
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K/A

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): June 7, 2019

Edesa Biotech, Inc.

(Exact Name of Registrant as Specified in its Charter)

British Columbia, Canada
(State or Other Jurisdiction
of Incorporation)

001-37619
(Commission
File Number)

N/A
(IRS Employer
Identification No.)

100 Spy Court
Markham, Ontario, Canada L3R 5H6
(Address of Principal Executive Offices)

(905) 475-1234
Registrant's telephone number, including area code

Stellar Biotechnologies, Inc.
332 E. Scott Street
Port Hueneme, California 93041
(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 obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of exchange on which registered</u>
Common Shares	EDSA	The Nasdaq Capital Market

Explanatory Note

On June 10, 2019, Edesa Biotech, Inc., formerly known as “Stellar Biotechnologies, Inc.” (the “Company”), filed a Current Report on Form 8-K with the Securities and Exchange Commission (the “Original Form 8-K”) reporting, among other items, that on June 7, 2019, the Company completed its business combination with Edesa Biotech Inc. (“Edesa”). This Amendment No. 1 on Form 8-K/A (“Amendment No. 1”) amends the Original Form 8-K to disclose under Item 5.02 the Company’s entry into employment agreements with each of Dr. Pardeep Nijhawan, the Company’s Chief Executive Officer, and Michael Brooks, the Company’s President and the Company’s entry into indemnification agreements with each of its executive officers and directors. This Amendment No. 1 also amends Item 9.01(d) of the Original Form 8-K to include the employment agreements and form of indemnification agreement as exhibits to this Current Report on Form 8-K.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Employment Agreement with Dr. Pardeep Nijhawan

On June 14, 2019 but effective as of June 7, 2019, the Company entered into an employment agreement with Dr. Pardeep Nijhawan. Pursuant to the employment agreement, Dr. Nijhawan will serve as the Company’s Chief Executive Officer for an indefinite term until Dr. Nijhawan’s employment is terminated in accordance with the agreement. As compensation for his services to the Company, Dr. Nijhawan will receive a base salary of \$300,000 per year and be eligible to receive a target annual bonus of 40% of his base salary, subject to achieving corporate and personal targets to be determined by the Company. Dr. Nijhawan will also receive an automobile allowance of \$2,700 per month and be eligible to participate in the Company’s group insured benefits program, as may be in effect from time-to time for the Company’s employees generally, and executive employees specifically. Dr. Nijhawan is also eligible for future share and/or option grants, as determined by the Company’s Compensation Committee, commensurate with Dr. Nijhawan’s position and any business milestones which may be established by the Compensation Committee and subject to availability of shares and/or options for grant under the Company’s Incentive Compensation Plan.

If Dr. Nijhawan’s employment with the Company is terminated for “Cause” (as such term is defined in the employment agreement), subject to applicable law, the Company’s only obligation shall be to provide Dr. Nijhawan with his base salary and vacation pay earned through the date of termination and all of Dr. Nijhawan’s vested or non-vested stock options which have not been exercised by Dr. Nijhawan as of the date of termination will be automatically extinguished. If Dr. Nijhawan is terminated by the Company without “Cause”, the Company’s only obligation shall be to provide Dr. Nijhawan with (i) a lump sum payment equal to Dr. Nijhawan’s then current base salary for twenty-four months (the “Severance Period”), (ii) a lump sum payment of the annual bonus to which Dr. Nijhawan is entitled for the fiscal year immediately preceding the date of termination, if such bonus has not already been paid, (iii) a lump sum payment equal to Dr. Nijhawan’s annual bonus entitlement, prorated over Dr. Nijhawan’s length of service in the fiscal year in which his employment is terminated, calculated in accordance with the terms of the employment agreement; (iv) payment of Dr. Nijhawan’s annual bonus entitlement during the full Severance Period, calculated in accordance with the terms of the employment agreement, (v) continuation of Dr. Nijhawan’s benefits and car allowance and any other benefit required to be maintained by law in accordance with the terms of the employment agreement and (vi) subject to applicable law, all stock options granted to Dr. Nijhawan shall be exercisable in accordance with the terms of the applicable stock option plan. Dr. Nijhawan may resign from his employment at any time by providing the Company with a minimum of sixty days advance notice, in writing. Dr. Nijhawan’s notice may be waived by the Company, subject only to providing Dr. Nijhawan with payment of his base salary and continuation of benefits until the end of the notice period. If Dr. Nijhawan resigns from his employment, subject to applicable law, (i) all non-vested stock options and all vested stock options held by Dr. Nijhawan which have not been exercised by Dr. Nijhawan as of the date of termination shall be automatically extinguished and (ii) Dr. Nijhawan shall not be entitled to any bonus or pro rata bonus payment not already paid on or before the date of termination.

During the term of Dr. Nijhawan’s employment with the Company and for twelve months following the cessation of Dr. Nijhawan’s employment with the Company, Dr. Nijhawan is prohibited from competing with the Company’s business in North America. In addition, for twenty-four months following the cessation of Dr. Nijhawan’s employment with the Company, Dr. Nijhawan is prohibited from soliciting customers or prospective customers for any purpose competitive with the Company’s business, encouraging any customer to cease doing business with the Company and soliciting the employment or engagement of certain employees of the Company.

The foregoing description of Dr. Nijhawan's employment agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the employment agreement, which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Employment Agreement with Michael Brooks

On June 14, 2019 but effective as of June 7, 2019, the Company entered into an employment agreement with Michael Brooks. Pursuant to the employment agreement, Mr. Brooks will serve as the Company's President for an indefinite term until Mr. Brooks' employment is terminated in accordance with the agreement. As compensation for his services to the Company, Mr. Brooks will receive a base salary of \$275,000 per year and be eligible to receive a target annual bonus of 40% of his base salary, subject to achieving corporate and personal targets to be determined by the Company. Mr. Brooks will also receive an automobile allowance of \$2,000 per month and be eligible to participate in the Company's group insured benefits program, as may be in effect from time-to-time for the Company's employees generally, and executive employees specifically. Mr. Brooks is also eligible for future share and/or option grants, as determined by the Company's Compensation Committee, commensurate with Mr. Brooks' position and any business milestones which may be established by the Compensation Committee and subject to availability of shares and/or options for grant under the Company's Incentive Compensation Plan.

