

Effective April 12, 2019

AMENDED AND RESTATED ROYALTIES AGREEMENT

among

Ryan Daniel Selby

and

Ryan Karkairan

and

Poda Technologies Ltd.
(formerly Edison Vape Co. Ltd.)

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AMENDED AND RESTATED ROYALTIES AGREEMENT

THIS AGREEMENT is dated effective **April 12, 2019**.

Among:

Ryan Daniel Selby, a businessman residing at [REDACTED] ("Inventor 1"); and

Ryan Karkairan, a businessman residing at [REDACTED] ("Inventor 2") (Parties (1) and (2) are collectively the "Inventors");

And:

Poda Technologies Ltd. (formerly Edison Vape Co. Ltd.), a body corporate under the laws of British Columbia, Canada with company number 81876 0399 whose registered office is at 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5 ("PTL");

RECITALS

- A. The Inventors and PTL previously entered into a royalties agreement dated April 19, 2015 (the "**Original Royalty Agreement**") pursuant to which PTL agreed to pay royalties to the Inventors in relation to the commercialization of certain inventions claimed in the patent applications set-out on Schedule A hereto under the heading 'Original Inventions' (the "**Original Inventions**");
- B. The Inventors have created, developed and invented certain additional inventions claimed in the patent applications set-out on Schedule A hereto under the heading 'New Inventions' (the "**New Inventions**");
- C. PTL has requested and the Inventors have agreed to enter into this amended and restated royalties agreement (this "**Agreement**") in order to amend and restate the Original Royalty Agreement so that, among other things, ownership of the Original Inventions is re-assigned to the Inventors and in exchange PTL is granted a license to commercialize, use, license and sublicense the Original Inventions and also the New Inventions all on the terms and conditions set-out herein;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby agree as follows:

1. INTERPRETATION

The definitions and rules of interpretation in this clause apply in this Agreement.

1.1 Definitions

"Affiliate" means, with respect to a person, organization or entity, any person, organization or entity controlling, controlled by or under common control with, such person, organization or entity. For purposes of this definition only, "control" of another person, organization or entity will mean the possession, directly or

indirectly, of the power to direct or cause the direction of the activities, management or policies of such person, organization or entity, whether through the ownership of voting securities, by contract or otherwise. Without limiting the foregoing, control will be presumed to exist when a person, organization or entity (a) owns or directly controls fifty percent (50%) or more of the outstanding voting shares or other ownership interest of the other organization or entity or (b) possesses, directly or indirectly, the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the other organization or entity

“Agreement”	means this Agreement (including the Schedules attached hereto) as the same may be amended from time to time;
“Business”	means the business of PTL, including without limitation, the making, manufacturing, constructing, licensing, selling, supplying, licensing, using or otherwise commercializing goods and services related to or used in connection with vaporization, including, without limitation: devices for the vaporization of consumable substances, cartridges for containing consumable substances, electronic cigarette liquids, consumable substances, heating elements for vaporizers, vessels for combustibles, vessels for vaporizable materials, batteries, electrical storage devices and chargers for vaporizers, carrying and storage cases for vaporizers and pods, and any related accessories, attachments and components relating to the foregoing and all future operations or business activities of PTL;
"Business Day"	means a day other than a Saturday, Sunday or public holiday in British Columbia;
“Change of Control”	<p>the acquisition directly or indirectly by any person or group of persons acting "jointly or in concert" (as such expression is used in NI 62-104 Take-Over Bids and Issuer Bids) of common shares of PTL which, when added to all other common shares of the PTL at the time held directly or indirectly by such person or group of persons, totals over 50% of the outstanding common shares of PTL, provided such person or group of persons did not hold over 50% of the outstanding common shares of PTL prior to such acquisition;</p> <p>(ii) the removal, by extraordinary resolution of the shareholders of PTL, of more than 50% of the then incumbent directors of PTL, or the election of a majority of directors to PTL's board who were not nominees of PTL's incumbent board at the time immediately preceding such election;</p> <p>(iii) completion of a business combination transaction or other reorganization involving PTL under which, following such transaction, the shareholders of PTL immediately prior to such business combination or other reorganization hold less than 50%</p>

of the total voting securities of the resulting or successor corporation following such completion; or

(iv) a sale of all or substantially all of PTL's assets.

"Consideration"	means the fair market value of any consideration, but without duplication thereof, of all payments, amounts or other non-monetary consideration (including but not limited to upfront sublicense issue fees, lump sum or advance payments, milestone payments or equity, warrants or options, in favour of PTL its Affiliates or Sublicensees), received from any persons in consideration of the rights of use for an Invention or Sales of any Products;
"Effective Date"	Means April 12, 2019;
"Gross Revenues"	means the revenues receivable and received by PTL its Affiliates and any Sublicensee for Sales of Products, as described in detail in Section 4.1;
"Inventions"	means: (a) the Original Inventions and New Inventions and all technology claimed therein; (b) any Future Inventions of the Inventors that PTL elects to license in accordance with Section 2.3; and (c) all right, title and interest in Canada, United States and throughout the world, including improvements, all rights of priority, divisionals, continuations, continuations-in-part, renewals, reissues, examinations, substitutions and extensions thereof, in Canada, United States and the World to the inventions described in (a) and (b), all of which shall be reflected in Schedule A, to be amended, updated and replaced as necessary.
"Products"	means any product or services, the making, using, selling, licensing, offering for sale, importing exporting or performing by PTL, its Affiliates or any Sublicensee directly or indirectly related to the Inventions or the Business and any current and future derivatives thereof;
"Quarterly Periods"	means the three-month periods commencing on January 1 st , April 1 st , July 1 st and October 1 st respectively;
"Royalty Due Date"	means the date that is thirty (30) days after the end of each successive Quarterly Period of each and every year during which this Agreement remains in full force and effect, commencing on the Effective Date;

