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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 17, 2019

**EMERALD BIOSCIENCE, INC.**

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction  
of incorporation)

000-55136

(Commission  
File Number)

45-0692882

(I.R.S. Employer  
Identification Number)

130 North Marina Drive, Long Beach, CA 90803

(Address of principal executive offices)

(949) 336-3443

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.***Warrant Exercise Agreement*

On December 20, 2019, Emerald Bioscience, Inc. (the “Company” or “us” or “we”) entered into a Warrant Exercise Agreement (the “Warrant Exercise Agreement”) with Emerald Health Sciences (“EHS”), pursuant to which EHS, as warrant holder and lender under the Multi Draw Credit Agreement, dated as of October 5, 2018, between EHS and the Company (the “Credit Agreement”), exercised 40.80 million of the Company’s warrants. EHS paid the aggregate exercise price of approximately \$4.08 million for the related warrant shares in the form of a reduction of the corresponding amount of obligations outstanding under the Credit Agreement. Upon consummation of the transactions contemplated by the Warrant Exercise Agreement, the aggregate reduced outstanding balance under the Credit Agreement is \$2,014,500. The foregoing description of the Warrant Exercise Agreement does not purport to be complete, and is qualified in its entirety by reference to the full text of the agreement attached hereto as Exhibit 10.1 and incorporated by reference herein.

*Board Observer Agreement*

On December 19, 2019, the Company entered into a Board Observer Agreement with EHS. The Board Observer Agreement gives a right to EHS to designate one observer to the Board of Directors of the Company for so long as EHS maintains ownership of any securities in the Company. Under the Board Observer Agreement, the board observer will be permitted to attend all meetings (whether in person, telephonically or otherwise) of the board of directors of the Company in a non-voting, observer capacity. EHS appointed Dr. Avtar Dhillon as an initial board observer. The Board Observer Agreement may be terminated by either party for cause upon written notice to the other party if the other party defaults in the performance of the agreement in any material respect or materially breaches the terms of the agreement, or without cause upon 30 days’ prior written notice to the other party.

*Independent Contractor Services Agreement*

On December 19, 2019, the Company entered into an Independent Contractor Services Agreement with Dr. Avtar Dhillon, pursuant to which Dr. Dhillon will provide ongoing corporate finance and strategic business advisory services to the Company. In exchange for his services, Dr. Dhillon will receive a monthly fee of \$10,000, with (i) \$5,000 paid each month and (ii) \$5,000 accruing from the effective date and payable upon Company’s completion of a material financing. The Board will review the monthly rate paid to Dr. Dhillon within 90 days of the end of each fiscal year. The Independent Contractor Services Agreement has an initial term of one year and will renew automatically thereafter unless terminated earlier by either party. The Independent Contractor Services Agreement may be terminated by either party for cause upon written notice to the other party if the other party defaults in the performance of the agreement in any material respect or materially breaches the terms of the agreement, or without cause upon 30 days’ prior written notice to the other party. The foregoing description of the Independent Contractor Services Agreement does not purport to be complete, and is qualified in its entirety by reference to the full text of the agreement attached hereto as Exhibit 10.2 and incorporated by reference herein.

**Item 1.02 Termination of a Material Definitive Agreement.***Termination of Independent Contractor Agreement*

On December 17, 2019, the Board of Directors of the Company (the “Board”) approved the termination of the Independent Contractor Agreement, dated as of February 1, 2018, between the Company and EHS, pursuant to which EHS provided to the Company corporate advisory services and services related to business development, marketing, investor relations, information technology and product development. The fee due under the Independent Contractor Agreement payable on a monthly basis; however, if the Company is unable to make payments due to insufficient funds, then interest on the outstanding balance will accrue at a rate of 12% per annum, calculated semi-annually. Under this agreement, for the three months ended September 30, 2019 and 2018, the Company incurred expenses of \$150,000 in each period. For the nine months ended September 30, 2019 and 2018, the Company incurred expenses of \$450,000 and \$400,000, respectively. The termination of the Independent Contractor Agreement was executed on December 19, 2019 and will become effective as of December 31, 2019.



