and 4.2 of this Agreement, provided that the quantities and other key terms resemble the said third party agreement, the terms of said clauses shall be automatically varied with effect from the date of the relevant agreement with the third party to incorporate the more favourable terms.

5. Intentionally deleted

6. Research Cooperation

- 6.1. The Parties may collaborate and enter into a research partnership, [REDACTED] upon such terms as shall be mutually agreed between the Parties in good faith.

Party
REDACTED

7. Proprietary and Intellectual Property Rights



eration Agreement

Initials REDACTED

Initials REDACTED



- 7.1. Any new Intellectual Property Rights developed, created, generated, devised or otherwise acquired by INNOCAN in connection with the Products under this Agreement or otherwise shall be the sole property of INNOCAN, and deemed upon creation INNOCAN Intellectual Property covered by the SOLSKEN License.
- 7.2. INNOCAN shall have the sole discretion to decide whether to file a patent on a formula and will use its best efforts to protect, according to its own discretion, INNOCAN Intellectual Property, including taking legal action against third party/ies in case of a violation of INNOCAN Intellectual Property. INNOCAN will be also entitled to, but not obligated to, take legal actions against those who will violate right used by SOLSKEN, at SOLSKEN request. Notwithstanding the foregoing, if any third-party infringement of any of the Intellectual Property materially interferes with SOLSKEN's business in the Products, subject to receiving advice from an experienced patent counsel that infringement proceedings stand a reasonable chance of success, SOLSKEN may, in the event INNOCAN does not do so itself and after receiving INNOCAN Prior written approval, commence proceedings against said third party and may require INNOCAN to lend its name to such proceedings and provide reasonable assistance, subject to SOLSKEN giving INNOCAN full and immediate indemnity in respect of all costs, damages (including any damage suffered as a result of any challenge to the validity of the relevant Patent) and expenses that it may incur, including an award of costs against it, directly resulting from INNOCAN's involvement in such proceedings.
- 7.3. INNOCAN shall, at its sole discretion, with no prior obligation, consider SOLSKEN's request, and decide whether to file patents or such other registered Intellectual Property Rights protection on any of the Products formulae and will use its best efforts to protect, INNOCAN Intellectual Property, including taking legal action against third party/ies in case of a violation of INNOCAN's Intellectual Property

8. Covenants, Representations and Warranties

- 8.1. INNOCAN and SOLSKEN each represents and warrants to the other that:
 - 8.1.1. Organization. It is and shall remain duly organized and validly existing under the laws of its jurisdiction of organization, has full corporate power and authority to carry on its business as now being conducted and as currently proposed to be conducted. It is duly qualified and is authorized to do business and is in good standing and, if applicable, as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary.
 - 8.1.2. Power and Authority. It has all requisite power and authority to enter into and perform its obligations under this Agreement, and any agreement or document ancillary thereto. The execution, delivery and performance of this Agreement shall have been duly authorized by all necessary action on the part of each Party. This Agreement constitutes valid and binding obligations on each Party, enforceable against it in accordance with its terms. All corporate actions on the part of each Party which are necessary for the authorization of this Agreements, and the performance of all obligations of each respective Party hereunder, has been taken. This Agreement, when executed and delivered, will be valid and binding obligations on

each Party enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally; and (ii) general principles of equity as limited by laws that restrict the availability of equitable remedies.