- “Sales” means any and all sales, leases, licenses, transfers or other dispositions of Products or right to use the Inventions for which Consideration is received by PTL, its Affiliates or Sublicensees;
- “Sublicense” means: (a) any right granted, license given or agreement entered into by PTL or its Affiliates to or with any other person or entity, under or with respect to or permitting any use or exploitation of any of the Inventions or otherwise permitting the development, manufacture, marketing, distribution, use and/or sale of Products; (b) any option or other right granted by PTL or its Affiliates to any other person or entity to negotiate for or receive any of the rights described under clause (a); or (c) any standstill or similar obligation undertaken by PTL or its Affiliates toward any other person or entity not to grant any of the rights described in clause (a) or (b) to any third party; in each case regardless of whether such grant of rights, license given or agreement entered into is referred to or is described as a sublicense;
- “Sublicensee” means any person or entity granted a Sublicense;
- "Territory" means the entire World.
- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.
- 1.5 References to clauses and Schedules are to the clauses and Schedules of this Agreement.
- 1.6 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.7 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.8 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.9 This Agreement shall be binding on, and enure to the benefit of, the parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assignees.
- 1.10 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.11 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

- 1.12 A reference to writing or written includes e-mail.
- 1.13 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.14 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.15 The Recitals shall form integral terms and conditions of the Agreement.

2. LICENSE

License Grant

- 2.1 Subject to the terms and conditions set forth in this Agreement, the Inventors hereby grant to PTL an exclusive royalty-bearing license in the rights of the Inventors in the Inventions, solely to develop, make, offer for sale, sell, license, import, export, distribute, rent or lease Products in the Territory.
- 2.2 PTL may extend the license granted herein to any Affiliate provided that the Affiliate agrees in writing to be bound by the Agreement to the same extent as PTL. PTL agrees to deliver such written agreement to the Inventors immediately following execution.
- 2.3 The Inventors may offer any additional inventions developed by them to PTL ("**Future Inventions**"). If the Inventors decide to offer a Future Invention to PTL, they will provide written notice to PTL in such detail to allow PTL to decide if they want to include it as an Invention under the terms of this Agreement. Following such written notice, PTL shall have the option, but not the obligation, to add such Future Inventions to Schedule A and such Inventions shall be treated for all purposes as Inventions under this Agreement. If within sixty (60) days of receiving a notice from the Inventors, PTL does not elect to add a proposed Future Invention, the Inventors shall be free to use, sell, commercialize, license or otherwise exploit such non-elected Future Invention without restriction.

Right to Sublicense

- 2.4 PTL will be entitled to grant Sublicenses to third parties under the license granted pursuant to Section 2.1, subject to the terms of this Section 2.4. Any such Sublicense shall be on terms and conditions in compliance with and consistent with the terms of this Agreement.
- 2.4.1 PTL shall grant Sublicenses pursuant to written agreements, which will be subject and subordinate to the terms and conditions of this Agreement. Such Sublicense agreements will contain, among other things, the following:
- (a) all provisions necessary to ensure PTL's ability to perform its obligations under this Agreement;
 - (b) a section substantially the same as Section 11 of this Agreement, which also will state that the Indemnitees (as defined in Section 11) are third party beneficiaries of such Sublicense agreement, including without limitation, for the purpose of enforcing such indemnification and all rights under this Agreement;

- (c) a provision stating that, in the event of termination of the license set forth in Section 2.1 (in whole or in part (e.g., termination in a particular country)), any existing Sublicense agreement shall terminate to the extent of such terminated license;
 - (d) a provision prohibiting the Sublicensee from sublicensing its rights under such Sublicense agreement;
 - (e) a provision prohibiting the Sublicensee from assigning the Sublicense agreement or any rights or obligations under the Sublicense agreement without the prior written consent of the Inventors;
 - (f) the Sublicense agreement shall provide that, in the event of any inconsistency between the Sublicense agreement and this Agreement, this Agreement shall prevail.
- 2.4.2 PTL shall furnish the Inventors with a fully executed copy of any Sublicense agreement, immediately after its execution, and copies of royalty reports provided to PTL by any Sublicensees. The Inventors shall keep all such copies in its confidential files and shall use them solely for the purpose of monitoring PTL's and Sublicensees' compliance with their obligations hereunder and enforcing the Inventors' rights under this Agreement.
- 2.4.3 PTL shall be responsible for any breach of a Sublicense agreement by any Sublicensee that results in a breach of this Agreement. PTL shall either (a) cure such breach or (b) enforce its rights by terminating such Sublicense agreement in accordance with the terms thereof.
- 2.4.4 Except as expressly provided herein, nothing in this Agreement will be construed to confer any ownership interest, license or other rights upon PTL, its Affiliates or any Sublicensee by implication, estoppel or otherwise as to any technology, intellectual property rights, products or materials of the Inventors, or any other entity, regardless of whether such technology, intellectual property rights, products or biological materials are dominant, subordinate or otherwise related to any of the Inventions.