**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers**

On December 17, 2019, the Board accepted the resignation of Dr. Avtar Dhillon, who offered his resignation as the Chairman of the Board and the position of Chairman of the Finance and Business Development Committee of the Board. As disclosed under Item 1.01, the Company entered into a Board Observer Agreement with Emerald Health Sciences to allow Dr. Dhillon to continue as a representative of Emerald Health Sciences as a non-voting observer in future meetings of the Board, and into an Independent Contractor Services Agreement with Dr. Dhillon, pursuant to which Dr. Dhillon will provide ongoing corporate finance and strategic business advisory services to the Company.

The Board also appointed Punit Dhillon, an existing member of the Board, as Chairman of the Board and as Chairman of the Finance and Business Development Committee of the Board, to fill the vacancies in such offices created by the resignation of Dr. Dhillon.

**Item 8.01 Other Events.**

On December 17, 2019, the Board has approved the change of the name of the Company to “EMBI Pharmaceuticals, Inc.” subject to regulatory and stockholder approval.

The information set forth in Item 8.01 of this Current Report on Form 8-K shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference in any of the Company’s filings with the Securities and Exchange Commission under the Exchange Act or the Securities Act of 1933, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Exhibit Description</b>
<a href="#"><u>10.1</u></a>	<a href="#"><u>Warrant Exercise Agreement, dated as of December 20, 2019, between the Company and Emerald Health Sciences.</u></a>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Independent Contractor Services Agreement, dated as of December 19, 2019, between the Company and Dr. Avtar Dhillon.</u></a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EMERALD BIOSCIENCE, INC.**

Dated: December 20, 2019

*/s/ Dr. Brian Murphy*

\_\_\_\_\_  
Dr. Brian Murphy  
Chief Executive Officer

**WARRANT EXERCISE AGREEMENT**

This Warrant Exercise Agreement (this "Agreement"), dated as of December 20, 2019 (the "Effective Date"), is made by and between Emerald Bioscience, Inc., f/k/a Nemus Bioscience Inc., a Nevada corporation (the "Company"), and Emerald Health Sciences Inc., as the holder (the "Holder") of a Warrant to Purchase Common Stock (the "Warrant") described in the notice of exercise attached as Exhibit A hereto (the "Exercise Notice").

WHEREAS, Holder, as lender (in such capacity, the "Lender"), and the Company, as borrower (in such capacity, the "Borrower"), are parties to that certain Multi Draw Credit Agreement dated as of October 5, 2018 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement"), pursuant to which the Company issued the Warrant to the Holder.

WHEREAS, as of the date hereof, the aggregate obligations of the Company due to the Holder and outstanding under the Credit Agreement exceed \$6.0 million ("Credit Obligations").

WHEREAS, concurrently with the execution hereof, the Holder has delivered to the Company the Exercise Notice of its right to purchase the Warrant Shares (as defined therein) electing Cash Exercise (as defined therein).

WHEREAS, the Holder has requested and the Company has agreed that, the Holder pay the aggregate Exercise Price for the Warrant Shares in the total amount of \$4.08 million (the "Aggregate Exercise Price") in the form of a reduction of the Credit Obligations in the amount of the Aggregate Exercise Price, rather than by remittance of immediately available funds, as further described herein ("Credit Consideration").

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Holder and the Company agree as follows:

**ARTICLE I  
DEFINITIONS**

Section 1.1 Definitions. Capitalized terms not defined in this Agreement shall have the meanings ascribed to such terms in the Warrant.

**ARTICLE II  
EXERCISE OF THE WARRANTS**

Section 2.1 Exercise of the Warrants. The Holder hereby agrees to exercise its Warrant pursuant to the Exercise Notice and the terms hereof.