If Mr. Brooks' employment with the Company is terminated for "Cause" (as such term is defined in the employment agreement), subject to applicable law, the Company's only obligation shall be to provide Mr. Brooks with his base salary and vacation pay earned through the date of termination and all of Mr. Brooks' vested or non-vested stock options which have not been exercised by Mr. Brooks as of the date of termination will be automatically extinguished. If Mr. Brooks is terminated by the Company without "Cause", the Company's only obligation shall be to provide Mr. Brooks with (i) a lump sum payment equal to Mr. Brooks' then current base salary for twelve months plus one additional month for every completed year of service since September 2015, not to exceed an aggregate of twenty-four months (the "Severance Period"), (ii) a lump sum payment of the annual bonus to which Mr. Brooks is entitled for the fiscal year immediately preceding the date of termination, if such bonus has not already been paid, (iii) a lump sum payment equal to Mr. Brooks' annual bonus entitlement, prorated over Mr. Brooks' length of service in the fiscal year in which his employment is terminated, calculated in accordance with the terms of the employment agreement; (iv) payment of Mr. Brooks' annual bonus entitlement during the full Severance Period, calculated in accordance with the terms of the employment agreement, (v) continuation of Mr. Brooks' benefits and car allowance and any other benefit required to be maintained by law in accordance with the terms of the employment agreement and (vi) subject to applicable law, all stock options granted to Mr. Brooks shall be exercisable in accordance with the terms of the applicable stock option plan. If Mr. Brooks' employment is terminated or "constructively terminated" (as such term is defined in the employment agreement) by the Company without "Cause" upon or within a twelve month period following a Change of Control (as such term is defined in the employment agreement), Mr. Brooks shall be entitled to the payments and benefits provided as described in clauses (ii) to (vi) above, plus a change of control payment equal to twenty-four months of his then current base salary. Mr. Brooks may resign from his employment at any time by providing the Company with a minimum of sixty days advance notice, in writing. Mr. Brooks' notice may be waived by the Company, subject only to providing Mr. Brooks with payment of his base salary and continuation of benefits until the end of the notice period. If Mr. Brooks resigns from his employment, subject to applicable law, (i) all non-vested stock options and all vested stock options held by Mr. Brooks which have not been exercised by Mr. Brooks as of the date of termination shall be automatically extinguished and (ii) Mr. Brooks shall not be entitled to any bonus or pro rata bonus payment not already paid on or before the date of termination.

During the term of Mr. Brooks' employment with the Company and for twelve months following the cessation of Mr. Brooks' employment with the Company, Mr. Brooks is prohibited from competing with the Company's business in North America. In addition, for twenty-four months following the cessation of Mr. Brooks' employment with the Company, Mr. Brooks is prohibited from soliciting customers or prospective customers for any purpose competitive with the Company's business, encouraging any customer to cease doing business with the Company and soliciting the employment or engagement of certain employees of the Company.

The foregoing description of Mr. Brooks' employment agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the employment agreement, which is attached hereto as Exhibit 10.3 and incorporated herein by reference.

Indemnification Agreements

On June 14, 2019, the Company entered into indemnification agreements with each of the Company's executive officers and directors. Pursuant to the indemnification agreements, the Company has agreed to indemnify and hold harmless its directors and officers to the fullest extent permitted by the laws of the Province of British Columbia, subject to certain exceptions. The agreements generally cover expenses that a director or officer incurs or amounts that a director or officer becomes obligated to pay in connection with any proceeding in any way connected with, resulting from or relating to his or her service as a current or former director or officer of the Company or another entity at the request of the Company. The agreements also provide for the advancement of expenses to the directors and officers subject to specified conditions.

The foregoing description of the indemnification agreements is not complete and is subject to and qualified in its entirety by reference to the form of indemnification agreement, which is attached as Exhibit 10.4 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description of Exhibit
2.1+	Share Exchange Agreement, dated as of March 7, 2019, by and between Stellar Biotechnologies Inc., Edesa Biotech Inc. and the Edesa Shareholders (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 8, 2019).
3.1+	Certificate of Amendment to the Restated Certificate of Incorporation of the Company, dated June 7, 2019.
10.1*+	Employment Agreement, dated as of June 7, 2019, by and between the Registrant and Kathi Niffenegger.
10.2*	Employment Agreement, dated as of June 14, 2019, by and between the Registrant and Dr. Pardeep Nijhawan.
10.3*	Employment Agreement, dated as of June 14, 2019, by and between the Registrant and Michael Brooks.
10.4*	Form of Indemnification Agreement, by and between the Company and each of its directors and executive officers.
16.1+	Letter from Moss Adams, LLP dated June 7, 2019.
99.1+	Press Release dated June 7, 2019.

* Management contract or compensatory plan or arrangement.

+ Previously filed as an exhibit to the Original Form 8-K.

SIGNATURE

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.

EDESA BIOTECH INC.

By: /s/ Michael Brooks
Name: Michael Brooks
Title: President

Date: June 20, 2019



Employment Agreement

THIS AGREEMENT is made as of June 14, 2019, with effect from June 7, 2019 in connection with the closing of the transaction contemplated in the Share Exchange Agreement dated March 7, 2019 (“SEA”).

Between:

EDESA BIOTECH INC., a company incorporated pursuant to the laws of the Province of **British Columbia** (hereinafter referred to as “the Employer” or “the Company”)

AND

Par Nijhawan of the City of Markham, in the Province of Ontario (hereinafter referred to as “the Employee”)

WHEREAS the Employer wishes to offer employment to the Employee on the terms and conditions set out in this Employment Agreement (“Agreement”) and the Employee wishes to accept the offer of employment;

AND WHEREAS certain investors have agreed to acquire shares of the Employer pursuant to the terms of the SEA resulting in a change of control of the Employer;

AND WHEREAS the Employee confirms that he has the skills and knowledge to perform the duties of the position of CEO and has not misrepresented his experience or qualifications for the position.