- 8.1.3. No Breach. Neither the execution and delivery of this Agreement nor compliance by either Party with the terms and provisions hereof, will conflict with, or result in a: (i) breach or violation of any governing instruments of the respective Party or, of any judgment, order, injunction, decree, or ruling of any court or governmental authority applying to said Party, (ii) a breach or violation of, any agreement, contract, lease, license or commitment to which each respective Party is a party, or to which it is subject, or applicable law, or (iii) the suspension, revocation, impairment, forfeiture or non-renewable of any permit license, authorization or approval applicable to each Party, its business or operations or any of its assets or properties. Neither the execution nor delivery of this Agreement will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which such Party is obligated.
- 8.1.4. This Agreement, together with the Share Purchase Agreement and all other agreements entered into between the Parties of even date are all the agreements entered into between the Parties, superseding all other agreement signed prior to these Agreements, including the HOT signed March 18 2019 by the Parties.
- 8.1.5. Both the Parties possesses the skill, expertise, experience, equipment and qualified personnel required to provide and stand by all of their respective obligations according to this Agreement;
- 8.1.6. **DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.**
- 8.2. INNOCAN covenants, represents and warrants to SOLSKEN that:
- 8.2.1. (i) INNOCAN exclusively owns, and has full title to, free and clear of all liens, claims and restrictions (except for restrictions according to the terms under which it has been given the right to use it) the INNOCAN Intellectual Property; (ii) to INNOCAN's best knowledge, the INNOCAN Intellectual Property does not infringe upon or violate any right of others, and there are no pending or threatened claims or demands by any other person pertaining to any of such INNOCAN Intellectual Property, and no proceedings have been instituted or threatened which challenge the rights of INNOCAN with respect to such INNOCAN Intellectual Property and INNOCAN does not believe there is a basis for such claim.
- 8.2.2. INNOCAN has not been sued in any legal proceeding nor received any communications alleging that INNOCAN has violated or by conducting its business,

would violate, any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.

8.2.3. INNOCAN has taken and will continue at its own sole discretion to take all commercially reasonable measures required to establish and preserve its ownership of all INNOCAN Intellectual Property, including the maintenance and renewal of all registered Intellectual Property Rights therein.

8.3. SOLSKEN covenants that all manufacturing and supplying of the SOLSKEN Branded Products whether done by SOLSKEN or by any third party relating to it, affiliated to it, acting on its instruction, will be undertaken to GMP standards or according to all rules and regulations of any jurisdiction that the order is for.

9. **Liability, Indemnity and Insurance**

9.1. Liability

Except to the extent arising out of SOLSKEN obligation to make Royalties payment to INNOCAN or resulting from a breach of any warranties or representations under this Agreement and except for indemnification obligations in accordance with clause 9.2 below, or a Party's fraud, gross negligence or willful misconduct, each Party's liability towards the other hereunder shall not exceed the greater of (i) the total amount of Royalties due to INNOCAN hereunder in the 12 months preceding the event that gave rise to such liability, and (ii) the amount covered pursuant to a Party's applicable insurance.

9.2. Indemnification

9.2.1. SOLSKEN shall defend, indemnify and hold harmless INNOCAN, its officers, directors, employees and agents (collectively the "**INNOCAN Indemnitees**"), from and against any loss, damage, liability and reasonably and actually incurred out of pocket expenses (including legal fees) (collectively, "**Loss**") to the extent that such Loss arises out of third party claims or suits arising out of or resulting from the manufacturing, packaging or distributing the SOLSKEN Branded Products, except to the extent that such Loss arises from the: (a) breach of this Agreement by INNOCAN; (b) breach of any warranties or representations under this Agreement by INNOCAN; and/or (c) the gross negligence or willful misconduct of INNOCAN or any INNOCAN Indemnitee.

9.2.2. INNOCAN shall defend, indemnify and hold harmless SOLSKEN, its officers, directors, employees, shareholders, beneficial owners and agents (collectively the "**SOLSKEN Indemnitees**") from and against any Loss to the extent that such Loss arises out of third party claims or suits arising out of or resulting from: (i) intellectual property infringement claims relating to the INNOCAN Intellectual Property ; (ii) breach of this Agreement and/or any representations and/or warranties under this Agreement by INNOCAN; (iii) the gross negligence or willful misconduct of INNOCAN, all except to the extent that such Loss arises from the (a) breach of this Agreement by SOLSKEN; and/or (b) the gross negligence or willful misconduct of

SOLSKEN or any SOLSKEN Indemnitee.