Section 2.2 Credit Consideration. Each of the Holder (including in its capacity as Lender) and the Company (including in its capacity as Borrower) hereby agree that as of the date hereof (a) the Credit Obligations shall be reduced by the Aggregate Exercise Price, which shall be applied first to the accrued but unpaid interest and then to the principal outstanding under the Credit Agreement, (b) the Company thereby shall be deemed to have received the Aggregate Exercise Price as of such date, and (c) the Company shall effectuate the issuance and delivery of the Warrant Shares in accordance with the terms of the Warrant.

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**ARTICLE III  
REPRESENTATIONS AND WARRANTIES**

Section 3.1 Representations and Warranties of the Company. The Company hereby makes the representations and warranties set forth below to the Holder that as of the date of its execution of this Agreement:

(a) Authorization: Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Company and no further action is required by such Company, its board of directors or its stockholders in connection therewith. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) No Conflicts. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other material instrument (evidencing Company debt or otherwise) or other material understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected.

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(c) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by Law to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein being collectively referred to herein as the “SEC Reports”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 3.2 Representations and Warranties of the Holder. The Holder hereby makes the representations and warranties set forth below to the Company that as of the date of its execution of this Agreement:

(a) Due Authorization. The Holder represents and warrants that (i) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on its behalf and (ii) this Agreement has been duly executed and delivered by the Holder and constitutes the valid and binding obligation of the Holder, enforceable against it in accordance with its terms.

(b) No Conflicts. The execution, delivery and performance of this Agreement by the Holder and the consummation by the Holder of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Holder’s organizational or charter documents, or (ii) conflict with or result in a violation of any agreement, law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority which would interfere with the ability of the Holder to perform its obligations under this Agreement.

(c) Access to Information. The Holder acknowledges that it has had the opportunity to review this Agreement and the Company’s SEC Reports and the risk factors contained therein and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the exercise of the Warrants and the merits and risks of investing in the Warrant Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

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**ARTICLE IV  
MISCELLANEOUS**

Section 4.1 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be made in accordance with the provisions of the Credit Agreement.

Section 4.2 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

Section 4.3 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

Section 4.4 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined pursuant to the Governing Law provision of the Warrant.

Section 4.5 Entire Agreement. The Agreement, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

Section 4.6 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY:

EMERALD BIOSCIENCE, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

HOLDER:

EMERALD HEALTH SCIENCES INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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Exhibit A

**EXERCISE NOTICE**

**TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO  
PURCHASE COMMON STOCK**

**EMERALD BIOSCIENCE, INC.**

The undersigned holder hereby exercises the right to purchase 40,800,000 of the shares of Common Stock ("**Warrant Shares**") of Emerald Bioscience, Inc., f/k/a Nemus Bioscience Inc., a Nevada corporation (the "**Company**"), evidenced by the attached Warrant to Purchase Common Stock (the "**Warrant**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as:

\_\_\_\_\_ a "Cash Exercise" with respect to Warrant Shares;

\_\_\_\_\_ a "Cashless Exercise" with respect to Warrant Shares; and/or

\_\_\_\_\_ x "Credit Consideration" as defined in the Warrant Exercise Agreement dated as of the date hereof with respect to Warrant Shares (the "Warrant Exercise Agreement").

2. Payment of Exercise Price. In the event that the holder has elected a Cash Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in the sum of [ ] to the Company in accordance with the terms of the Warrant. In the event that the holder has elected Credit Consideration with respect to some or all of the Warrant Shares to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in accordance with the terms of the Warrant Exercise Agreement.

3. Delivery of Warrant Shares. The Company shall deliver to the holder Warrant Shares in accordance with the terms of the Warrant.