In consideration of the payments, mutual covenants and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), it is agreed by and between the parties as follows:

1. TERM OF EMPLOYMENT

The employment of the Employee under the terms and conditions of this Agreement shall commence immediately following the Closing and will continue for an indefinite term until terminated in accordance with this Agreement.

2. DUTIES AND RESPONSIBILITIES

The Employee shall be employed in the position of CEO. The Employee will be responsible for performing such duties as the Employer or its designee may assign, including all duties usually and customarily rendered by and required of a CEO of a publicly traded company, and including such duties as are described in any written job description that may be provided to the Employee and amended from time to time provided that in no event may such an amendment materially diminish the Employee's level of responsibilities, title, and stature as CEO of the Employer.

The Employee shall devote his full time and attention to the business and affairs of the Company and work those hours required to meet his duties and responsibilities hereunder.

During the term of his employment, the Employee will refrain from engaging in any activities in which the Employee's personal interests conflict with the Employee's duties, responsibilities, and attention to the affairs of the Company. As such, the Employee will not, directly or indirectly, engage or participate in any other business activities which conflict with the Employee's duties, responsibilities, and attention to the affairs of the Company without the written consent of the Company.

The parties acknowledge that the Employee is actively engaged in the practice of medicine approximately twenty-five (25) hours per week (the "**Other Work**") without conflict or interference with his duties, responsibilities and attention to the affairs of the Company. Notwithstanding the restrictions stated in the preceding paragraph, the Employer agrees that the Employee may continue to engage in the Other Work, provided that it continues not to conflict or interfere with the Employee's duties, responsibilities and attention to the affairs of the Company.

3. COMPENSATION AND BENEFITS

In consideration of the services to be provided hereunder, the Employee, during the term of his employment, shall be paid a gross annual base salary of \$300,000 USD ("**Base Salary**") payable in equal bi-weekly installments, in arrears, less applicable statutory deductions and withholdings. Salaries are reviewed annually in March on the basis of such factors as, but not limited to, merit, market performance, job grade and potential. However, any increase to the Employee's Base Salary is in the sole discretion of the Employer.

The Employee shall be eligible for a target annual bonus of 40% of the Employee's Base Salary, subject to achieving corporate and personal targets to be determined by the Employer and the Board of Director, taking into account input from the Employee regarding his personal targets. The Employee acknowledges that: (i) terms and conditions of the applicable bonus program may change each fiscal year at the discretion of the Employer; (ii) there will be no guaranteed level of Bonus in any fiscal year.

The Employer will, in good faith and absent a material change in its operating or financial circumstances, seek to establish an option plan, under and in accordance with which the Employee will be eligible for options as determined by the Board of Directors, commensurate with the Employee's position and any business milestones which may be established by the Employer.

The Employee shall receive an automobile allowance of \$2,701.25 USD per month payable in accordance with the Employer's practices and subject to applicable deductions.

Subject to the terms of applicable policies and plans, the Employee will be eligible to participate in the Employer's group insured benefits program, as may be in effect from time-to time for its employees generally, and executive employees specifically. Benefits, coverages, policies and plans may be amended or terminated by the Employer at any time, without advance notice or other obligation, provided however that in the event of such amendment or termination, the Employer will either make available to the Employee benefits coverage substantially comparable in scope to the preceding coverage, or reimburse the Employee for the cost of obtaining private coverage substantially comparable in scope to the preceding coverage.

4. EXPENSES

The Employer shall reimburse the Employee for reasonable and documented expenses actually and necessarily incurred by the Employee in the performance of this Agreement, in accordance with the Employer's policies and procedures.

5. VACATION

The Employer's vacation year is January 1st to December 31st. During the first year of employment, vacation time will be pro-rated based upon the Employee's start date.

During each full calendar year, the Employee will be entitled to six (6) weeks' vacation, which shall accrue in accordance with the Employer's vacation policy. Vacation is to be taken at a time acceptable to the Employer acting reasonably having regard to reasonable business requirements.

6. POLICIES AND PROCEDURES

As a term and condition of employment, the Employee agrees to comply with, and be bound by, the Employer's handbook and other employment policies and procedures. From time to time, the Employer's handbook and other policies and procedures may be changed by the Employer, in its sole discretion, without advance notice. It is the sole responsibility of the Employee to review and understand any changes to the Employer's handbook or other policies and procedures.

7. TERMINATION OF EMPLOYMENT

The Employer may terminate the employment of the Employee at any time:

(a) for cause, in which case the employee shall receive payment of any Base Salary and vacation pay earned to the date of termination. Subject only to any minimum requirements to the contrary under the ESA, all Base Salary, vacation pay accrual and participation in any other benefits (including group benefits and car allowance) will cease immediately upon the date of termination for cause, and no other bonus or other payments will be payable to the Employee. Furthermore, subject only to any minimum requirements to the contrary under the ESA, all vested or non-vested stock options which have not been exercised by the Employee as of the date of termination shall also be automatically extinguished.

“Cause” means the existence of just cause for termination of employment at common law as determined by the law of the province of Ontario, including but not limited to fraud, theft, dishonesty, illegality, conflict of interest, gross incompetence or breach of any material obligation under this Agreement.

