LICENSE AGREEMENT

This License Agreement is executed and entered into on the 14th day of September 2016 by and between:

	9346-4626 QUEBEC INC., a corporation constituted under the Quebec Business Corporations Act, having a principal place of business at 4700-75 RUE Queen Montréal Québec H3C2N6 Canada;	**"RELAXA CO."**
And	**PEDIAPHARM Inc.**, a corporation having a principal place of business at 1, Place du Commerce, Suite 225, Verdun (Québec) H3E1A2;	**"PEDIAPHARM"**

WHEREAS Red Leaf Medical Inc. has manufactured, marketed and sold the drug product Relaxa® (the "**Product**") in the Initial Territory prior to the Effective date,

WHEREAS, Red Leaf Medical Inc. ("**RLM**") transferred all assets: Marketing Authorizations, Material Contracts, Intellectual Property Rights, Know-How, Dossier for the Initial Territory and substantially all other assets relating to the Product (the "**Relaxa Assets**") and all of its inventory of Product (the "**Transferred Inventory**") to RELAXA Co., or directly to PEDIAPHARM as RELAXA CO.'s duly authorized designee, certain Relaxa Assets such as Marketing Authorizations and Material Contracts, and of the Transferred Inventory, pursuant to an agreement among RLM and RELAXA CO. (the "**Transfer Agreement**"), which PEDIAPHARM has been disclosed a copy of;

WHEREAS, SC Transition, a French corporation, acquired all of the capital stock in RELAXA CO. from RLM in that certain share purchase agreement among RELAXA CO., RLM and SC Transition (the "**RLM SPA**"), which PEDIAPHARM has been disclosed a copy of;

WHEREAS PEDIAPHARM wishes to have manufactured, promote, market, sell and distribute such Product in the Territory; and

WHEREAS, RELAXA CO. wishes to grant PEDIAPHARM such rights subject to the terms and conditions of this Agreement;

NOW, THEREFORE, RELAXA CO. and PEDIAPHARM, in consideration of the premises and of the mutual agreements, covenants and conditions hereinafter set forth, agree as follows:

Article 1. DEFINITIONS

For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below:

1.1. "**Active Ingredient**" means Polyethylene Glycol 3350.

1.2. "**Affiliate**" means any entity that, directly or indirectly, controls, is controlled by or is under common control with a Party. For this purpose, "control" means the direct or indirect ownership of more than fifty percent (50%) of the voting stock, or such other relationship as in fact results in actual control over the management, business and affairs of an entity.

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1.3. **"Agreed Quality"** means undamaged Product that is in compliance with the terms of the Regulatory Approval and having a shelf life of at least six months.

1.4. **"Commercialized Territory"** means a country within the Territory where a Party commercialized the Product.

1.5. **"Competing Product(s)"** means any and all products used to treat the Indication other than the Product.

1.6. **"Confidential Information"** means any and all information, documentation and data furnished by or on behalf of a Party to the other Party relating, *inter alia*, to the Product, the business affairs, trade secrets and/or other activities of the disclosing Party and/or its Affiliates, including, without limitation, ideas, know-how, formulas, technology, practices, processes, methods of production, manufacturing processes documentation, pre-clinical or clinical data, pharmaceutical, toxicological, pharmacological and pharmacokinetic data, instructions, specifications, standards and analytical procedures, whether technical or non-technical, patented or patentable as well as product samples (whether orally or in writing or any other medium, and whether or not the information is expressly stated to be confidential or marked as such).

1.7. **"DIN"** means the drug identification number for the Product: (DIN 02346672)

1.8. **"Dossier"** means such package of technical and clinical information concerning the Product as is necessary for, or useful in connection with, obtaining and maintaining Marketing Authorisation for the Product in the Territory and includes, without limitation, data in support of registered indications, pharmaco-toxicological data, analytical methods, stability and pharmaceutical data concerning the Product in the possession or under the control of RELAXA CO. from time to time together with the open part of the DMF and the DMF supporting information contained therein, and the chemical, pharmaceutical and biological documentation (including any expert report) and any certificate of free sale and certificate of pharmaceutical Product;

1.9. **"DMF"** means that part of the Dossier comprising the drug master file relating to the Product;

1.10. **"Effective Date"** means the date of this License Agreement;

1.11. **"Existing Inventory"** means all Product inventory transferred by RLM to RELAXA CO. or to PEDIAPHARM, as mentioned in the preamble.

1.12. **"Indication"** means the indication(s) for which the Product is indicated for use or approved for sale by any Regulatory Authority during the Term, currently in the treatment of constipation in adults.

1.13. **"Initial Territory"** means Canada.