Date: December 20, 2019

Emerald Health Sciences Inc.  
Name of Registered Holder

By: \_\_\_\_\_

Name: Avtar Dhillon, MD

Title: Executive Chairman and Chief Executive Officer

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## INDEPENDENT CONTRACTOR SERVICES AGREEMENT

This **Independent Contractor Services Agreement** (this “**Agreement**”) effective as of December 19, 2019 (the “**Effective Date**”), is entered into between Emerald Bioscience, Inc., a Nevada corporation (“**Company**”), and Dr. Avtar Dhillon, an individual (“**Contractor**”). The parties hereby agree as follows:

1. **Engagement for Services.** Company hereby engages Contractor to perform the services (the “**Services**”) described on Exhibit A in accordance with the schedule set forth thereon and the terms and conditions of this Agreement. Contractor hereby accepts such engagement and shall perform the Services and otherwise act in strict accordance with the terms and conditions of this Agreement. Contractor shall comply with all applicable Company policies and procedures in the performance of the Services. Contractor shall perform the Services in accordance with all applicable laws, regulations and the highest professional industry standards.

2. **Compensation; Expenses.** Company shall pay Contractor the fees set forth in Exhibit A in accordance with the payment schedule set forth therein. If provided for in Exhibit A, Company shall reimburse Contractor’s reasonable expenses directly incurred in the performance of the Services no later than thirty (30) days after Company’s receipt of Contractor’s invoice, provided that reimbursement for expenses may be delayed until such time as Contractor has furnished reasonable documentation for authorized expenses as Company may reasonably request. Upon termination of this Agreement for any reason, Contractor shall be (a) paid fees on the basis set forth in Exhibit A and (b) reimbursed only for expenses that are incurred prior to termination of this Agreement and in accordance with this Agreement.

3. **Place of Work.** Contractor is generally free to perform Contractor’s Services at a location of Contractor’s choosing. Contractor understands that the Services must coordinate with Company’s established protocols and security requirements and may from time to time need to be performed at Company’s premises.

4. **Disclosure and Assignment of Work Product.**

4.1 **Work Product.** “**Work Product**” shall mean all discoveries, inventions (whether or not protectable under patent laws), designs, developments, improvements, works of authorship, information or data fixed in any tangible medium of expression (whether or not protectable under copyright laws), know-how, ideas (whether or not protectable under trade secret laws), mask works, trademarks, service marks, trade names, trade dress or other technology, intellectual property or results conceived, created, generated, made, derived, developed or reduced to practice, whether directly or indirectly or solely or jointly with others, from (a) the performance of the Services or (b) the Confidential Information (as defined below).

4.2 **Disclosure and Assignment of Work Product.** Contractor shall maintain adequate and current records of all Work Product; which records shall be and remain the property of Company. Contractor promptly shall disclose and describe to Company all Work Product. Contractor shall, and hereby does, assign to Company, or Company’s designee, all of Contractor’s right, title and interest in and to any and all Work Product, all associated records, and all intellectual property rights therein and thereto.

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4.3 Further Assistance. Contractor shall perform, during and after the term of this Agreement, all acts that Company deems necessary or desirable to permit and assist Company in obtaining, perfecting and enforcing the full benefits, enjoyment, rights and title throughout the world in the Work Product. Such assistance shall include, without limitation, the maintenance of adequate and current records of any and all Work Product, the disclosure of all pertinent information and data relating to Work Product, the execution of all applications, specifications, oaths, and assignments, and all other instruments and papers that Company shall deem necessary to apply for and to assign or convey to Company, its successors, and assigns or nominees, the sole and exclusive right, title, and interest in such Work Product. If Company is unable for any reason to secure Contractor's signature to any document required to file, prosecute, register or memorialize the assignment of any rights under any Work Product, Contractor hereby irrevocably designates and appoints Company as Contractor's agent and attorney-in-fact to act for and on Contractor's behalf and instead of Contractor to take all lawfully permitted acts to further the filing, prosecution, registration, memorialization of assignment, issuance and enforcement of rights under such Work Product, all with the same legal force and effect as if executed by Contractor. The foregoing is deemed a power coupled with an interest and is irrevocable.