(b) without cause, in which case the Employee will be entitled to the following:

(i) a lump sum payment equal to the Employee’s then Base Salary for twenty four (24) months (the “**Severance Period**”);

(ii) a lump sum payment of the annual bonus to which the Employee is entitled for the fiscal year immediately preceding the date of termination, if such bonus has not already been paid;

(iii) a lump sum payment equal to the Employee’s annual bonus entitlement, prorated over the Employee’s length of service in the fiscal year in which his employment was terminated, such annual bonus entitlement to be calculated using an average of the bonuses paid or payable for the two fiscal years immediately preceding the termination, or the most recent fiscal year immediately preceding the termination if only one fiscal year was completed since the effective date of this Agreement. If employment terminates during the course of the fiscal year in which this Agreement became effective, then the bonus will be calculated using the “at target” percentage described in section 3, above. If no bonus payment was awarded for the two previous fiscal years, then no bonus shall be payable to the Employee;

(iv) payment of the Employee’s annual bonus entitlement during the full Severance Period (prorated for a partial fiscal year), such annual bonus entitlement to be paid on the same dates as for other executives but calculated using only the corporate targets applicable to comparable employees and no personal target. For the sake of clarity, if for example corporate targets justify paying out at 50% target, then the bonus payout for such fiscal year will amount to 20% of the Employee’s Base Salary;

(iv) continuation of the Employee’s benefits and car allowance and any other benefit required to be maintained pursuant to the ESA for any minimum period required by the ESA and, to the extent permissible under the terms of the applicable benefits plans, continuation of the Employee’s health and dental benefits for the balance of the Severance Period or until the Employee becomes eligible for similar benefits through new employment, whichever is earlier. For clarity, all other benefits, including disability benefits, accidental death & dismemberment, and life insurance, shall cease as of the end of the minimum statutory notice period under the ESA; and

(vi) any and all stock options, shall be exercisable in accordance with the terms of the applicable stock option plan, subject only to any minimum requirements to the contrary under the ESA.

The Employee may resign from his employment at any time by providing the Employer with a minimum of 60 days advance notice, in writing. The Employee's notice may be waived by the Employer in whole or in part at its sole discretion, subject only to providing the Employee with payment of the Base Salary and continuation of benefits until the end of the 60 day period of notice required by this Agreement. For clarity, and subject only to any minimum requirements to the contrary under the ESA: (i) all non-vested stock options and all vested stock options which have not been exercised by the Employee as of the date of termination shall be automatically extinguished and (ii) the Employee shall not be entitled to any bonus or pro rata bonus payment not already paid on or before the date of termination.

The Employee understands and agrees that provision of such payment and benefits described above in this Section 7 are fair and reasonable and are in full and final satisfaction and settlement of all amounts owed for notice of termination or pay in lieu of notice, as well as termination and/or severance pay arising under any contract, statute, common law or otherwise.

8. EMPLOYER PROPERTY

On the date of termination, the Employee will return all Employer property and documentation the Employee has received in the course of employment with the Employer, including but not limited to: vehicle (if applicable), smartphone, documents, laptop, computer-generated information, reports, books, studies, data, credit cards, employee identification, access cards/keys and other such materials. The Employee will not be permitted to retain any copies of any documentation containing Employer information, except for personal benefit or pay statements provided during the course of employment. The Employee will confirm the return of all Employer property, including any confidential information, in the Employee's possession, charge, control or custody by signing a Termination Checklist, a copy of which will be provided to the Employee for his records. All property shall be returned in good working condition, save for normal wear and tear.

9. CONFIDENTIALITY

The Employee acknowledges that, in the course of performing and fulfilling his duties hereunder, he may have access to and be entrusted with Confidential Information, as described further below, the disclosure of which would be highly detrimental to the interests of the Employer. The Employee acknowledges that all right, title and interest in and to the Confidential Information shall remain the exclusive property of the Employer and shall be held in trust by the Employee to the benefit of the Employer. The Employee further acknowledges and agrees that the right to maintain the confidentiality of such Confidential Information constitutes a proprietary right which the Employer is entitled to protect. Accordingly, the Employee covenants and agrees with the Employer that he will not, directly or indirectly, during or after his employment with the Employer, disclose any such Confidential Information to any person, firm or corporation, nor shall he use any Confidential Information, except as required in the normal course of his employment.



The Employee shall not copy, reproduce in any form or store in any retrieval system or database the Confidential Information without the prior written consent of the Employer. If so requested following the cessation of the employment of the Employee for any reason, the Employee shall certify by way of affidavit or statutory declaration that all Confidential Information was returned to the Employer and that the Employee no longer has access to same.

Confidential information includes, but is not limited to, financial information, reports, and forecasts; inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information or plans, supplier lists and supplier contact information, customer lists and customer contact information; and business plans, prospects, strategies and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the Employer or its affiliates. Confidential information includes information developed by the Employee in the course of the Employee's employment with the Employer, as well as other information to which the Employee may have access in connection with the Employer's employment.

For greater clarity, the Employee's obligations of confidentiality shall not apply to Confidential Information that:

- (a) was lawfully in the public domain prior to its disclosure, or becomes publicly available other than through a breach of this agreement; or
- (b) is disclosed when such disclosure is compelled pursuant to a legal, judicial, or administrative proceeding, or otherwise required by law, except that the Employee shall, prior to disclosure, provide the Employer with notice of a compelled requirement to disclose to allow the Employer to seek protective or other court orders.

10. NON-COMPETITION

The Employee shall not, without the prior written consent of the Employer, for and during the term of the Employee's employment with the Employer and for twelve (12) months following the cessation of the Employee's employment with the Employer (for any reason, including termination for or without cause, constructive termination, resignation or otherwise), either directly or indirectly, individually or in partnership or in conjunction with or through any individual, firm, corporation, association or other entity, whether as principal, agent, shareholder, employee, consultant or in any other capacity whatsoever, within North America, carry on, engage in, or attempt to carry on or attempt to engage in, or be financially interested in any business that competes with the Employer's Business.



“Business” means the development, sale, or licencing of any dermatology and gastroenterology products which are substantially similar to those products (a) developed, in development, sold or licensed by the Employer as at the date of the cessation of employment of the Employee or (b) that have been the subject of active negotiations (that is, having led to the execution of a confidentiality agreement) in the twelve (12) months immediately preceding the cessation of the employment of the Employee or the purposes of licensing or acquisition by the Employer.

Notwithstanding anything to the contrary contained herein, the Employee may, without being deemed to compete, hold an equity share investment in a public company whose shares are listed on a stock exchange or in an over-the-counter market where that share investment does not in the aggregate exceed 10% of the issued equity shares of the company.