3. DEVELOPMENT AND COMMERCIALIZATION

General

- 3.1 PTL, its Affiliates and Sublicensees shall use commercially reasonable efforts: (a) to develop Products; (b) to introduce Products into the commercial market; and (c) to market Products following such introduction into the market.

Development and Commercialization Reporting

- 3.2 At the written request of the Inventors, within 30 days of the end of each Quarterly Period, PTL shall deliver a written report summarizing its, its Affiliates and its Sublicensees' efforts during the prior Quarterly Period to develop and commercialize Products, including: (a) research and development activities completed; (b) commercialization and/or other distribution efforts, including significant corporate transactions involving Products; and (c) marketing efforts. Each report must contain a sufficient level of detail for the Inventors to

assess whether PTL is in compliance with its obligations under Section 3.1 and a discussion of intended efforts for the then current year.

Failure to Develop or Commercialize

- 3.3 Following any Change of Control of PTL after the Effective Date, if PTL any Affiliates or any Sublicensees are not in compliance with the obligations under Section 3.1, as determined by the Inventors acting reasonably and in good faith, such failure to comply with the obligations under Section 3.1 shall constitute a material breach of this Agreement or the applicable Sublicense and the Inventors shall have the right to terminate this Agreement and any Sublicense, in whole or in part.
- 3.4 If PTL believes it, its Affiliates or Sublicensees will not be able to comply with Section 3.1 during any Quarterly Period, it may provide reasonable explanations for such failure (an “**Explanation**”) and a reasonable detailed plan for promptly remedying such failure (a “**Plan**”) which must be delivered prior to the last day of such Quarterly Period. If the Inventors accept the Explanation and the Plan, in their sole discretion, PTL, its Affiliates and Sublicensees, as applicable, shall have ninety (90) days to implement the Plan in order to comply with their obligations in Section 3.1. If the Inventors reject the Explanation or the Plan, or if any of the applicable persons or entities subject to the Explanation and Plan are unable to achieve their obligations of the Plan within the ninety (90) day period, such failure shall constitute a material breach of this Agreement or the applicable Sublicense agreement and the Inventors shall have the right to terminate this Agreement, or require PTL terminate any Sublicense, in whole or in part, in accordance with the terms herein.

Marking

- 3.5 PTL, its Affiliates and Sublicensees shall mark all Products sold or otherwise disposed of in such a manner as to conform with the patent laws and practice of the country to which such Products are shipped or in which such Products are sold for purposes of ensuring maximum enforceability of patent rights in such country.

4. ROYALTIES

Gross Revenues

- 4.1 The Gross Revenues shall be the Consideration received by PTL, its Affiliates and all Sublicensees from Sales of the Products (in the amount received by the applicable party) completed after the Effective Date subject to the following:
- 4.1.1 any provincial, federal, state or other tax associated with the sale and charged at the time of sale, including as an example, any applicable Goods and Services taxes (“**GST**”), Provincial Sales Taxes (“**PST**”) and other similar or equivalent taxes in all jurisdictions in the Territory, shall not be treated as Gross Revenues;
 - 4.1.2 where sales of Products are subsequently cancelled, including when a refund is reasonably requested and reasonably given, the revenues from those sales shall not be treated as Gross Revenues or, if a return is processed after the applicable Royalty Due Date, set-off against the next applicable Quarterly Period royalty payments;

4.1.3 where the Products are incorporated in another article and sold or otherwise supplied at a price which is included in the price of the other article, the highest value of Consideration received by PTL, its Affiliates or Sublicensees, as applicable, for the combined or related article shall be treated as Gross Revenues (without duplication between payments received by PTL, its Affiliates or Sublicensees for such Sale); and

4.1.4 where the Products are sold in a currency other than Canadian dollars, the Canadian dollar equivalent amount received by PTL, its Affiliates or Sublicensees, as applicable, shall be treated as Gross Revenues, after reasonable exchange and bank fees have been deducted, which shall be no less favourable than available at any Schedule I Canadian chartered bank.

4.2 If PTL, its Affiliates or Sublicensees sell, assign or otherwise transfer any rights in the Inventions or any Products to any person on terms that are not arm's length terms, PTL shall be deemed to have received Consideration equivalent to the fair market arm's length Consideration.

Amount of Royalties

4.3 A royalty shall be payable by PTL, its Affiliates or Sublicensees, as applicable, to Inventor 1 of three percent (3%) of the Gross Revenues; provided always that there shall be no duplication in royalty payments with respect to any Gross Revenues, and the royalty accrues on the date when PTL or the applicable Affiliate or Sublicensee receives payment for Products sold. PTL shall be responsible for payment of any royalty amounts their Affiliates or Sublicensees fail to pay.