- 9.2.3. The Party seeking indemnification under this Section 9.2 ("**Indemnified Party**") shall notify the other Party ("**Indemnifying Party**") as promptly as practicable after becoming aware of any claim giving rise to such indemnification ("**Claim**"), provided, however, that the failure to provide such notice shall not relieve the Indemnifying Party of any of its indemnification obligations hereunder, except to the extent that the defense and/or settlement of the Claim is prejudiced by such failure, and shall reasonably cooperate with the Indemnifying Party to avoid, compromise or defend the Claim. The Indemnified Party shall not make any admissions, compromise or settle any Claim without the prior written approval of the Indemnifying Party.
- 9.2.4. INNOCAN shall have the right to assume sole control of the defense and settlement of a Claim for which indemnification is sought under Section 9.2.2(i), including the right to select defense counsel, provided that the INNOCAN shall not agree to any settlement or consent judgment which requires an admission of liability or wrongdoing by the Indemnified Party or imposes any financial obligations on the Indemnified Party, without first obtaining the prior written consent of such Indemnified Party, which shall not unreasonably be withheld or delayed. INNOCAN shall keep the Indemnified Party informed of the status or progress of such Claim and the defense or settlement negotiations with respect thereto. The Indemnified Party shall have the right to select and to obtain representation by separate legal counsel at its own expense.
- 9.2.5. Except as provided in Section 9.2.5, the Indemnifying Party shall have the right to participate in and be consulted with regard to the defense and settlement of the Claim, provided that the Indemnified Party shall maintain the control of the defense and no action will be taken in the Claim or with regard thereto without the consent of the Indemnified Party.

9.3. Insurance

- 9.3.1. Each Party will purchase and hold valid at all times and for as long as the License is valid, a suitable (according to the law in each jurisdiction) product liability insurance policy, in the case of Cultir8 and a policy covering formula liability in the case of INNOCAN, covering all potential damages that may be relevant to it, based on their roles and functions as contained in this Agreement. The insurance policy will cover all liabilities in every relevant jurisdiction and extend to the other Party as an additional insured.

10. **Right of First Refusal**

- 10.1. Prior to the sale of SOLSKEN Cannabis Products to any third party, SOLSKEN will notify INNOCAN in writing of such proposed sale, specifying, at least, the Market Price, quantity and delivery date and terms of such proposed sale (the "**SOLSKEN Notice**"). INNOCAN shall have the right, within 14 days of receipt of the SOLSKEN Notice, to elect to purchase such SOLSKEN Cannabis Products under the terms of the SOLSKEN Notice and such other Market

Standard Terms in the relevant market of SOLSKEN. If INNOCAN does not elect to purchase said Cannabis Products (a failure to respond being deemed an election not to do so) within the relevant time period, SOLSKEN shall, during a period of 6 months commencing on the date of the SOLSKEN Notice, to enter into a supply agreement with a third party at terms no less favorable than those contained in the SOLSKEN Notice. INNOCAN's right under this Section 10.1 shall be subject to the use by SOLSKEN and its Related Parties of the Cannabis Products for the SOLSKEN Branded Products, Exclusive Products or products developed or manufactured by SOLSKEN or its Related Parties, which will take priority over INNOCAN's right.

- 10.2. Prior to the purchase of Cannabis Products from any third party, INNOCAN will notify SOLSKEN in writing of such proposed purchase, specifying, at least, the Market Price, quantity and delivery date and terms of such proposed sale (the "INNOCAN Notice"). SOLSKEN shall have the right, within 14 days of receipt of the INNOCAN Notice, to elect to sell such Cannabis Products to INNOCAN under the terms of the INNOCAN Notice and such other Market Standard Terms. If SOLSKEN does not elect to sell said Cannabis Products (a failure to respond being deemed an election not to do so) within the relevant time period, INNOCAN shall, during a period of 6 months commencing on the date of the INNOCAN Notice, be free to enter into a supply agreement with a third party at terms no less favorable than those contained in the INNOCAN Notice. SOLSKEN's right under this Section 10.2 will be subject to the supply of Cannabis Products by the Production Facility to INNOCAN, which will take priority over SOLSKEN's right;
- 10.3. Supplying of any Cannabis Products by SOLSKEN to INNOCAN or any of its Related Parties, will be done based on the terms which will be specified in a detailed supply agreement to be negotiated and executed between the parties in good faith, as part of agreeing on the relevant Market Price of any such Cannabis Product and shall be at Market Standard Terms.
- 10.4. Prior to the sale of the INNOCAN Intellectual Property (the "Sold IP") to any third party, INNOCAN will notify SOLSKEN in writing of such proposed sale, specifying, at least, the proposed price (the "IP Notice"). SOLSKEN shall have the right, within 7 days of receipt of the IP Notice, to elect to purchase the Sold IP from INNOCAN under the terms of the IP Notice and such other terms customary in such transactions as shall be set forth in a written agreement to be negotiated in good faith by the Parties. If SOLSKEN does not elect to purchase the Sold IP (a failure to respond being deemed an election not to do so) within the relevant time period, INNOCAN shall, during a period of 60 days commencing on the date of the IP Notice, be free to enter into an agreement with a third party at terms no less favorable than those contained in the IP Notice to sell the Sold IP.