11. NON-SOLICITATION

The Employee shall not, for twenty four (24) months following the cessation of the Employee’s employment (for any reason, including termination for or without cause, constructive termination, resignation or otherwise), either directly or indirectly, individually or in partnership or in conjunction with or through any individual, firm, corporation, association or other entity, whether as principal, agent, shareholder, employee, consultant or in any other capacity whatsoever:

- (a) canvass or solicit any Customer for any purpose which is competitive with the Business;
- (b) canvass or solicit any Prospective Customer for any purpose which is competitive with the Business;
- (c) encourage or influence any Customer to cease doing business with the Company; or
- (d) solicit the employment or engagement of or otherwise entice away from the employment or engagement of the Company any individual who is employed or engaged by the Company and who worked with the Employee (regardless of the reporting relationship) during the twenty four (24) month period prior to the cessation of the Employee’s employment, whether or not such individual would commit any breach of his/her contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Employee will not be restricted from making any general solicitation for employment that is not specifically directed at such employees and that the Employee will not be restricted from hiring any such employee who responds to any such general solicitation.

“Business” has the meaning set out above at Section 10.

“Customer” means any entity who purchased from the Company any product or service supplied, sold, licensed or distributed by the Company; provided that a Customer shall only include any entity who the Employee knew or ought to have known was a Customer during the twenty-four (24) months preceding the date of the cessation of the Employee’s employment.

“Prospective Customer” means (i) any entity solicited by the Employee on behalf of the Company in furtherance of the Business; and (ii) any entity solicited by the Company with the Employee’s knowledge in furtherance of the Business; provided that Prospective Customers shall only include any entity who was a Prospective Customer during the twenty-four (24) months preceding the date of the cessation of the Employee’s employment.

12. EQUITABLE REMEDIES

The Employee acknowledges and agrees that a breach by the Employee of Sections 9 to 11 would cause substantial and irreparable harm to the Employer which could not be adequately compensated for by damages, and, in the event of such a breach (or the reasonable apprehension of such a breach) by the Employee of such provisions, the Employee hereby consents to a preliminary and permanent injunction being issued against him restraining him from any breach or further breach of the said provisions and of an order to account for all profits and benefits arising out of any such breach, but the provisions of this Section 12 shall be in addition to and not in substitution for any other remedy which the Employer may have in respect of such a breach. The prevailing party, if any, as determined by the court, shall be awarded all fees and costs, including without limitation reasonable legal fees.

13. INTELLECTUAL PROPERTY

All results of services performed by the Employee hereunder, including without limitation all inventions, ideas, copyrights, trade secrets or otherwise, shall be owned by and be the sole and exclusive property of the Employer. The Employee hereby transfers and assigns all right, title and interest of every nature and kind whatsoever therein to the Company and agrees to execute and deliver such further documents and instruments as may be necessary to fully and effectually give effect thereto. The Employee hereby irrevocably waives all moral rights in such work.

14. RESIGNATION UPON TERMINATION

The Employee hereby agrees that, upon the cessation of the Employee’s employment (for any reason, including termination for or without cause, constructive termination, resignation or otherwise), the Employee shall be deemed, upon the request of the Company, to have immediately resigned any position the Employee may have as an officer and/or director of the Company together with any other office, position or directorship which the Employee may hold with any of the Company’s subsidiaries, affiliates or divisions or related entities in connection with or arising from the performance of the Employee’s duties of employment under this Agreement. In such event, the Employee shall, at the request of the Company, execute any and all documents appropriate to evidence such resignations. The parties agree that the execution of such documents shall not adversely impact the Employee’s right to seek a remedy to any dispute relating to his employment with the Employer or the termination thereof.



15. ASSIGNMENT

This Agreement and any rights or obligations under this Agreement shall not be assignable or transferable by the Employee. The Employer may assign its rights, entitlements and obligations under this Agreement at any time, without the Employee's consent and without advance notice.

16. SEVERABILITY, AMENDMENTS AND WAIVERS

Each section (or part thereof) of this Agreement shall be and remain separate from and independent of and severable from all and any other section (or part thereof) herein except where otherwise indicated by the context of this Agreement. The decision or declaration that one or more of the sections (or part thereof) are null and void shall have no effect on the remaining sections (or part thereof) of this Agreement.

No provision of this Agreement may be amended or waived unless such amendment or waiver is authorized by the Employee (including any authorized officer or committee of the board of directors) and is in writing signed by the Employee and by a duly authorized officer of the Employee. Except as otherwise specifically provided in this Agreement, no waiver by either party hereto of any breach by the other party of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar breach, condition or provision at the same time or at any prior or subsequent time

17. NOTICE

Any notice required to be given hereunder shall be deemed to have been properly given if delivered personally, via email or sent by pre-paid registered mail as follows:

- a) To the Employee: Last address on file with the Employer
- b) To the Employer: 100 Spy Court, Markham, Ontario, L3R5H6

And if sent by registered mail, shall be deemed to have been received on the 4th business day of uninterrupted postal service following the date of mailing. Either party may change its address for notice at any time, by giving notice to the other party pursuant to the provisions of this Agreement.

18. INTERPRETATION OF AGREEMENT

The interpretation, construction and performance of this Agreement shall be governed by the laws of the Province of Ontario. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.



19. ENTIRE AGREEMENT

This Agreement, together with the Appendices hereto, collectively constitute the entire agreement between the parties with respect to the subject matter herein. The Employee has not relied on any representations, inducements or statements, oral or written, which are not contained in this Agreement.

20. OPPORTUNITY TO CONSULT LEGAL ADVICE

The Employee states that he has read this Agreement in its entirety, been given an opportunity to consider the Agreement and seek legal counsel and advice, and that he enters into this Agreement voluntarily and intending to be legally bound.

21. EMPLOYMENT STANDARDS

In the event that a minimum standard in the ESA is more favourable to the Employee in any respect than a term or provision provided herein, the provision of the ESA will apply in respect of that term or provision. For clarity, under no circumstance will the Employee receive less than his minimum entitlements under the ESA.

22. LANGUAGE OF AGREEMENT

The parties hereto confirm that it is their express wish that this Agreement, as well as related documents and notices, be drawn up in English. *Les parties a la presente convention conferment leur volonte expresse que cette convention, de meme que toute documentation ou avis afferent, soit redigee en anglais.*

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed effective date first noted above.