4.4 A royalty shall be payable by PTL, its Affiliates or Sublicensees, as applicable, to Inventor 2 of one and a half percent (1.5%) of the Gross Revenues; provided always that there shall be no duplication in royalty payments with respect to any Gross Revenues, and the royalty accrues on the date when PTL or the applicable Affiliate or Sublicensee receives payment for Products sold. PTL shall be responsible for payment of any royalty amounts their Affiliates or Sublicensees fail to pay.

Payment of Royalties

4.5 The Royalties payable under the terms of this Agreement shall:

4.5.1 be paid within thirty (30) days of the end of each successive Quarterly Period; and

4.5.2 be calculated based on the Gross Revenues of the immediately preceding Quarterly Period.

All such amounts accrued for the benefit of the Inventors in accordance with the foregoing shall be deemed to be held in trust for the Inventors until payment of such amounts is made pursuant to this Agreement.

4.6 **Obligation to Pay Royalty Notwithstanding.** The obligation of PTL, its Affiliates or Sublicensees to pay royalties under this Agreement for the Products shall not be impacted, effected, terminated or reduced by the failure to obtain or the expiry of any patent or statutory protection

for the Inventions in any country in the Territory, if PTL has undergone a Change of Control after the Effective Date.

Interest Charges

- 4.7 Failure to make the prompt payment of sums payable when due shall attract interest from the due date to the date of payment in full, at prime plus two percent (2) % annually where prime is that rate determined from time to time by the Bank of Montreal to its best risk, commercial customers, compounded monthly.

Taxes

- 4.8 All payments made by PTL, its Affiliates and Sublicensees under this Agreement are exclusive of municipal, provincial, state and federal sales taxes, including for example any GST. If any such payment constitutes the whole or any part of the Consideration for a taxable or deemed taxable supply by the Inventors, PTL, or its Affiliate or Sublicensee, as applicable, shall increase that payment by an amount equal to such tax which is chargeable in respect of the taxable or deemed taxable supply in question, provided that the Inventors shall have delivered a valid invoice in respect of such payment. If any applicable tax invoice is delivered after the relevant payment has been made, PTL or its Affiliate or Sublicensee shall pay the applicable tax due within thirty (30) Business Days of the Inventors delivering a valid invoice.

Banking Information

- 4.9 Royalties and any other sums payable under this Agreement to Inventor 1 and Inventor 2 shall be paid in Canadian dollars to the credit of such bank accounts, to be designated in writing by Inventor 1 and by Inventor 2. The Inventors may change the banking information or number of accounts payments are to be made at any time by written notice to PTL.

5. STATEMENTS AND RECORDS

- 5.1 Accounting Records. PTL, its Affiliates and Sublicensees shall maintain at their principal place of business, separate accounts and complete and accurate records of transactions arising pursuant to this Agreement. Such accounts and records shall be in sufficient detail to enable the Inventors confirm the accuracy of any reports or notifications delivered to the Inventors, including those described in Section 5.2, below, and to calculate the royalties payable to the Inventors under this Agreement, including but not limited to the description and price of Products supplied, sold or otherwise distributed.

- 5.2 Reports. PTL shall deliver to the Inventors by no later than each Royalty Due Date, together with the royalty payment required, a report setting out particulars of the manufacture, use, sale, distribution, leasing, or sublicensing of the Products requisite for the payment of royalties, including the following:

- 5.2.1 the number and/or quantity of Products sold, used, leased, or licensed by PTL, its Affiliates and all Sublicensees in each country during the applicable royalty period, separated by country;
- 5.2.2 the Gross Revenues for Products charged by PTL, its Affiliates and all Sublicensees during the applicable royalty period by country;
- 5.2.3 a calculation of Gross Revenues in each country;

- 5.2.4 a listing of amounts, additional payments or Consideration receivable from Sublicensees, distributors and any other persons; and
 - 5.2.5 total royalties payable on Gross Revenue in Canadian dollars, together with the exchange rates used for any currency conversion in accordance with this Agreement;
- 5.3 Generally Accepted Accounting Principles (“**GAAP**”). The calculation of royalties shall be made in accordance with generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada (or any successor institute) or if such Sales are not made within Canada, such other equivalent accounting principles in the applicable jurisdiction that are applicable as at the date on which any calculation is required to be made, and applied on a consistent basis.
- 5.4 Retention of Accounts and Records. PTL, its Affiliates and Sublicensees shall retain the accounts and records referred to in this Agreement for at least six (6) years after the date upon which they were made.
- 5.5 At the request of the Inventors, within one hundred and twenty (120) days of the end of each fiscal year of PTL, PTL shall submit to the Inventors a written statement of the Sales of Products by PTL, its Affiliates and Sublicensees in that year, and the amount due to be paid for that year. In the event that such statement shows that the amount due by PTL, its Affiliates and Sublicensees was greater than the amount paid, PTL shall pay, or shall cause its Affiliates or Sublicensees to pay, as applicable, to the Inventors within thirty (30) days of the submission of the statement an amount equivalent to the difference between the amount paid and the amount due.
- 6. AUDIT**
- 6.1 During the term of this Agreement and for one (1) year thereafter, the Inventors may audit or cause to be audited, the applicable books, records or other relevant materials of PTL and its Affiliates and Sublicensees to verify the accuracy of the royalty reports and payments submitted to the Inventors.
- 6.2 The request for audit by the Inventors shall not exceed more than once in any given fiscal year. PTL shall permit, and shall cause its Affiliates and Sublicensees to permit, during normal business hours an independent public accountant, selected by the Inventors, to have access to all such records of each applicable entity as may be necessary to verify the accuracy of the royalty reports and payments submitted to the Inventors.
- 6.3 The audit shall be conducted by an independent public accountant. The audit must be conducted on reasonable advance, written notice, and be conducted during normal business hours of the applicable entities. PTL shall furnish, and shall cause its Affiliates and Sublicensees to furnish, such records as may be requested by the auditor and shall permit the auditor to make copies of or extracts from such accounts, records and agreements. If the audit reveals an underpayment of five (5) percent or more of royalties payable in any fiscal year, PTL shall pay to the Inventors such deficiency within thirty (30) days of the determination thereof, together with interest thereon from the date such amount was due to the date of payment, and shall further reimburse the Inventors for its full and reasonable out-of-pocket costs of the audit. In any other instance of overpayment or underpayment by PTL, its Affiliates or Sublicensees, the appropriate payment of such deficiency or refund shall be made within