11. Term & Termination

- 11.1. This Agreement shall enter into effect on Effective Date and shall remain in full force and effect until the tenth (10th) anniversary of the Effective Date (the "Initial Termination Date") provided that the party wishing to terminate provides the other Party notice of termination at least 12 months prior to the Initial Termination Date, or any subsequent termination date if extended pursuant to the terms hereof (the "Extended Termination Date" and collectively with the Initial Termination Date, as the case may be, the "Termination Date") (the

"Termination Notice"). In the event that: (i) such Termination Notice is either not served in accordance with this Clause, or (ii) the Royalties payable and paid to INNOCAN hereunder across all Products during the 12 calendar months prior to the Initial Termination Date equals or exceeds [REDACTED] this Agreement will automatically renew for a further five (5) years.

- 11.2. Either Party may terminate this Agreement by serving a written notice to that effect on the other Party: (i) if the other Party commits a material breach of this Agreement, and such breach is not cured within 30 business (thirty) days after receipt by the breaching Party of a written notice from the non-breaching Party in respect of such breach, or (ii) if a Party shall (a) become bankrupt or insolvent; (b) file for a petition thereof; (c) make an assignment for the benefit of creditors; or (d) have a receiver appointed for its assets, which appointment shall not be vacated within 90 business (ninety) days after the filing.
- 11.3. Any Party shall also be entitled to terminate the Agreement by written notice with immediate effect in the event of insolvency of the other Party including in the event of any appointment of a receiver or administrator over some or all of the assets of a Party, a voluntary winding up or a meeting of creditors in relation to any or all of the assets or debts of a Party.
- 11.4. Termination of this Agreement by either Party shall not affect the rights and obligations of the Parties accrued prior to the effective date of termination.
- 11.5. Upon termination or expiration of this Agreement, any of the Parties shall as soon as possible cease performing all actions included in any part of the Cooperation. In the event of expiration or termination, for any reason, of this Agreement and/or any part of it, any of the Parties shall complete all due payments to the other Party for all Cooperation performed until the effective date of such expiration or termination (including Royalties payments, Payment for Cannabis Products supplied etc. all executed prior to the date of termination, etc).

12. Confidentiality

- 12.1. For the purposes of this Agreement, "**Confidential Information**" shall mean all confidential information of a Party relating to any IP including any formulae, research and development activities, designs, trademarks, patents, know-how, inventions, technical data, ideas, uses, processes, methods, work in process, or any scientific, engineering, manufacturing, marketing, business or financial information relating to the disclosing Party, its present or future products, sales, suppliers, customers, employees, investors or business, whether in oral, written, graphic or electronic form disclosed by and/or on behalf of either Party ("**Disclosing Party**") to the other Party ("**Receiving Party**") prior to or during the Term.
- 12.2. Receiving Party shall keep in confidence and shall not disclose to any third party or use for any purpose other than the purpose of this Agreement, any and all Confidential Information provided by and/or on behalf of the Disclosing Party. The restrictions of this Section 12.2 shall not apply to any Confidential Information which (i) is already known to the Receiving Party not from the other Party at the time of disclosure, as documented by its written records; (ii) is or becomes public knowledge through no fault of the Receiving Party; (iii) is rightfully received by Receiving Party, without restriction, from a third party having the lawful right to disclose the information, as documented by the Receiving Party's written records, subject to

the terms clause 8 and its sub sections above.