/s/ Par Nijhawan

Par Nijhawan

June 14, 2019

Date

EDESA BIOTECH INC.

By: /s/ Sean MacDonald

Authorized Signing Officer

June 14, 2019

Date



Employment Agreement

THIS AGREEMENT is made as of June 14, 2019, with effect from June 7, 2019 in connection with the closing of the transaction contemplated in the Share Exchange Agreement dated March 7, 2019 ("SEA").

Between:

EDESA BIOTECH INC., a company incorporated pursuant to the laws of the Province of **British Columbia** (hereinafter referred to as "the Employer" or "the Company")

AND

Michael Brooks of the City of Toronto, in the Province of Ontario (hereinafter referred to as "the Employee")

WHEREAS the Employer wishes to offer employment to the Employee on the terms and conditions set out in this Employment Agreement ("Agreement") and the Employee wishes to accept the offer of employment;

AND WHEREAS certain investors have agreed to acquire shares of the Employer pursuant to the terms of the SEA resulting in a change of control of the Employer;

AND WHEREAS the Employee confirms that he has the skills and knowledge to perform the duties of the position of President and has not misrepresented his experience or qualifications for the position.

In consideration of the payments, mutual covenants and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), it is agreed by and between the parties as follows:

1. TERM OF EMPLOYMENT

The employment of the Employee under the terms and conditions of this Agreement shall commence immediately following the Closing and will continue for an indefinite term until terminated in accordance with this Agreement.

2. DUTIES AND RESPONSIBILITIES

The Employee shall be employed in the position of President. The Employee will be responsible for performing such duties as the Employer or its designee may reasonably assign, including all duties usually and customarily rendered by and required of a President of a publicly traded company, and including such duties as are described in any written job description that may be provided to the Employee and amended from time to time, provided that in no event may such an amendment or duties assigned to the Employee materially diminish the Employee's level of responsibilities, title, and stature as President of the Employer.

The Employee shall devote his full time and attention to the business and affairs of the Company and work those hours required to meet his duties and responsibilities hereunder.

During the term of his employment, the Employee will refrain from engaging in any activities in which the Employee's personal interests conflict with the Employee's duties, responsibilities, and attention to the affairs of the Company. As such, the Employee will not, directly or indirectly, engage or participate in any other business activities which conflict with the Employee's duties, responsibilities, and attention to the affairs of the Company without the written consent of the Company.

3. COMPENSATION AND BENEFITS

In consideration of the services to be provided hereunder, the Employee, during the term of his employment, shall be paid a gross annual base salary of \$275,000 USD ("**Base Salary**") payable in equal bi-weekly installments, in arrears, less applicable statutory deductions and withholdings. Salaries are reviewed annually in March on the basis of such factors as, but not limited to, merit, market performance, job grade and potential. However, any increase to the Employee's Base Salary is in the sole discretion of the Employer.

The Employee shall be eligible for a target annual bonus of 40% of the Employee's Base Salary, subject to achieving corporate and personal targets to be determined by the Employer and the Board of Directors, taking into account input from the Employee regarding his personal targets. The Employee acknowledges that: (i) terms and conditions of the applicable bonus program may change each fiscal year at the discretion of the Employer; (ii) there will be no guaranteed level of Bonus in any fiscal year.

The Employer will, in good faith and absent a material change in its operating or financial circumstances, seek to establish an option plan, under and in accordance with which the Employee will be eligible for options as determined by the Board of Directors, commensurate with the Employee's position and any business milestones which may be established by the Employer.

The Employee shall receive an automobile allowance of \$2,000 USD per month payable in accordance with the Employer's practices and subject to applicable deductions.

Subject to the terms of applicable policies and plans, the Employee will be eligible to participate in the Employer's group insured benefits program, as may be in effect from time to time for its employees generally, and executive employees specifically. Benefits, coverages, policies and plans may be amended or terminated by the Employer at any time, without advance notice or other obligation, provided however that in the event of such amendment or termination, the Employer will either make available to the Employee benefits coverage substantially comparable in scope to the preceding coverage, or reimburse the Employee for the cost of obtaining private coverage substantially comparable in scope to the preceding coverage.

4. EXPENSES

The Employer shall reimburse the Employee for reasonable and documented expenses actually and necessarily incurred by the Employee in the performance of this Agreement, in accordance with the Employer's policies and procedures.

5. VACATION

The Employer's vacation year is January 1st to December 31st. During the first year of employment, vacation time will be pro-rated based upon the Employee's start date.

During each full calendar year, the Employee will be entitled to four (4) weeks' vacation, which shall accrue in accordance with the Employer's vacation policy. Vacation is to be taken at a time acceptable to the Employer acting reasonably having regard to reasonable business requirements.

6. POLICIES AND PROCEDURES

As a term and condition of employment, the Employee agrees to comply with, and be bound by, the Employer's handbook and other employment policies and procedures. From time to time, the Employer's handbook and other policies and procedures may be changed by the Employer, in its sole discretion, without advance notice. It is the sole responsibility of the Employee to review and understand any changes to the Employer's handbook or other policies and procedures.

7. TERMINATION OF EMPLOYMENT

The Employer may terminate the employment of the Employee at any time:

(a) for cause, in which case the employee shall receive payment of any Base Salary and vacation pay earned to the date of termination. Subject only to any minimum requirements to the contrary under the ESA, all Base Salary, vacation pay accrual and participation in any other benefits (including group benefits and car allowance) will cease immediately upon the date of termination for cause, and no other bonus or other payments will be payable to the Employee. Furthermore, subject only to any minimum requirements to the contrary under the ESA, all vested or non-vested stock options which have not been exercised by the Employee as of the date of termination shall also be automatically extinguished.

"Cause" means the existence of just cause for termination of employment at common law as determined by the law of the province of Ontario, including but not limited to fraud, theft, dishonesty, illegality, conflict of interest, gross incompetence or breach of any material obligation under this Agreement.