thirty (30) days following the determination thereof, together with interest thereon and the Inventors shall bear its own costs of the audit.

- 6.4 The Inventors shall retain the independent public accountant on a written contractual basis that all results and information, including the results of the audit, shall be reported simultaneously to PTL and the Inventors.

7. FILING, PROSECUTION AND MAINTENANCE

- 7.1 The Inventors will be responsible for the preparation, filing, prosecution, protection, defense and maintenance of all patent rights of the Inventions, using independent patent counsel reasonably acceptable to PTL. The Inventors will: (a) instruct such patent counsel to furnish PTL with copies of all correspondence relating to the patent rights of the Inventions from the United States Patent and Trademark Office (USPTO) and any other patent office in the Territory, as well as copies of all proposed responses to such correspondence in time for PTL to review and comment on such response; (b) give PTL an opportunity to review the text of each patent application before filing; (c) consult with PTL with respect thereto; (d) supply PTL with a copy of the application as filed, together with notice of its filing date and serial number; and (e) keep PTL advised of the status of actual and prospective patent filings. The Inventors shall give PTL the opportunity to provide comments on and make requests of the Inventors concerning the preparation, filing, prosecution, protection, defense and maintenance of the patent rights in the Inventions, and shall seriously consider such comments and requests; however, final decision-making authority shall vest in the Inventors.

- 7.2 PTL shall reimburse the Inventors on demand for all out-of-pocket expenses incurred by the Inventors pursuant to Section 7.1, provided that the Inventors have provided documentation evidencing such out-of-pocket expenses and PTL shall hold the Inventors free, clear and harmless from and against any such out-of-pocket, including reasonable legal fees, disbursements and retainer amounts required to retain patent counsel.

8. ENFORCEMENT OF PATENT RIGHTS

- 8.1 In the event a party becomes aware of any possible or actual infringement of any patent rights with respect to the Inventions (an "**Infringement**"), that party shall promptly notify the other parties in writing and provide the other parties with details regarding such Infringement.

- 8.2 The Inventors shall have the first right, but not the obligation, to take action in the prosecution, prevention, or termination of any Infringement and shall consider in good faith the views of PTL and shall keep PTL reasonably informed of the progress of the action and shall give PTL a reasonable opportunity in advance to consult with the Inventors and offer its views about major decisions affecting the litigation. The Inventors shall not compromise or settle such litigation without the prior written consent of PTL, which consent shall not be unreasonably withheld or delayed.

- 8.3 PTL shall reimburse the Inventors on demand for all out-of-pocket expenses incurred by the Inventors pursuant to Section 8.2, provided that the Inventors provide documentation evidencing the such out-of-pocket expenses and PTL shall hold the Inventors free, clear and harmless from and against any such out-of-pocket, including reasonable legal fees, disbursements and retainer amounts required to retain patent enforcement counsel.

- 8.4 If the Inventors have been provided written notice of an Infringement and within thirty (30) days of being provided such notice the Inventors have not taken any action in the prosecution, prevention, or termination of any Infringement, then PTL may elect to take action in the prosecution, prevention, or termination of such Infringement. If PTL elects to take such action in relation to an Infringement in accordance with this Section 8.4, PTL shall consider in good faith the views of the Inventors and shall keep the Inventors reasonably informed of the progress of the action and shall give the Inventors a reasonable opportunity in advance to consult with PTL and offer its views about major decisions affecting the litigation.
- 8.5 The Inventors and PTL agree to cooperate fully in any action under this Section 8, provided that PTL reimburses the Inventors promptly for any costs and expenses incurred by the cooperating party, including reasonable legal fees, in connection with the Inventors assisting PTL.