1.14. **"Intellectual Property Rights"** means all right, title and interest, in and to, or arising out of any industrial or intellectual property, whether protected at common law or under statute, which includes (without limitation) inventions (both patentable and unpatentable), copyrights (including both monetary and so-called "moral rights"), industrial designs (whether registered or unregistered), trade marks (whether registered or unregistered), trade secrets, goodwill, plant varieties, data, know-how, results and Confidential Information;

1.15. **"Know-how"** means materials, data, results, formulae, designs, specifications, methods, processes, improvements, techniques, ideas, discoveries; technical information, process information, clinical information and any other information, whether or not any of the foregoing is patentable, which is confidential and proprietary to RELAXA CO. now or hereafter during the Term of this Agreement, related to the development, manufacture, use or sale of the Product in connection with the development, manufacture, use or sale of any Indication, provided however, that the term "Know-how" shall not include any of the foregoing that is subject to proprietary rights of third parties.

1.16. **"Licensee"** means PEDIAPHARM.

1.17. **"Material Contracts"** means those contracts relating to the Relaxa Assets set forth in Schedule "A".

1.18. **"Net Sales"** means gross sales of the Product by PEDIAPHARM, its Affiliates, sales agents and sub-distributors for a period, less the following deductions: [redacted] All such deductions shall be determined in accordance with IFRS and calculated in Canadian dollars. **Redacted: for confidentiality purposes**

1.19. **"Product" means Relaxa ®**, including all trade sizes, samples, presentations of the products currently commercialized under **DIN 02346672,** and related line extensions or follow-on products using the API.

1.20. **"Regulatory Approval"** means any approval, authorization, permit, license or certificate by the Regulatory Authority, including the DIN, necessary for the importation, marketing, promotion, distribution, sale and use of the Product for the Indication in the Territory (including, if applicable, any pricing approval or pricing reimbursement).

1.21. **"Regulatory Authority"** means any governmental body responsible for granting any Regulatory Approval in the Territory.

1.22. **"Sales Quarter"** means, with respect to each Product, the three (3) months' period ending on the last day of the months of March, June, September and December, provided that the first Sales Quarter shall be from the Effective Date until the last day of December, 2016.

1.23. **"Term"** means the term of this Agreement as specified Article 10.

1.24. **"Territory"** means the world.

1.25. **"Trademark(s)"** means RELAXA CO.'s trademark(s) designated by RELAXA CO. for the Product for the Territory and specified in Schedule A or any other Intellectual Property Rights related to the Relaxa Assets.

1.26. **"Unit of Product"** means a finished, consumer-ready package containing one Product.

Article 2. GRANT AND SCOPE OF RIGHTS

2.1. **Grant of Rights to PEDIAPHARM.** Subject to the terms and conditions of this Agreement, RELAXA CO. hereby grants to PEDIAPHARM exclusive right, even as to RELAXA CO., to manufacture, promote, market, sell and distribute the Product in the Territory under a Trademark. PEDIAPHARM hereby accepts such grant and agrees to perform according to the terms and conditions of this Agreement.

2.2. **Use of Third Parties.** PEDIAPHARM shall have the right to use services of any third party (including its Affiliates) to fulfil its obligations, responsibilities and commitments under this Agreement; provided, however, that in each case, PEDIAPHARM shall remain responsible for the fulfilment of all obligations, responsibilities and commitments hereunder. PEDIAPHARM represents and warrants that any third party so used shall be subject to and bound by all of the applicable terms and conditions of this Agreement and shall perform in accordance with same. For the avoidance of doubt, it is stated that PEDIAPHARM shall be entitled to sublicense any of its rights under this Agreement to and third party (including its Affiliates).

2.3. **Existing Inventory.** PEDIAPHARM shall purchase the Existing Inventory from RLM under the terms and conditions of the Transfer Agreement and the RLM SPA and shall pay the purchase price of the Existing Inventory and all costs related thereto.

2.4. **RELAXA Co. Restrictive Covenants.** Unless in accordance with Section 2.5, RELAXA CO. will not, without PEDIAPHARM'S prior written approval, itself sell or distribute, nor appoint nor allow any third party to store, promote, sell or distribute in the Territory any presentation of the Product or any Competing Product. RELAXA CO. will not, and will ensure that its Affiliates and licensees do not, supply the Product to any other party which it knows, or has reasonable grounds for suspecting, will promote, sell or distribute the Product in or to the Territory.