- 12.3. If a Receiving Party is required by law to disclose the Disclosing Party's Confidential Information by any court or any governmental authority, the Receiving Party shall, prior to such disclosure and if permitted by law, notify the Disclosing Party of such requirement and all particulars relating thereto. The Disclosing Party shall have the right, at its expense, to object to such disclosure and seek confidential treatment of any of its Confidential Information and the Receiving Party shall reasonably cooperate with the Disclosing Party in this regard. In any event, any disclosure shall be made to the minimum extent required.
- 12.4. Notwithstanding the forgoing, Receiving Party may disclose Confidential Information: (i) to its directors, officers, employees, consultants, agents, subcontractors and/or subcontracts who are bound by similar obligations of confidentiality and non-use and who have a 'need to know' such information for the performance of Receiving Party's respective obligations under this Agreements; or (ii) with respect to either party Supplier, any governmental authorities in connection with securing and maintaining any permits or licenses to perform the Services hereunder.
- 12.5. This Agreement and the terms hereof shall be deemed confidential and neither Party shall disclose the terms and conditions of this Agreement to any third party without the prior written consent of the other Party. Notwithstanding the foregoing each Party may, disclose this Agreement to potential financial investors and sublicensees or governmental authorities if required.
- 12.6. Notwithstanding anything to the contrary contained in this Agreement, the Parties hereby acknowledges and agrees that certain information relating to this Agreement may be disclosed to the extent required under applicable security laws and/or by any applicable securities exchange.
- 12.7. Neither Party shall make any public announcement or disclosure ("Announcement") of any information related to this Agreement or concerning the identity of the Investor or its related parties without the prior written specific consent of the other party and, in the event that such Announcement is required pursuant to applicable law or a Stock Exchange, the Parties shall work together to agree the form and content of the Announcement prior to its release.

13. **Dispute Resolution**

- 13.1. In the event of any disputes arising out of and/or in relation with this Agreement, the Parties agree to make a good faith attempt to negotiate an amicable resolution. If any such disputes cannot be resolved by the Parties within a period of twenty one (21) days, such controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by mediation in front of a single mediator agreed upon by the parties, and if not settled by mediation within 30 days after any of the parties' requests an appointment of a mediator in writing, including in case of lack of consent to the appointment of a specific mediator, the parties shall apply to the authorized civil court in the district of Tel-Aviv, Israel.

14. Miscellaneous

14.1. Assignment / Subcontracting

14.1.1. The Agreement may be assigned by either Party to an Affiliate thereof or to any purchaser of the whole, or a substantial part, of the assets or business of such Party.

14.1.2. Any of the Parties may subcontract all or part of its obligations under this Agreement provided that it remains fully liable towards the other Party for any activities of such sub-contractors. In such a case, any Party will notify the other ASAP in advance on such subcontracting and the receiving Party has the right to demand assurance on the assigned Party obligation to the terms of this Agreement or force the immediate termination of any agreement with the subcontractor with no claim to the transferring Party about such termination.

14.2. Force Majeure

If any Party hereto is delayed or prohibited from fulfilling its obligation or obligations under this Agreement by any occurrence beyond the reasonable control of the Party, including without limitation, by reason of fire, war, embargos, unavailability of raw materials, breakdown of or damage to machinery, or equipment, strike, lock out or other labor dispute, any rule, order or regulation of any governmental authority, domestic or foreign, ("Force Majeure"), and, if prompt written notice of said delay or prohibition shall be given to the other Party, then performance of said obligation or obligations shall be excused for the period of time during which the cause of such delay or prohibition shall continue, provided that the Party so impeded shall have made reasonable efforts to minimize any such delay.

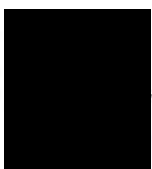
14.3. This Agreement shall be entirely and exclusively interpreted and enforced in accordance with the laws of the State of Israel.

14.4. The Parties agree that both parties are independent contractors and in no event, shall an employer-employee, partnership, joint venture or principal-agent relationship be established between Supplier and the Client and/or their respective employees or subcontractors, under this Agreement. Neither Party shall be empowered to act for, bind or otherwise create or assume any obligation on behalf of the other Party.