9. DURATION AND TERMINATION

- 9.1 This Agreement shall come into force on the Effective Date and shall remain in force for an initial term of 30 years and such term will automatically be renewed for successive 30 year terms, unless this Agreement is terminated in accordance with the terms contained herein.
- 9.2 Without affecting any other right or remedy available to it, the Inventors may terminate this Agreement with immediate effect by giving written notice to PTL if:
- 9.2.1 PTL, its Affiliates or Sublicensees fail to pay any amount due under this Agreement on the due date for payment and remains in default for more than thirty (30) days after being notified in writing to make such payment;
 - 9.2.2 PTL or any of its Affiliates breach any term of this Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of thirty (30) after being notified in writing to do so;
 - 9.2.3 A Sublicensee breach of any term of the applicable Sublicense or causes any breach of this Agreement, which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of thirty (30) after being notified in writing to do so;
 - 9.2.4 PTL suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business;
 - 9.2.5 PTL seeks creditor protection; or if any execution, sequestration, or any other process of any court becomes enforceable against PTL; or if any such process is levied on the rights under this Agreement or any Sublicense agreement or upon any of the monies due to the Inventors and is not released or satisfied by the PTL within thirty (30) days thereafter; or
 - 9.2.6 if any resolution is passed or order made or other steps taken for the winding up, liquidation or other termination of the existence of PTL, or if PTL ceases or threatens to cease to carry on its business.
- 9.3 Termination or expiry of this Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the

right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry.

Effect of Termination

- 9.4 Upon expiration or termination of this Agreement pursuant to any of the provisions of Section 9.2: (a) the rights and licenses granted to PTL under Section 2 shall terminate, all rights in and to and under the Inventions will revert to the Inventors and neither PTL nor its Affiliates or Sublicensees may make any further use or exploitation of the Inventions; and (b) any existing agreements that contain a Sublicense shall terminate to the extent of such Sublicense; provided, however, that, for each Sublicensee, upon termination of the Sublicense agreement with such Sublicensee, if the Sublicensee is not then in breach of its Sublicense agreement with PTL such that PTL would have the right to terminate such Sublicense, such Sublicensee shall have the right to seek a license from the Inventors.
- 9.5 Termination or expiration of this Agreement shall not relieve the parties of obligations accruing prior to such termination or expiration, including obligations to pay amounts accruing hereunder up to the date of termination or expiration.

10. INJUNCTIVE RELIEF

- 10.1 Each party acknowledges that the breach of this Agreement may result in the other party suffering damage, for which damages may not be an adequate remedy; and in the event of a suspected or actual breach of any obligation under this Agreement, the other party is entitled to seek and obtain injunctive relief or an order for specific performance of the terms of the Agreement.

11. INDEMNITY

- 11.1 PTL shall indemnify, defend and hold harmless the Inventors and their Affiliates, representatives, agents and respective successors, heirs and assigns (collectively, the “**Indemnitees**”) from and against any claim, liability, cost, expense, damage, deficiency, loss or obligation of any kind or nature (including reasonable legal fees and other costs and expenses of litigation), based upon, arising out of, or otherwise relating to this Agreement or any Sublicense, including any cause of action relating to product liability concerning any product, process, or service made, used, sold or performed pursuant to any right or license granted under this Agreement (collectively, “**Claims**”). Neither PTL nor the Inventors shall settle any Claim without the prior written consent of the other, which consent shall not be unreasonably withheld.
- 11.2 PTL shall, at its own expense, provide legal advisors reasonably acceptable to the Inventors to defend against any actions brought or filed against any Indemnitee hereunder with respect to the subject of indemnity contained herein, whether or not such actions are rightfully brought.

12. INSURANCE

- 12.1 PTL shall, at its sole cost and expense, only if requested by the Inventors at any time following the Effective Date, procure and maintain commercial general liability insurance in amounts not less than \$5,000,000 per incident and \$5,000,000 annual aggregate and naming the Inventors as additional insureds. Such commercial general liability insurance shall provide:

(a) product liability coverage and (b) broad form contractual liability coverage for PTL's indemnification obligations under this Agreement.

12.2 Immediately following PTL obtaining insurance in accordance with Section 12.1, PTL shall provide the Inventors with written evidence of such insurance. PTL shall provide the Inventors with written notice at least thirty (30) days prior to the cancellation, non-renewal or material change in such insurance. If PTL does not obtain replacement insurance providing comparable coverage within such thirty (30) day period, the Inventors shall have the right to terminate this Agreement effective at the end of such thirty (30) day period without notice or any additional waiting periods.

12.3 PTL shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during: (a) the period that any Product is being commercially distributed or sold by PTL, or an Affiliate, Sublicensee or agent of PTL; and (b) a reasonable period after the period referred to in (a) above which in no event shall be less than fifteen (15) years.

13. CONFIDENTIALITY

Mutual Obligation of Confidentiality

13.1 For the purpose of this Section 13, the term "**Confidential Information**" means all non-public, proprietary or confidential information of the disclosing party (the "**Disclosing Party**"), in oral, visual, written, electronic or other tangible or intangible form, whether or not marked or designated as "confidential" and all notes, analyses, summaries, reports and other materials prepared by the recipient (the "**Recipient**") or any of its representatives that contain, are based on or otherwise reflect, to any degree, any of the foregoing. Confidential Information also includes the existence of this Agreement; and any terms, conditions or arrangements being discussed or negotiated by the parties.