(b) without cause, in which case the Employee will be entitled to the following:

(i) a lump sum payment equal to the Employee's then Base Salary for twelve months plus one additional month for every completed year of service since September 1 2015 (the "Severance Period", which shall not exceed 24 months);

(ii) a lump sum payment of the annual bonus to which the Employee is entitled for the fiscal year immediately preceding the date of termination, if such bonus has not already been paid;

(iii) a lump sum payment equal to the Employee's annual bonus entitlement, prorated over the Employee's length of service in the fiscal year in which his employment was terminated, such annual bonus entitlement to be calculated using an average of the bonuses paid or payable for the two fiscal years immediately preceding the termination, or the most recent fiscal year immediately preceding the termination if only one fiscal year was completed since the effective date of this Agreement. If employment terminates during the course of the fiscal year in which this Agreement became effective, then the bonus will be calculated using the "at target" percentage described in section 3, above. If no bonus payment was awarded for the two previous fiscal years, then no bonus shall be payable to the Employee;

(iv) payment of the Employee's annual bonus entitlement during the full Severance Period (prorated for a partial fiscal year), such annual bonus entitlement to be paid on the same dates as for other executives but calculated using only the corporate targets applicable to comparable employees and no personal target. For the sake of clarity, if for example corporate targets justify paying out at 50% target, then the bonus payout for such fiscal year will amount to 20% of the Employee's Base Salary;

(v) continuation of the Employee's benefits and car allowance and any other benefit required to be maintained pursuant to the ESA for any minimum period required by the ESA and, to the extent permissible under the terms of the applicable benefits plans, continuation of the Employee's health and dental benefits for the balance of the Severance Period or until the Employee becomes eligible for similar benefits through new employment, whichever is earlier. For clarity, all other benefits, including disability benefits, accidental death & dismemberment, and life insurance, shall cease as of the end of the minimum statutory notice period under the ESA; and

(v) any and all stock options shall be exercisable in accordance with the terms of the applicable stock option plan, subject only to any minimum requirements to the contrary under the ESA.

In the event that the employment of the Employee is terminated or constructively terminated by the Employer without cause upon or within a 12 month period following a Change of Control, as defined below, the Employee shall be entitled to the payments and benefits provided at paragraphs (b)(ii) to (v) above, plus a change of control payment equal to 24 months of the value of the Base Salary as of the date of termination.

A “constructive termination” shall include a material change in the Employee’s title, responsibilities, authority or status, a reduction of the Employee’s compensation, or any other conduct which would constitute a constructive dismissal at common law, in which case the Employee shall be immediately entitled to resign and claim the above entitlements.

A “Change of Control” shall mean a transaction or series of transactions whereby directly or indirectly:

- (a) a plan of arrangement, amalgamation, merger or consolidation in which more than 50% of the total combined voting power of the Employer’s voting securities, on a fully diluted basis, are transferred or issued to a person or persons different from those persons holding such securities immediately prior to such transaction;
- (b) the direct or indirect acquisition by a person or related group of persons acting jointly or in concert of the beneficial ownership of voting securities of the Employer representing more than 50% of the total combined voting power of the Employer’s then outstanding securities, on a fully diluted basis;
- (c) the exercise of the voting power of all voting or other securities of the Employer so as to cause or result in the election of a majority of the board of directors of Employer who were not previously incumbent directors thereof; or
- (d) the sale, transfer or disposition of all or substantially all of the assets of the Company.

The Employee may resign from his employment at any time by providing the Employer with a minimum of 60 days advance notice, in writing. The Employee’s notice may be waived by the Employer in whole or in part at its sole discretion, subject only to providing the Employee with payment of the Base Salary and continuation of benefits until the end of the 60-day period of notice required by this Agreement. For clarity, and subject only to any minimum requirements to the contrary under the ESA: (i) all non-vested stock options and all vested stock options which have not been exercised by the Employee as of the date of termination shall be automatically extinguished and (ii) the Employee shall not be entitled to any bonus or pro rata bonus payment not already paid on or before the date of termination.

The Employee understands and agrees that provision of such payment and benefits described above in this Section 7 are fair and reasonable and are in full and final satisfaction and settlement of all amounts owed for notice of termination or pay in lieu of notice, as well as termination and/or severance pay arising under any contract, statute, common law or otherwise.

8. EMPLOYER PROPERTY

On the date of termination, the Employee will return all Employer property and documentation the Employee has received in the course of employment with the Employer, including but not limited to: vehicle (if applicable), smartphone, documents, laptop, computer-generated information, reports, books, studies, data, credit cards, employee identification, access cards/keys and other such materials. The Employee will not be permitted to retain any copies of any documentation containing Employer information, except for personal benefit or pay statements provided during the course of employment. The Employee will confirm the return of all Employer property, including any confidential information, in the Employee's possession, charge, control or custody by signing a Termination Checklist, a copy of which will be provided to the Employee for his records. All property shall be returned in good working condition, save for normal wear and tear.

9. CONFIDENTIALITY

The Employee acknowledges that, in the course of performing and fulfilling his duties hereunder, he may have access to and be entrusted with Confidential Information, as described further below, the disclosure of which would be highly detrimental to the interests of the Employer. The Employee acknowledges that all right, title and interest in and to the Confidential Information shall remain the exclusive property of the Employer and shall be held in trust by the Employee to the benefit of the Employer. The Employee further acknowledges and agrees that the right to maintain the confidentiality of such Confidential Information constitutes a proprietary right which the Employer is entitled to protect. Accordingly, the Employee covenants and agrees with the Employer that he will not, directly or indirectly, during or after his employment with the Employer, disclose any such Confidential Information to any person, firm or corporation, nor shall he use any Confidential Information, except as required in the normal course of his employment.

The Employee shall not copy, reproduce in any form or store in any retrieval system or database the Confidential Information without the prior written consent of the Employer. If so requested following the cessation of the employment of the Employee for any reason, the Employee shall certify by way of affidavit or statutory declaration that all Confidential Information was returned to the Employer and that the Employee no longer has access to same.