14.5. It is understood and agreed between the Parties that no failure or delay by a Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

14.6. Any notice required or permitted to be given hereunder by either party hereto shall be in writing and shall be deemed given on the date delivered if delivered (i) personally, (ii) on the 4th business day after the date sent if sent by recognized overnight courier, (iii) on the date delivered if sent via facsimile or e-mail (with written confirmation of receipt generated by recipient), to the address below, or to such other address or addresses as any of the Parties hereto may from time to time designate in writing to the other Party hereto pursuant to this Section 14.6:

to SOLSKEN Limited:

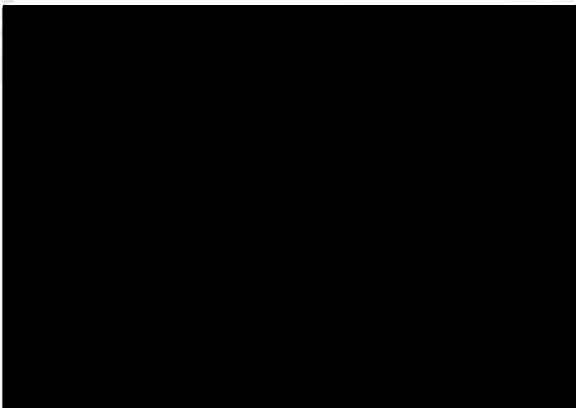


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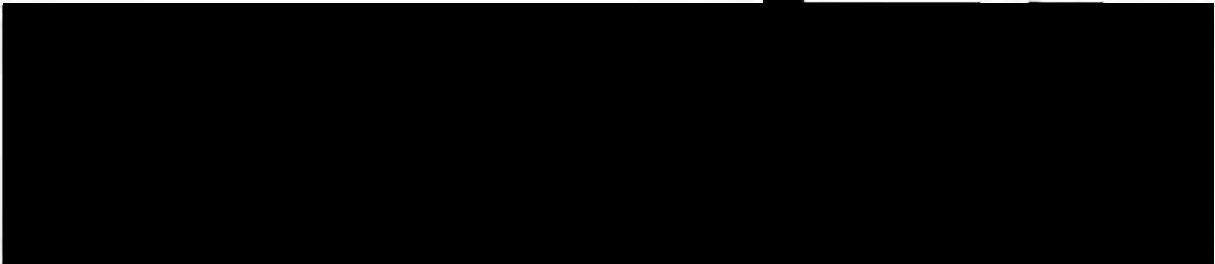
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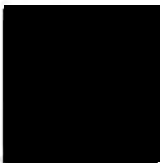




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- 14.7. During the term of this Agreement and for a period of 24 (twenty-four) months thereafter, neither Party shall solicit to hire or otherwise employ any of the officers, employees or subcontractors of the other Party who are involved in the activities performed under this Agreement, except by the prior written consent of the other Party .
- 14.8. During the term of this Agreement and for a period of 24 (twenty-four) months thereafter, neither Party shall circumvent the other party and approach any company person connection presented to it by the other party.
- 14.9. This Agreement together with the Appendixes hereto executed hereunder supersedes any previous understandings and constitutes the entire agreement between the Parties hereto relating to the subject matter hereof. Any amendments, modifications, variations, or waivers, including amendments and modifications to the Appendixes, must be in writing and signed by both Parties hereto. In case of contradiction between the provisions of the Appendixes of this Agreement, the provisions of this Agreement will prevail.
- 14.10. If any provisions of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect. In such event, such provision will be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.
- 14.11. This Agreement shall not be construed to make either Party a legal representative of the other Party or to give either Party any right or power to bind the other Party to any contract or the performance of any obligation to or with any third Party.
- 14.12. This Agreement may be executed in any number of counterparts (including counterparts transmitted by facsimile or by electronic mail in PDF format), each of which shall be deemed to be an original, but all of which taken together shall be deemed to constitute one and the same instrument.



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Initials REDACTED

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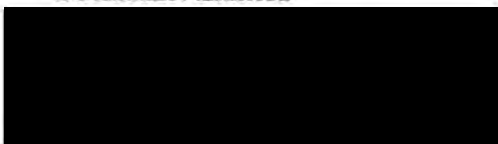


14.13. Time shall be of the essence.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives as of the Effective Date.

Signature REDACTED

SOLSKEN Limited



Name: Ralph Bossino

Title: Director

Signature REDACTED

Innocan Pharma Ltd.