13.2 Each party shall treat all Confidential Information in respect of which it is the Recipient as confidential and shall not disclose any Confidential Information to any third party or use the Confidential Information for any purpose other than for the purposes of fulfilling its obligations under this Agreement or any Sublicense, unless agreed to in writing among the parties. The Recipient shall use at least the same standard of care in protecting the Confidential Information as it uses in protecting its own information of a similar nature but, in any event, no less than a commercially reasonable standard of care.

13.3 Exclusions from Confidentiality. The obligations regarding confidentiality shall not apply to information which:

13.3.1 was in Recipient's possession before receipt from the Disclosing Party, as established by documentary evidence;

13.3.2 is or becomes a matter of public knowledge without breach of this Agreement by Recipient;

13.3.3 is received by Recipient from a third party which had no duty of confidentiality with respect to it;

13.3.4 is independently developed by the Recipient as established by documentary evidence;

13.3.5 is made subject to an order by judicial or administrative process requiring the Recipient to disclose any or all of the information, provided that the Recipient shall use reasonable efforts in the circumstances to promptly notify the Disclosing Party of such requirement to enable the Disclosing Party to oppose such process before disclosure occurs;

13.3.6 is required to be disclosed under Freedom of Information and Protection of Privacy Act or similar legislation; or

13.3.7 is disclosed by the Recipient with the Disclosing Party's prior written approval.

14. ASSURANCES AND COOPERATION

14.1 Subject to the conditions of this Agreement, the parties hereto will, from time to time and at all times hereafter, at the request of the other party, do all such further acts and things, including executing and delivering all such further deeds, agreements, transfers, documents, assurances and instruments, as will be reasonably necessary in order to fully perform and carry out the terms and intent of this Agreement and, the parties hereto will cooperate with each other in doing those acts and things.

15. ASSIGNMENT AND DISPOSAL OF INTEREST

15.1 PTL shall not, and shall cause its Affiliates and Sublicensees to not, directly or indirectly assign (including a Change of Control), encumber or transfer this Agreement nor any of the rights, interests or obligations hereunder, in whole or in part (whether by operation of law or otherwise) without the prior written consent of the Inventors, which may be withheld for any reason, including without limitation, any prior or continuing breach of this Agreement or any Sublicense.

15.2 No assignment, disposition, sale or transfer to a third party will be of any force or effect until the third party has entered into an agreement whereby the third party assumes all of PTL's, the Affiliate's or Sublicensees' obligations, as applicable, and agrees to be bound by the terms of this Agreement or the applicable Sublicense with effect from the date of assignment, disposition, sale or transfer, but such assumption is only to the extent of the interest so assigned, disposed, sold or transferred.

15.3 PTL, its Affiliates and Sublicensees shall not enter into any agreement under which PTL or any Affiliate or Sublicensee grants to or otherwise creates in any third party a security interest in this Agreement or any of the rights granted to PTL, its Affiliates or Sublicensees herein without the prior written consent of the Inventors, which may be withheld for any reason, including without limitation, any prior or continuing breach of this Agreement or any Sublicense. Any grant or creation of a security interest purported or attempted to be made in violation of the terms of this Section 15.3 shall be null and void and of no legal effect.

15.4 Any breach of Section 15 by PTL, its Affiliates or Sublicensees shall be deemed a material breach of this Agreement.

16. BINDING EFFECT

16.1 This Agreement will be binding upon the parties hereto and will enure to the benefit of and be binding upon their respective successors (including any successor by reason of amalgamation or statutory arrangement).

17. CAPACITY

17.1 Each Party represents and warrants to the other Party that:

- 17.1.1 it is validly existing under the laws of its place of incorporation or registration;
- 17.1.2 it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- 17.1.3 it has taken all necessary action to authorise its entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement;
- 17.1.4 its obligations under this Agreement are valid and binding and enforceable against it in accordance with their terms; and
- 17.1.5 the execution, delivery and performance by it of this Agreement (and any other agreement required to be entered into by it in connection with this Agreement) will not:
 - (a) result in a breach of, or constitute a default under, any agreement or arrangement to which it is party or by which it is bound; or
 - (b) result in a breach of any law or order, judgment or decree of any court, governmental agency or regulatory body to which it is a party or by which it is bound.

18. DISCLAIMERS

18.1 PTL UNDERSTANDS AND AGREES THAT THE INVENTORS MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, AS TO THE PRODUCTS, OR AS TO THE OPERABILITY OR FITNESS FOR ANY USE OR PARTICULAR PURPOSE, MERCHANTABILITY, SAFETY, EFFICACY, APPROVABILITY BY REGULATORY AUTHORITIES, TIME AND COST OF DEVELOPMENT, PATENTABILITY, AND/OR BREADTH OF PATENT RIGHTS. THE INVENTORS MAKE NO REPRESENTATION AS TO WHETHER ANY PATENT WITHIN THE INVENTIONS IS VALID, OR AS TO WHETHER THERE ARE ANY PATENTS NOW HELD, OR WHICH WILL BE HELD, BY OTHERS OR BY THE INVENTORS THAT MIGHT BE REQUIRED FOR USE OF PATENT RIGHTS. NOTHING IN THIS AGREEMENT WILL BE CONSTRUED AS CONFERRING BY IMPLICATION, ESTOPPEL OR OTHERWISE ANY LICENSE OR RIGHTS TO ANY PATENTS OR TECHNOLOGY OF THE INVENTORS OTHER THAN THE PATENT RIGHTS IN THE INVENTIONS.