4.4 Out-of-Scope Innovations. If Contractor incorporates or permits to be incorporated into any Work Product any technology or intellectual property relating in any way, at the time of conception, creation, generation, making, derivation, development or reduction to practice of such Work Product, to Company's business or actual or demonstrably anticipated research or development but which was conceived, created, generated, made, derived, developed or reduced to practice by Contractor (solely or jointly) either unrelated to Contractor's work for Company under this Agreement or prior to the earlier of the Effective Date or Contractor's commencement of the Services (collectively, the "**Out-of-Scope Innovations**"), then Contractor hereby grants to Company and Company's designees a non-exclusive, royalty-free, irrevocable, worldwide, fully paid-up license (with rights to sublicense through multiple tiers of sublicensees) to practice all intellectual property rights relating to such Out-of-Scope Innovations. Notwithstanding the foregoing, Contractor shall not (a) incorporate, or permit to be incorporated, any technology or intellectual property conceived, created, generated, made, derived, developed or reduced to practice by others or any Out-of-Scope Innovations into any Work Product without Company's prior written consent or (b) disclose to Company, or bring onto Company's premises, or induce Company to use any confidential or proprietary information that belongs to anyone other than Company or Contractor.

4.5 License. To the extent, if any, that Contractor retains any right, title or interest in or to any Work Product, Contractor hereby grants to Company a perpetual, irrevocable, fully paid-up, transferable, sublicensable, exclusive, worldwide right and license (a) to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of Company) all or any portion of such Work Product, in any form or media (now known or later developed); (b) to modify all or any portion of such Work Product, including, without limitation, the making of additions to or deletions from such Work Product, regardless of the medium (now or hereafter known) into which such Work Product may be modified and regardless of the effect of such modifications on the integrity of such Work Product; (c) to identify Contractor, or not to identify Contractor, as one or more authors of or contributors to such Work Product or any portion thereof, whether or not such Work Product or any portion thereof have been modified; and (d) to otherwise exploit such Work Product in any manner whatsoever; in each case without notice to, the consent of, or accounting to Contractor. Contractor further waives any "moral" rights or other rights with respect to attribution of authorship or integrity of such Work Product that Contractor may have under any applicable law, whether under copyright, trademark, unfair competition, defamation, right of privacy, contract, tort or other legal theory.



## 5. Confidentiality.

5.1 Confidential Information. “**Confidential Information**” shall mean (a) any and all data and information of any type whatsoever directly or indirectly related to Company, its technology, intellectual property, products, product candidates, employees, business, assets, finances, operations or opportunities and/or the Services, (b) all Work Product and all associated records, (c) the existence of this Agreement and the nature and scope of the Services, the terms and conditions hereof and thereof, and the performance of the Services, and (d) any information that may be made known to Contractor including any such information that Company has received from others that Company is obligated to treat as confidential or proprietary. Notwithstanding the foregoing, Confidential Information shall not include (i) information that is or becomes publicly known through lawful means through no act or omission of Contractor; (ii) information that was rightfully known by Contractor without confidential or proprietary restriction before receipt from Company, as evidenced by Contractor’s contemporaneous written records; or (iii) information that is disclosed to Contractor without restriction by a third party who rightfully possesses the information and does not owe a duty of confidentiality to Company with respect to such information.

5.2 Nondisclosure and Nonuse. Except as permitted in this Section 5, Contractor shall maintain in confidence and not, directly or indirectly, use, disseminate or in any way disclose the Confidential Information. Contractor may use the Confidential Information solely to perform the Services for the sole and exclusive benefit of Company. Contractor shall not disclose the Confidential Information to any third party, other than Company. Contractor shall treat all Confidential Information with the same degree of care as Contractor accords to Contractor’s own confidential information, but in no case shall Contractor use less than reasonable care. Contractor shall immediately give notice to Company of any unauthorized use or disclosure of the Confidential Information. Contractor shall assist Company in remedying any such unauthorized use or disclosure of the Confidential Information.

5.3 Permitted Disclosure. Contractor’s nondisclosure obligations under Section 5.2 shall not apply to the extent that Contractor is required to disclose information by applicable law, regulation or order of a governmental agency or a court of competent jurisdiction; provided, however, that Contractor shall provide advanced written notice thereof to Company, consult with Company with respect to such disclosure and provide Company sufficient opportunity to object to any such disclosure or to request confidential treatment thereof (if applicable).