2.5. **RELAXA Co. Territory Options.** RELAXA CO. shall have the right, during the Term, to take back any country or countries of the Territory, other than the Initial Territory and any other country within the Territory that PEDIAPHARM has itself commercialized, or granted rights to a third party to commercialize, the Product (the **"RELAXA CO. Territories"**). In all such cases, RELAXA CO. and/or its sub-licensee or sub-distributor must be bound to obligations no less stringent than PEDIAPHARM's obligations under this Agreement. To do so, RELAXA CO. shall first send PEDIAPHARM [redacted] notice describing the territory, and a copy of the proposed agreement. [redacted] RELAXA CO. shall not purport to grant any third party any Product Rights in RELAXA CO. Territories without complying with these requirements and obtaining PEDIAPHARM's consent, which shall not be unreasonably withheld. **Redacted: for confidentiality purposes**

2.6. **PEDIAPHARM Compensation.** RELAXA CO. shall pay PEDIAPHARM compensation [redacted], payable within thirty (30) days of each Sales Quarter via wire transfer as directed by PEDIAPHARM. Territories. Such compensation is for the loss of portions of the Territory only. PEDIAPHARM shall make

 Redacted: for confidentiality purposes

available such manufacturing capability and regulatory assistance as RELAXA CO. may require, upon commercially reasonable terms that the Parties may agree upon, in relation to such additional services.

2.7. **No Implied Rights or Licenses.** Except as expressly set forth herein, no other rights or licenses are granted to PEDIAPHARM or to RELAXA CO. under this Agreement.

2.8. **PEDIAPHARM Call Option.** Commencing on the Effective Date and ending on the seventh anniversary of the Effective Date (the "**Call Option Exercise Period**") PEDIAPHARM shall have the right to acquire the Relaxa Assets (the "**Call Option**") for the price of five million dollars (C$5,000,000) payable at closing of such acquisition, as well as thereafter paying a two percent (2%) royalty on Net Sales of the Product up to the sum of one million five hundred thousand dollars (C$1,500,000), calculated at the end of each Sales Quarter, and payable within thirty (30) days thereafter (the "**Option Exercise Price**").

2.9. **RELAXA CO. Put Option.** Commencing on the fifth anniversary of the Effective Date and ending on its seventh anniversary (the "**Put Option Period**"), RELAXA CO. and its Affiliates shall have the option to sell the Relaxa Assets to PEDIAPHARM for the Option Exercise Price. To do so, it must provide PEDIAPHARM with not less than ninety days' notice, sent within the Put Option Period. For the avoidance of doubt, the Relaxa Assets must be transferred free and clear of any third party liens, claims or encumbrances.

2.10. **Option Exercise Conditions.** Upon the exercise of the Put Option or the Call Option, PEDIAPHARM will purchase the Relaxa Assets from RELAXA CO. However, provided RELAXA CO. and PEDIAPHARM both agree, PEDIAPHARM may make acquisition by way of acquiring all of the capital stock in RELAXA CO. In either case, during the Call Option Exercise Period, RELAXA Co. shall not permit itself to become acquired by a third party, nor suffer any encumbrance on the Relaxa Assets, nor do or permit anything to be done that would diminish the value of the Relaxa Assets and any transfer of liabilities other than in the ordinary course of exploiting the Relaxa Assets.

Article 3. LICENSOR COMPENSATION

3.1. **Net Sales Royalty.** During the Term, PEDIAPHARM shall pay RELAXA CO. a royalty on Net Sales of Product (the **"Net Sales Royalty")** as follows: **Redacted: for confidentiality purposes**

[redacted]

The Net Sales Royalty shall be calculated each Sales Quarter and paid within thirty (30) days thereafter via wire transfer as designated by RELAXA CO.

3.2. **PEDIAPHARM Sub-License Territories.** In the event PEDIAPHARM commercializes the Product Rights through a third party outside the Initial Territory, then in addition to the Net Sales Royalty payable under Section 3.1 above, it shall pay RELAXA CO. [redacted] These sums shall be paid by PEDIAPHARM to RELAXA CO. not later than thirty (30) days from PEDIAPHARM's receipt of same.

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Article 4. MARKETING, ADVERTISING AND PROMOTIONAL EFFORTS

4.1. **PEDIAPHARM's Resources.** PEDIAPHARM shall maintain an active, efficient and sufficient sales and customer service organization in the Territory with adequately trained sales and technical personnel for marketing, advertising, promoting and selling the Product in the Initial Territory and any other country in the Territory where it commercializes the Product.

4.2. **Stock.** PEDIAPHARM shall continuously maintain an adequate stock of the Product in the Territory to meet its forecasted demand of Product.

4.3. **Marketing Efforts.** PEDIAPHARM undertakes to use commercially reasonable efforts to effectively market, advertise, promote and sell Product throughout the Initial Territory. PEDIAPHARM's best efforts shall include, the following: advertising the Product to health care professionals, advertisements in major professional periodicals and journals in the Territory, promotion of the Product at major events held by medicinal organisations from time to time in the trade within the Territory and face-to-face calls on doctors, clinics, and other sellers of the Product throughout the Territory.

4.4. **PEDIAPHARM's Responsibilities.** PEDIAPHARM shall bear full and sole responsibility for the advertising, promotion and marketing of the Product, including the nature and content thereof, and all materials used therein. It is PEDIAPHARM's sole responsibility to ensure that all of the same conform to all applicable laws, rules and regulations in the Territory, including the Regulatory Approvals, and the approved labelling, instructions and inserts for the Product.