19. AMENDMENT

19.1 This Agreement may be amended, modified, superseded or cancelled, and any of the terms may be waived, only by a written instrument executed by each party or, in the case of waiver, by the party waiving compliance.

20. COUNTERPARTS

20.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

21. ENTIRE AGREEMENT

21.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

21.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

22. FORCE MAJEURE

22.1 Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations.

22.2 The party that is subject to the force majeure event shall promptly give written notice to the other party of the particulars of the reasons for any prevention or delay under this paragraph, and shall take all reasonable steps to remove the cause of such prevention or delay and shall give written notice to the other party as soon as such cause ceases to subsist.

23. GOVERNING LAW

23.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of British Columbia, Canada.

24. JURISDICTION

24.1 Each party irrevocably agree that the courts of British Columbia, Canada shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims), and the parties submit to the jurisdiction of any such courts.

25. NEGOTIATED AGREEMENT AND INDEPENDENT LEGAL ADVICE

25.1 This Agreement is the product of negotiation and shall not be construed as having been drafted by either party.

25.2 Each of the parties to this Agreement acknowledges and declares that it has been advised to seek independent legal advice concerning the obligations and rights contained in this Agreement prior to execution of this Agreement. Each of the parties to this Agreement expressly acknowledges that it has obtained such independent legal advice prior to the execution of this

Agreement, or has waived such requirement, in either case as evidenced by its signature hereto.

26. LEGAL FEES

26.1 PTL shall pay all reasonable out-of-pocket expenses, fees and disbursements incurred by or on behalf of the Inventors in connection with: (a) the negotiation, drafting and consummation of this Agreement, any Sublicense agreement, and any extension to an Affiliate or any Sublicensee; (b) any amendment, modification or waiver, or consent with respect to this Agreement or any Sublicense agreement; and (c) if PTL has undergone a Change of Control after the Effective Date, any attempt to enforce any right of the Inventors against PTL, its Affiliates or Sublicensees or any person or other entity that may be obligated to the Inventors by virtue of this Agreement, unless a court of competent jurisdiction determines that the Inventors are not entitled to enforce such right or the Inventors are not otherwise the prevailing party in any such attempt to enforce such rights.

27. NO PARTNERSHIP OR AGENCY

27.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

27.2 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

28. NOTICE

28.1 Any notice or other communication given to a party under or in connection with this Agreement shall be in writing and shall be:

28.1.1 delivered by hand or by pre-paid first-class post or other next working day delivery service to the address set-out for such party on the first page of this Agreement;
or

28.1.2 sent by email to the following addresses and any other email address which is regularly used in communications from each of the following parties and is known by the sender:

(a) Inventor 1: [REDACTED]
with a copy, which shall not constitute notice, sent to
[REDACTED]
Attention: Denise Nawata: [REDACTED]

(b) Inventor 2: [REDACTED]
with a copy, which shall not constitute notice, sent to
[REDACTED]
Attention: [REDACTED]

(c) PTL: paul.ciullo@podatech.com
Attention: Paul Ciullo, CFO
with a copy, which shall not constitute notice, sent to

Attention: [REDACTED]

- 28.2 Any notice or communication shall be deemed to have been received:
- 28.2.1 if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address;
 - 28.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service.
 - 28.2.3 if sent by email, at 9.00 a.m. on the next Business Day after transmission.

28.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29. SEVERANCE

- 29.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.
- 29.2 If one party gives notice to the other of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

30. THIRD PARTY RIGHTS

- 30.1 No one other than a party to this Agreement shall have any right to enforce any of its terms.

31. VARIATION

- 31.1 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

32. WAIVER

- 32.1 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

33. TIME OF ESSENCE

- 33.1 Except as otherwise expressly provided in this Agreement, time will be of the essence of this Agreement, both in respect of the dates and periods mentioned and in respect of any dates or periods which may be substituted for them in accordance with the provisions of this Agreement or by agreement in writing between the parties.

[signature page follows]

In witness whereof this Agreement has been executed and effective on the date first stated above.

Signed by Ryan Daniel Selby in the presence of	
<i>(Signed) Kirushanth Sri</i>	<i>(Signed) Ryan Selby</i>
Signature of Witness	Ryan Daniel Selby
Kirushanth Sri	
Name of Witness (print)	
[Redacted]	
Address	
[Redacted]	
Occupation	
Signed by Ryan Karkairan in the presence of	
<i>(Signed) Kirushanth Sri</i>	<i>(Signed) Ryan Karkairan</i>
Signature of Witness	Ryan Karkairan
Kirushanth Sri	
Name of Witness (print)	
[Redacted]	
Address	
[Redacted]	
Occupation	
Signed by Patrick Gray	
As an authorized signatory for and on behalf of Poda Technologies Ltd.	<i>(Signed) Patrick Gray</i>
	Director and Authorized Signatory for Poda Technologies Ltd.

Schedule "A"

Date: April 12, 2019

Version: 1

Original Inventions

[Redacted - Commercially Sensitive Information]

New Inventions (includes any added Future Inventions)

[Redacted - Commercially Sensitive Information]