5.4 Ownership and Return of Confidential Information and Company Property. All Confidential Information and any materials (including, without limitation, documents, drawings, papers, media, tapes, models, apparatus, sketches, designs and lists) relating thereto (collectively, the “**Company Property**”), are the sole and exclusive property of Company. Within five (5) days after any request by Company, Contractor shall destroy or deliver to Company, at Company’s option, (a) all Company Property and (b) all materials in Contractor’s possession or control that contain or disclose any Confidential Information. Nothing in this Section 5 is intended to limit any remedy of Company under the California Uniform Trade Secrets Act (California Civil Code Section 3426), or otherwise available under law.



6. Waiver of Rights and Constructive Trust. Contractor hereby waives any and all rights Contractor may have or hereafter acquire in or to the Work Product, the Confidential Information or the Company Property, or any other work product derived directly or indirectly therefrom. Without limiting the generality of any other provision of this Agreement, Contractor shall not copy, disclose, publish or otherwise disseminate (including without limitation in the form of any book, movie, television show, video, article, interview, blog, tweet, website posting or other public disclosure or use of any type whatsoever) the Work Product, the Confidential Information or the Company Property, or any other work product derived directly or indirectly therefrom. Any and all proceeds (in cash, in kind or otherwise) directly or indirectly resulting from any violation of this Agreement shall be held in constructive trust for the sole and exclusive benefit of Company, and Contractor immediately shall pay or deliver to Company any and all of such proceeds.

7. Independent Contractor Relationship.

7.1 Independent Contractor Status. Contractor's relationship with Company is that of an independent contractor, and nothing in this Agreement is intended to, or shall be construed to, create a partnership, agency, joint venture, employment or similar relationship. Neither Contractor nor, if Contractor is an entity, any employee of Contractor (which for purposes of this Section 7 shall be included in the term "**Contractor**") shall be entitled to any benefits accorded to Company's employees, including workers' compensation, disability insurance, retirement plans, or vacation or sick pay. Contractor's exclusion from benefit programs maintained by Company is a material component of the terms of compensation negotiated by the parties and is not premised on Contractor's status as a non-employee with respect to Company. To the extent that Contractor may become eligible for any benefit programs maintained by Company (regardless of the timing of or reason for eligibility), Contractor hereby waives Contractor's right to participate in the programs. Contractor's waiver is not conditioned on any representation or assumption concerning Contractor's status under the common law test. Consistent with Contractor's independent contractor status, Contractor shall not apply for any government-sponsored benefits that are intended to apply to employees, including, but not limited to, unemployment benefits. Contractor is not authorized to make any representation, contract or commitment on behalf of Company unless specifically requested or authorized in writing to do so by Company.

7.2 Taxes; Insurance; Permits. Contractor is solely responsible for, and shall file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state or local tax authority with respect to the performance of services and receipt of fees under this Agreement, and shall provide Company with proof of payment on demand. Contractor is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing services under this Agreement. No part of Contractor's compensation shall be subject to withholding by Company for the payment of any social security, federal, state or any other employee payroll taxes. Contractor shall be responsible for providing, at Contractor's expense and in Contractor's name, disability, workers' compensation, or other insurance as well as licenses and permits usual or necessary for performing the Services.

## 8. Term and Termination.

8.1 Term. Contractor's engagement is for a contractual term of one year, renewed automatically without any action on the part of either Company or Contractor, unless terminated earlier as set forth below.

8.2 Early Termination. Company or Contractor may terminate this Agreement at any time: (a) without cause, on thirty (30) days' prior express written notice to the other party of termination or (b) immediately upon express written notice to the other party if the other party defaults in the performance of this Agreement in any material respect or materially breaches any of its provisions. This Agreement shall terminate automatically upon the occurrence of (i) the appointment of a receiver, liquidator, or trustee for either party by decree of competent authority in connection with any adjudication or determination by such authority that either party is bankrupt or insolvent, (ii) the filing by either party of a petition in voluntary bankruptcy, the making of an assignment for the benefit of its creditors, or the entering into of a composition with its creditors or (iii) the death (if applicable) or dissolution of either party.