4.5. **Sales Reporting.** Within fifteen (15) days after the end of each Sales Quarter, PEDIAPHARM shall provide RELAXA CO. with a written sales report for the preceding Sales Quarter, which report shall include at least the following information: the total sales of the Product in each Commercialized Territory, broken down in units and value.

4.6. **Customer Complaints.** PEDIAPHARM shall be responsible for the handling of complaints from customers in the Territory. RELAXA CO. shall give reasonable assistance to PEDIAPHARM in the handling of such complaints regarding Transferred Inventory or Product that entered into the stream of commerce prior to the Effective Date.

Article 5. TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

5.1. **Trademarks.** The Product shall be promoted, marketed, distributed and sold by PEDIAPHARM solely under the Trademarks and the name "PEDIAPHARM" as expressly authorized in this Agreement. For such purposes, RELAXA CO. grants to PEDIAPHARM the exclusive right to use the Product Intellectual Property Rights in connection with the distribution, marketing, promotion and sale of the Product in the Territory during the Term in accordance with the terms and conditions of this Agreement.

5.2. **Ownership of the Product Intellectual Property Rights.** PEDIAPHARM acknowledges that the Product Intellectual Property Rights are and shall at all times remain the exclusive property of RELAXA CO. PEDIAPHARM shall not acquire any right, title or interest in the Product Intellectual Property Rights by reason of this Agreement other than the right to use the Product Intellectual Property Rights during the Term of this Agreement in connection with the distribution, marketing, promotion and sale of the Product in the Territory.

5.3. Prosecution against Intellectual Property Infringements. Without prejudice to other provisions in this Agreement, PEDIAPHARM shall have the sole right, but not the obligation, to bring or direct and/or defend any legal or other action, including any settlement or negotiation, or proceeding with respect to infringements of any Product-related intellectual property rights at its own expense. RELAXA CO. shall promptly notify PEDIAPHARM of the existence of any such infringement or proceeding. PEDIAPHARM agrees, at RELAXA CO.'s cost (and against reimbursement by RELAXA CO. of all out-of-pocket expenses (including reasonable counsel fees and expenses) actually incurred by PEDIAPHARM in connection thereto), to render such reasonable assistance as may be requested by RELAXA CO. with respect to such actions and to consult with RELAXA CO. prior to any action being taken by PEDIAPHARM in this regard. Any suit by either Party shall be either in the name of RELAXA CO., in the name of PEDIAPHARM or jointly by RELAXA CO. and PEDIAPHARM, as may be required by the law of forum. For such purpose, the other Party agrees to be joined as a party to the suit if so required and shall execute such legal papers and cooperate in the prosecution of such suit as reasonably requested. Any amounts recovered from a Third Party shall be the exclusive property of PEDIAPHARM.

Article 6. QUALITY ASSURANCE & REGULATORY MATTERS

6.1. Defective Product in Transferred Inventory. PEDIAPHARM shall notify RELAXA CO. in writing of any damage, shortage or other defects discoverable on inspection of the Transferred Inventory within [redacted] of arrival at PEDIAPHARM's warehouse. In the case of Transferred Inventory with latent defect, PEDIAPHARM shall notify RELAXA CO. in writing of any such latent defect promptly, but in any event within [redacted] following PEDIAPHARM's discovery thereof. If PEDIAPHARM fails to make a claim within the time periods described in this Clause 6.1, the Product shall be deemed accepted by PEDIAPHARM. Any claim by PEDIAPHARM regarding the Product shall specify in reasonable detail the nature and basis for the claim and cite the relevant batch control numbers or other information to enable specific identification of the Product involved. All claims made by PEDIAPHARM shall be handled on a case-by-case basis during which time RELAXA CO., or its designee, shall have the right to inspect and test the Product involved before being required to take any action with respect thereto. If such review and testing by RELAXA CO. confirms that the Product does not meet the Agreed Quality, then PEDIAPHARM shall, at RELAXA CO.'s cost, dispose of or deliver such Product to such destination as RELAXA CO. shall direct in writing, and PEDIAPHARM shall deduct from the Net Sales Royalty the actual out of pocket cost of manufacturing replacement Product. For the sake of clarity, PEDIAPHARM shall not be entitled to assert any claims against RELAXA CO. pursuant to this Clause 6- to the extent such Product's non-compliance with the Agreed Quality is attributable to any negligence or fault on the part of PEDIAPHARM.

Redacted: for confidentiality purposes.

6.2. Regulatory Approvals. Each Party shall be responsible to maintain Regulatory Approvals for the Product in its Commercialized Territory. The Regulatory Approvals shall be in the name of the commercializing Party. PEDIAPHARM undertakes to liaise with any Relevant Regulatory Authority, pay any fees payable pursuant to, or for the maintenance of all Regulatory Approvals as determined or required by the local regulatory and other authorities in the Initial Territory.

6.3. Correspondence with Authorities. PEDIAPHARM undertakes, upon request by RELAXA CO., to provide RELAXA CO. with copies of any correspondence with the registration and/or health authorities in the Territory regarding the Product together with an English translation of the same.

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6.4. Pharmacovigilance. In order to guarantee that all applicable regulatory requirements as well as the Parties' interests regarding pharmacovigilance of the Product can be met, the Parties shall exchange appropriate information if necessary and appropriate considering the relevant regulatory requirements. This exchange of information will be governed under a Pharmacovigilance Agreement in the event RELAXA CO. commercializes the Product in RELAXA CO. Territories.

6.5. Transfer of the Regulatory Approvals. PEDIAPHARM shall assign and transfer any and all Regulatory Approval(s) to RELAXA CO. or its designee upon termination or expiration of this Agreement for any reason. PEDIAPHARM undertakes to do, and cause to be done, at its cost and expense, all things necessary and proper, including execution of all necessary documents to effect timely assignment and transfer of the Regulatory Approval(s) into the name of RELAXA CO. or its designee. In the event this Agreement is terminated by PEDIAPHARM pursuant to Clause 10.3, RELAXA CO. shall, without prejudice to PEDIAPHARM's obligations pursuant to this Clause 6.5, reimburse PEDIAPHARM for reasonable customary and documented out-of-pocket expenses incurred by PEDIAPHARM in connection with the assignment and transfer of the Regulatory Approval(s).

Article 7. REPRESENTATIONS AND WARRANTIES OF RELAXA CO.

7.1. Mutual Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Date of Agreement as follows:

7.1.1. such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated;

7.1.2. such Party has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder;

7.1.3. this Agreement has been duly executed on behalf of such Party, and constitutes a legal, valid, binding obligation, enforceable against such Party in accordance with its terms;

7.1.4. all necessary consents, approvals and authorization of all governmental authorities or any third party required to be obtained by such Party in connection with this Agreement have been obtained; and

7.1.5. the execution and delivery of this Agreement and the performance of such Party's obligations hereunder do not conflict with or violate any requirement of applicable laws or regulations or any judgment or award presently in effect having applicability to it.

7.2. RELAXA CO. Representations Warranties & Covenants. Subject to the limitations set forth in this Agreement, RELAXA CO. represents and warrants to Buyer as of the date of this Agreement and, for the duration of the Term, covenants to PEDIAPHARM, as follows.

7.2.1. *Title to Relaxa Assets.* RELAXA CO. has valid title to, or valid right to use and to licence, the Relaxa Assets, free and clear of any and all liens and encumbrances.

7.2.2. *Registrations.* The Registrations listed on Schedule A constitute all licenses, permits, approvals, qualifications, and governmental specifications, authorizations or requirements which RELAXA CO. or its Affiliates have in connection with the marketing and sale of the Product in the Initial Territory, and to the best of RELAXA CO.'s knowledge, constitute all such licenses, permits, approvals, qualifications, and governmental specifications, authorizations, and requirements necessary for the registration of the Product in the Initial Territory as currently conducted by RELAXA CO. and its Affiliates. All Registrations, are in full force and effect. RELAXA CO. and/or its Affiliates have complied with all its material obligations under these Registrations and all applicable laws and regulations.

7.2.3. *Taxes*. There are no liens for taxes upon the Relaxa Assets.

7.2.4. *Information on Schedules*. To the best of RELAXA CO.'s knowledge the information contained in the Schedules hereto is true, accurate and complete.

7.2.5. *No Material Liabilities*. To the best of RELAXA CO.'s knowledge there are no material liabilities, guarantees or obligations of RELAXA CO. or its Affiliates relating to the Product which will be transferred to PEDIAPHARM hereunder.

7.2.6. *Brokers*. RELAXA CO. has not employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to a fee or any commission from PEDIAPHARM upon consummation of the transactions contemplated hereby.

7.2.7. *Litigation*. There are no claims, actions, suits, proceedings or investigations pending or, to the best knowledge of RELAXA CO., threatened by or against RELAXA CO. and/or its Affiliates with respect to the transactions contemplated hereby before or by court or government authority, which will, or could, prevent the consummation of the transactions contemplated by this Agreement; and as at the date hereof, the Relaxa Assets are not subject to any outstanding judgment, order, writ, injunction, or decree of any arbitrator or administrative or governmental authority or agency, limiting, restricting or affecting the Relaxa Assets.

7.3. Health Canada Relationship. RELAXA CO. is not aware of any matter or information in relation to the Product which would cause Health Canada to refuse to authorise either the transfer of the DIN for the Product to PEDIAPHARM which could cause any delays in such authorisation or approval.