8.3 Effect of Expiration or Termination. Upon expiration or termination of this Agreement, Company shall pay Contractor for services performed under this Agreement as set forth in Section 1 and Exhibit A. The provisions of Sections 4, 5, 8.3, 10 and 11 shall survive any termination or expiration of this Agreement.

9. Other Services: No Conflict of Interest. Contractor may represent, perform services for, or be employed by such additional persons or companies as Contractor sees fit, except to the extent that doing so causes Contractor to breach Contractor's obligations under this Agreement. Notwithstanding the foregoing, during the term of this Agreement, Contractor shall not accept work, enter into a contract or accept an obligation inconsistent or incompatible with Contractor's obligations, or the Services to be rendered for Company, under this Agreement.

## 10. Contractor's Representations and Warranties: Indemnification.

10.1 Contractor represents and warrants to Company that (a) to the best of Contractor's knowledge, there is no other existing contract or duty on Contractor's part that conflicts with or is inconsistent with this Agreement, (b) Contractor has the qualifications and ability to perform the Services in accordance with the terms of this Agreement, without the advice, control, or supervision of Company, (c) Contractor shall be solely responsible for the professional performance of the Services and shall receive no assistance, direction, or control from Company, (d) Contractor has good title to any Work Product and the right to assign Work Product to Company free of any proprietary rights of any other party or any other encumbrance whatsoever, (e) to the extent applicable, each of Contractor's employees and subcontractors involved in any way in the performance of the Services hereunder will have agreed, as a condition precedent to either (i) its employment or subcontractor relationship with Contractor, as the case may be, or (ii) its involvement in the performance of the Services, to be bound by terms and conditions at least as protective as those terms and conditions applicable to Contractor regarding Work Product and Confidential Information under this Agreement, and (f) (i) Contractor has all necessary power and capacity (if Contractor is an individual) or authority (if Contractor is an entity) to enter into and perform this Agreement, (ii) this Agreement constitutes Contractor's valid and binding obligation, enforceable in accordance with its terms except (A) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (B) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, (iii) the execution and performance of this Agreement by Contractor do not (1) violate any provision of law applicable to Contractor, (2) conflict with any document, agreement or instrument to which Contractor is a party or (3) except for notices, approvals and consents that have been made or obtained, require that Recipient obtain any consent or approval of, or give notice to, any person.

10.2 Contractor shall and does hereby indemnify, defend, and hold harmless Company, and Company's officers, directors, equity holders, employees, agents, affiliates, subsidiaries, representatives, successors and assigns, from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, settlements, judgments, recoveries, and deficiencies, including interest, penalties, and reasonable attorney fees and costs, that Company may incur or suffer to the extent resulting from or relating to any breach or failure of Contractor to perform any of its representations, warranties, and covenants in this Agreement or the alleged breach by Contractor of any confidentiality or services agreement with anyone other than Company.

11. Miscellaneous.

11.1 Successors and Assigns. Contractor may not subcontract or otherwise assign, transfer or delegate Contractor's rights or obligations under this Agreement without Company's prior written consent. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors, and permitted assigns, and shall not benefit any person or entity other than those enumerated above

11.2 Amendments; Waivers. This Agreement shall not be varied, altered, modified, changed or in any way amended except by an instrument in writing executed by Contractor and a duly authorized representative of Company. No waiver by a party of a breach of or obligation under this Agreement shall constitute a waiver of any other or subsequent breach or obligation.

11.3 Counterparts; Signatures. This Agreement may be executed and delivered by in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page delivered by facsimile or e-mail transmission of images in Adobe PDF or similar format shall be binding to the same extent as an original signature page, with regard to any agreement subject to the terms hereof or any amendment thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to the other party if so requested

11.4 Injunctive Relief. Contractor's obligations under this Agreement are of a unique character that gives them particular value; Contractor's breach of any of such obligations shall result in irreparable and continuing damage to Company for which money damages are insufficient, and Company shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including money damages if appropriate).