7.4. Compliance. To the best of RELAXA CO.'s knowledge, the operation of the Relaxa Assets by RELAXA CO. (a) does not violate or conflict with any Registration, law, governmental specification, authorization, or requirement, or any decree, judgment, order, or similar restriction in any material respect, or (b) has not been the subject of an investigation or inquiry by any governmental agency or authority regarding violations or alleged violations, or found by any such agency or authority to be in violation, of any law, other than investigation, inquiries or findings that have not had, or are reasonably likely not to have, a material adverse effect.

7.5. Product Liability, Claims by Customer or Consumers. RELAXA CO. and its Affiliates have not manufactured, sold or supplied any Product in Territory which do not comply in any material respect with the warranties or representations expressly or implicitly given by RELAXA CO. or its Affiliates or which do not comply with applicable laws or otherwise give rise to any claim by any customer or any third party in respect thereof.

7.6. RELAXA CO. Covenant. During the Term, RELAXA CO. covenants to keep itself, free and clear of and clear of any liens and encumbrances which could reasonably interfere with its ability to continue to perform under this Agreement; not merge or amalgamate RELAXA Co. with any Affiliate or transfer its rights in the Relaxa Assets to a third party, nor to commercialize any Competing Product. In all cases of potential purchase or change of control of RELAXA Co., it shall first offer those shares or control to PEDIAPHARM. If PEDIAPHARM does not exercise its right of first refusal, Relaxa may transfer its shares to any third party with the prior consent of PEDIAPHARM, which consent shall not be reasonably withheld.

7.7. **EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR MERCHANTABILITY, ARE MADE OR ARE DEEMED TO HAVE BEEN MADE BY RELAXA CO.**

7.8. **No Authorization to Give Warranties.** Neither PEDIAPHARM nor any of its Affiliates or sub-licensees is authorized to give any warranties or make any representations on RELAXA CO.'s behalf.

Article 8. INSURANCE, INDEMNIFICATION & LIMITATION OF LIABILITY

8.1. **Insurance.** PEDIAPHARM shall, at its own expense, obtain and maintain during the Term of this Agreement and for a period of not less [redacted] thereafter, policies of comprehensive general liability and product liability insurance covering the performance of its obligations in this Agreement in amounts not less than those insured by prudent pharmaceutical companies in a similar situation as PEDIAPHARM.
Redacted: for confidentiality purposes.

8.2. **Limitation.** Except with respect to third party claims covered by Clause 8.3 and 8.4 and except for cases involving wilful misconduct or gross negligence, in no event shall either Party be held liable for any indirect, incidental or consequential damage or loss arising from or relating to this Agreement, including the loss of profits, revenue, business opportunity or goodwill. The limitation of liability stipulated in this Clause Article 8 shall not be applied with regard to (i) any infringement or violation of the intellectual property rights of RELAXA CO. or of any third party from whom RELAXA CO. has acquired such rights; (ii) any breach of the confidentiality obligations set forth in this Agreement.

8.3. **RELAXA CO. Indemnification.** RELAXA CO. agrees to indemnify and hold PEDIAPHARM harmless from and against all damages, losses, liability, costs and expenses (including reasonable attorney's fees) arising out of any third party claim, suit, demand, action or proceeding for bodily injury, death or property damage to the extent caused by (i) the wilful misconduct or criminal wrongdoing of RELAXA CO.; (ii) any negligent act or omission of RELAXA CO.; (iii) any breach of this Agreement by RELAXA CO.; or (iv) the Product not being in compliance with the Agreed Quality.

8.4. **PEDIAPHARM Indemnification.** PEDIAPHARM agrees to indemnify and hold RELAXA CO. harmless from and against all damages, losses, liability, costs and expenses (including reasonable attorney's fees) arising out of any third party claim, suit, demand, action or proceeding to the extent caused by (i) the wilful misconduct or criminal wrongdoing of PEDIAPHARM; (ii) any negligent act or omission of PEDIAPHARM; (iii) any breach of this Agreement by PEDIAPHARM.

8.5. **Conditions of Indemnification.** With respect to any indemnification obligation of either Party under this Agreement, the following shall be applicable:

8.5.1. the indemnified Party shall notify the indemnifying Party promptly in writing of any claim which may give rise to an obligation on the part of the indemnifying Party hereunder;

8.5.2. the indemnifying Party shall be allowed to timely undertake the sole control of the defence of any such claim, including all negotiations for the settlement, or compromise of such claim at its sole expense; and

8.5.3. the indemnified Party shall, at the indemnifying Party's expense, render reasonable assistance, information, co-operation and authority to permit the indemnifying Party to settle or defend such claim.

Article 9. CONFIDENTIALITY

9.1. Confidentiality Obligations. Each Party agrees to retain the Confidential Information of the other Party in confidence; not to disclose any such Confidential Information to any third party without the prior written consent of the disclosing Party; and to use the disclosing Party's Confidential Information only for the purposes of this Agreement.

9.2. Disclosure to Employees. The receiving Party shall permit access to the disclosing Party's Confidential Information only to those of its employees with a need to know for the purpose of this Agreement and who are bound by confidentiality obligations no less strict than those included herein.

9.3. Duration of Confidentiality Obligations. The confidentiality obligations contained herein shall survive the termination or expiration of this Agreement for any reason and shall remain in effect for ten (10) years after such termination or expiration.

9.4. Exceptions to Confidentiality Obligations. The confidentiality obligations shall not apply to any Confidential Information to the extent that the same, as demonstrated in writing by the receiving Party:

9.4.1. was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

9.4.2. becomes generally available to the public or otherwise part of the public domain after its disclosure to the receiving Party other than through any act or omission on the part of the receiving Party;

9.4.3. was in the receiving Party's possession free of any obligation of confidentiality at the time of its disclosure to the receiving Party; or

9.4.4. is rightfully obtained by the receiving Party from a third party authorized to make such disclosure without restriction.

9.5. Disclosure Required by Law. The receiving Party may disclose Confidential Information belonging to the disclosing Party to the extent (and only to the extent) such disclosure is necessary in order to comply with applicable law and judicial process, if in the reasonable opinion of the receiving Party's counsel, such disclosure is necessary for such compliance. If and whenever any Confidential Information is disclosed in accordance with this Clause 9.5, such disclosure shall not cause any such information to cease to be Confidential Information. Where reasonably possible, the receiving Party shall notify the disclosing Party of its intent to make such disclosure pursuant to this Clause 9.5 sufficiently prior to making such disclosure so as to allow the disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information.

9.6. Return of Confidential Information upon Termination. Upon termination or expiration of this Agreement for any reason, each Party shall promptly return to the other Party all tangible forms of Confidential Information furnished by the other Party, including all copies thereof, and destroy all other Confidential Information of the other Party in its possession or under its control.

Article 10. TERM AND TERMINATION

10.1. Term of the Agreement. This Agreement shall be effective as of the Date of Agreement and shall continue in effect for a period of fifteen (15) years thereafter (hereinafter the "Initial Term"), to be automatically renewed for three (3) year periods at a time (each hereinafter the **"Renewal Term"**), subject to the right of either Party to terminate this Agreement at the end of the Initial Term or at the end of any Renewal Term with at least six (6) months' prior written notice to the other Party.

10.2. Insolvency. Either of the Parties shall have the right to terminate this Agreement forthwith if the other Party is unable to pay its debts, becomes insolvent, is adjudged bankrupt, enters into liquidation, whether compulsorily or voluntarily, or ceases for any reason to carry on business. Each Party's agreements with third parties relating to the Relaxa Assets shall stipulate that the other party may assume that party's rights and obligations under the agreement in the event of its insolvency.

10.3. Breach of the Agreement. Either of the Parties may terminate this Agreement by notice in writing to the other if the other Party commits a breach of this Agreement which (i) in the case of a breach capable of a remedy, shall not have been remedied within sixty (60) days of the receipt by the defaulting Party of written notice identifying the breach; and (ii) continues to exist at the time of notice of termination.

10.4. Early Termination. Without prejudice to any right or remedy available to RELAXA CO. hereunder or at law, RELAXA CO. shall have the right to terminate this Agreement with immediate effect upon written notice to PEDIAPHARM:

10.4.1. if PEDIAPHARM challenges or contests the validity or enforceability of any RELAXA CO. Intellectual Property Rights; or

10.4.2. if, after the Date of Agreement, any third party entity, which RELAXA CO. reasonably considers to be its competitor, should acquire directly or indirectly by share or asset acquisition, or otherwise, any majority ownership interest or effective control over the management, business or affairs of PEDIAPHARM or its Affiliate in the Territory. PEDIAPHARM shall immediately notify RELAXA CO. of any such acquisition prior to or at the time of its actual occurrence.

10.5. No Prejudice to Rights. Expiration or termination of this Agreement for any reason shall not relieve the Parties of any obligation accruing prior to such expiration or termination nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation provided for in this Agreement which expressly survives expiration or termination. The provisions of Clauses 5.3, 6.5, Article 8, Article 9, Clauses 10.7

and 11.2 shall survive the expiration or termination of this Agreement as well as any other provision which by its intent is meant to survive expiration or termination of this Agreement.

10.6. Cease of Rights. Subject to Clause 10.7 below, upon the termination or expiration of this Agreement for any reason, all rights granted to PEDIAPHARM hereunder shall immediately cease.