11.5 Attorneys' Fees. If any legal action (including, without limitation, an action for arbitration or injunctive relief) is brought relating to this Agreement or the breach or alleged breach hereof, the prevailing party in any final judgment or arbitration award in any such action shall be entitled to receive from the other party the reasonable attorneys' fees (and all related costs and expenses), and all other costs and expenses paid or incurred by such prevailing party in connection with such action or proceeding and in connection with enforcing any judgment or order with respect to such matter.

11.6 Governing Law; Forum. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof. Each of the parties irrevocably consents to the exclusive personal jurisdiction of the federal and state courts located in Los Angeles County, California, as applicable, for any matter arising out of or relating to this Agreement, except that in actions seeking to enforce any order or any judgment of such federal or state courts located in Los Angeles County, California, such personal jurisdiction shall be nonexclusive.

11.7 Notices. All notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party; (b) when sent by electronic mail to the address set forth on the signature pages hereto if sent between 8:00 am and 5:00 pm recipient's local time on a business day, or on the next business day if sent by electronic mail other than between 8:00 am and 5:00 pm recipient's local time; (c) three business days after deposit in the U.S. mail with first class or certified mail receipt requested postage prepaid and addressed to the other party at the address set forth on the signature pages hereto; or (d) the next business day after deposit with a national overnight delivery service, postage prepaid, addressed to the parties as set forth on the signature pages hereto with next business day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 11.7 by giving the other party written notice of the new address in the manner set forth above.

11.8 18 U.S.C. § 1833(b) Notice. Contractor understands that 18 U.S.C. § 1833(b) states as follows:

An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that- (A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Accordingly, notwithstanding anything to the contrary in this Agreement, Contractor understands that Contractor has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Contractor understands that Contractor also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Contractor understands and acknowledges that nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

11.9 Further Assurances. Company and Contractor shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement

11.10 Acknowledgement: Interpretation. The parties acknowledge that: (a) they have each had the opportunity to consult with independent counsel of their own choice concerning this Agreement and have done so to the extent they deem necessary, and (b) they each have read and understand the Agreement, are fully aware of its legal effect, and have entered into it voluntarily and freely based on their own judgment and not on any promises or representations other than those contained in the Agreement. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of this Agreement.

11.11 Entire Agreement. This Agreement and the agreements referred to herein constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous representations, warranties or agreements concerning such subject matter, written or oral. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement.

*[Remainder of Page Left Intentionally Blank]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**COMPANY:**

**Emerald Bioscience, Inc.**

By: \_\_\_\_\_  
Name: Brian Murphy  
Title: Chief Executive Officer

Address: 130 North Marina Drive  
Long Beach, California 90803

**CONTRACTOR:**

\_\_\_\_\_  
Dr. Avtar Dhillon

Address: 55 Vista Del Golfo  
Long Beach, California 90803

SIGNATURE PAGE TO INDEPENDENT CONTRACTOR SERVICES AGREEMENT

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**EXHIBIT A**

SERVICES AND COMPENSATION

**Description of Services:**

Contractor shall provide to Company corporate finance and strategic business advisory services (the “Services”). Contractor will work directly with the Chief Executive Officer of Company. Contractor will use his best efforts to promote the interests of Company, and will carry out his Services honestly, in good faith and in the best interests of Company. Contractor shall take direction from, and report to, the Board of Directors of Company.

**Schedule of Services:**

Contractor shall perform the Services upon the effective date of this agreement until the termination of this Agreement.

**Compensation and Payment Terms:**

Company shall pay Contractor a monthly rate of \$10,000, with (i) \$5,000 paid each month and (ii) \$5,000 accruing from the Effective Date and payable upon Company’s completion of a material financing. Company’s Board of Directors will, within 90 days of the end of each fiscal year, review the monthly rate paid to Contractor.

**Expenses:**

Company shall reimburse Contractor’s reasonable expenses incurred in the performance of the Services in accordance with Section 2.