10.7. Inventory upon Termination. Upon the effective date of termination or expiration of this Agreement for any reason, PEDIAPHARM shall notify RELAXA CO. of the amount of the Product in its possession, ownership or control. RELAXA CO. shall have the option either to (i) repurchase PEDIAPHARM's remaining inventory at the actual manufacturing cost at which PEDIAPHARM acquired Product from its manufacturer; or (ii) allow PEDIAPHARM to sell off such inventory in the ordinary course of business within one hundred eighty (180) days from the effective date of termination or expiration of this Agreement (in which case any remaining quantities of the Product not sold during such period shall be destroyed by PEDIAPHARM at its sole cost). RELAXA CO. shall exercise its re-purchase option, if RELAXA CO. so elects, at the latest within thirty (30) days from the effective date of termination or expiration of this Agreement.

Article 11. MISCELLANEOUS

11.1. Force Majeure. Neither Party shall be held liable or responsible to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement to the extent such failure or delay is caused by or results from causes that are beyond the reasonable control of the affected Party and that could not have been avoided by the exercise of reasonable diligence. Upon the occurrence of such event, the affected Party shall give prompt written notice of such event to the other Party. If the force majeure circumstance continues for more than two (2) consecutive months, either Party shall have the right to terminate this Agreement with immediate effect.

11.2. Notices. Any notice required or permitted under this Agreement shall be in writing, in the English language, shall be given by personal delivery, prepaid certified or registered mail, or facsimile, and shall be deemed sufficiently given if and when addressed to the Party at the address stated below. Either Party may, by notice to the other Party, change its address for receiving such notices.

If to **RELAXA CO.**:

RELAXA CO.

Attn: [redacted]

Mailing address: [redacted]

Email : [redacted]

Redacted: for confidentiality purposes.

If to **PEDIAPHARM**:

PEDIAPHARM INC.

Attn: [redacted]

Address [redacted] **Redacted: for confidentiality purposes.**

11.3. Compliance with Local Laws and Good Business Practice. At all times during the Term, PEDIAPHARM agrees to comply with all laws, regulations and other legal requirements in the Territory as well as ethical business practices.

11.4. Relationship of the Parties. The relationship between RELAXA CO. and PEDIAPHARM is that of independent contractors. It is expressly agreed that for tax, legal or other purposes (i) this Agreement or any portion thereof shall not be considered to be a partnership agreement; and (ii) the relationship between the Parties shall not constitute a partnership, joint venture or agency. The Parties shall have no power to bind or obligate the other Party in any manner.

11.5. Costs and Expenses. Each Party shall, unless specifically otherwise agreed hereunder, bear their own costs and expenses connected with such Party's activities and performance under this Agreement.

11.6. Severability. If any provision contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed by limiting such invalid, illegal or unenforceable provision, or if such is not possible, by deleting such invalid, illegal or unenforceable provision from this Agreement; provided that should this Agreement as a result of such deleting not any more reasonably correspond to the good faith intent of the Parties, either Party may propose the other Party amendments also to the other provisions of this Agreement in order to have the Agreement correspond to such good faith intent and negotiate in good faith on such amendment(s).

11.7. Integration. This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior agreements, understandings and discussions, whether oral or written, of the Parties with respect to the subject matter hereof. Any modification of this Agreement shall be effective only when in writing and signed by the Parties.

11.8. Non-Waiver. Any delay in enforcing a Party's rights under this Agreement or any waiver as to a particular default shall not constitute a waiver of a Party's right to the future enforcement of its rights under this Agreement.

11.9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of [redacted] without regard to its conflict of law provisions. It is specifically agreed that the United Nations Convention on Contracts for the International Sale of Goods is not applicable to this Agreement.

Redacted: for confidentiality purposes.

11.10. Dispute Resolution. Any dispute, controversy or claim arising out of or in connection with this Agreement, including the breach, termination or invalidity thereof, shall be finally settled by [redacted]. **Redacted: for confidentiality purposes.**

11.11. Assignment. This Agreement may not be assigned or otherwise transferred by either Party without the prior written consent of the other Party; such consent not be unreasonably or arbitrarily withheld. Any permitted assignee shall assume all obligations of its assignor under this Agreement, and no permitted assignment shall relieve the assignor of the liability for its obligations hereunder in the event of default by the permitted assignee. Any purported assignment in violation of the preceding sentence shall be void.

11.12. Public Announcements. Neither Party shall make or procure or permit the making of press release or other announcement or statement to the public with respect to this Agreement, except as required by law, by applicable stock exchange rules or mutually agreed to by the Parties, in which event such Party shall give the other Party a reasonable opportunity to review the form and content of such announcement prior to its schedule release.

11.13. Schedules. The following Schedules are attached to this Agreement:

Schedule A: Product, Product Intellectual Property Rights and RELAXA CO. Registrations & Material Contracts

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

9346-4626 QUEBEC INC.,	**PEDIAPHARM INC.**
[redacted]	
DATE: 14 September 2016	DATE: Sept 15, 2016

Redacted: for confidentiality purposes.