Confidential information includes, but is not limited to, financial information, reports, and forecasts; inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information or plans, supplier lists and supplier contact information, customer lists and customer contact information; and business plans, prospects, strategies and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the Employer or its affiliates. Confidential information includes information developed by the Employee in the course of the Employee's employment with the Employer, as well as other information to which the Employee may have access in connection with the Employee's employment.

For greater clarity, the Employee's obligations of confidentiality shall not apply to Confidential Information that:

- (a) was lawfully in the public domain prior to its disclosure, or becomes publicly available other than through a breach of this agreement; or
- (b) is disclosed when such disclosure is compelled pursuant to a legal, judicial, or administrative proceeding, or otherwise required by law, except that the Employee shall, prior to disclosure, provide the Employer with notice of a compelled requirement to disclose to allow the Employer to seek protective or other court orders.

10. NON-COMPETITION

The Employee shall not, without the prior written consent of the Employer, for and during the term of the Employee's employment with the Employer and for twelve (12) months following the cessation of the Employee's employment with the Employer (for any reason, including termination for or without cause, constructive termination, resignation or otherwise), either directly or indirectly, individually or in partnership or in conjunction with or through any individual, firm, corporation, association or other entity, whether as principal, agent, shareholder, employee, consultant or in any other capacity whatsoever, within North America, carry on, engage in, or attempt to carry on or attempt to engage in, or be financially interested in any business that competes with the Employer's Business.

"Business" means the development, sale, or licencing of any dermatology and gastroenterology products which are substantially similar to those products (a) developed, in development, sold or licensed by the Employer as at the date of the cessation of employment of the Employee or (b) that have been the subject of active negotiations (that is, having led to the execution of a confidentiality agreement) in the twelve (12) months immediately preceding the cessation of the employment of the Employee or the purposes of licensing or acquisition by the Employer.

Notwithstanding anything to the contrary contained herein, the Employee may, without being deemed to compete, hold an equity share investment in a public company whose shares are listed on a stock exchange or in an over-the-counter market where that share investment does not in the aggregate exceed 10% of the issued equity shares of the company.

11. NON-SOLICITATION

The Employee shall not, for twenty four (24) months following the cessation of the Employee's employment (for any reason, including termination for or without cause, constructive termination, resignation or otherwise), either directly or indirectly, individually or in partnership or in conjunction with or through any individual, firm, corporation, association or other entity, whether as principal, agent, shareholder, employee, consultant or in any other capacity whatsoever:

- (a) canvass or solicit any Customer for any purpose which is competitive with the Business;
- (b) canvass or solicit any Prospective Customer for any purpose which is competitive with the Business;
- (c) encourage or influence any Customer to cease doing business with the Company; or
- (d) solicit the employment or engagement of or otherwise entice away from the employment or engagement of the Company any individual who is employed or engaged by the Company and who worked with the Employee (regardless of the reporting relationship) during the twenty four (24) month period prior to the cessation of the Employee's employment, whether or not such individual would commit any breach of his/her contract or terms of employment or engagement by leaving the employ or the engagement of the Company, provided that the Employee will not be restricted from making any general solicitation for employment that is not specifically directed at such employees and that the Employee will not be restricted from hiring any such employee who responds to any such general solicitation.

“Business” has the meaning set out above at Section 10.

“Customer” means any entity who purchased from the Company any product or service supplied, sold, licensed or distributed by the Company; provided that a Customer shall only include any entity who the Employee knew or ought to have known was a Customer during the twenty-four (24) months preceding the date of the cessation of the Employee's employment.

“Prospective Customer” means (i) any entity solicited by the Employee on behalf of the Company in furtherance of the Business; and (ii) any entity solicited by the Company with the Employee's knowledge in furtherance of the Business; provided that Prospective Customers shall only include any entity who was a Prospective Customer during the twenty-four (24) months preceding the date of the cessation of the Employee's employment.

12. EQUITABLE REMEDIES

The Employee acknowledges and agrees that a breach by the Employee of Sections 9 to 11 would cause substantial and irreparable harm to the Employer which could not be adequately compensated for by damages, and, in the event of such a breach (or the reasonable apprehension of such a breach) by the Employee of such provisions, the Employee hereby consents to a preliminary and permanent injunction being issued against him restraining him from any breach or further breach of the said provisions and of an order to account for all profits and benefits arising out of any such breach, but the provisions of this Section 12 shall be in addition to and not in substitution for any other remedy which the Employer may have in respect of such a breach. The prevailing party, if any, as determined by the court, shall be awarded all fees and costs, including without limitation reasonable legal fees.

13. INTELLECTUAL PROPERTY

All results of services performed by the Employee hereunder, including without limitation all inventions, ideas, copyrights, trade secrets or otherwise, shall be owned by and be the sole and exclusive property of the Employer. The Employee hereby transfers and assigns all right, title and interest of every nature and kind whatsoever therein to the Company and agrees to execute and deliver such further documents and instruments as may be necessary to fully and effectually give effect thereto. The Employee hereby irrevocably waives all moral rights in such work.

14. RESIGNATION UPON TERMINATION

The Employee hereby agrees that, upon the cessation of the Employee's employment (for any reason, including termination for or without cause, constructive termination, resignation or otherwise), the Employee shall be deemed, upon the request of the Company, to have immediately resigned any position the Employee may have as an officer and/or director of the Company together with any other office, position or directorship which the Employee may hold with any of the Company's subsidiaries, affiliates or divisions or related entities in connection with or arising from the performance of the Employee's duties of employment under this Agreement. In such event, the Employee shall, at the request of the Company, execute any and all documents appropriate to evidence such resignations. The parties agree that the execution of such documents shall not adversely impact the Employee's right to seek a remedy to any dispute relating to his employment with the Employer or the termination thereof.

15. ASSIGNMENT

This Agreement and any rights or obligations under this Agreement shall not be assignable or transferable by the Employee. The Employer may assign its rights, entitlements and obligations under this Agreement at any time, without the Employee's consent and without advance notice.

16. SEVERABILITY, AMENDMENTS AND WAIVERS

Each section (or part thereof) of this Agreement shall be and remain separate from and independent of and severable from all and any other section (or part thereof) herein except where otherwise indicated by the context of this Agreement. The decision or declaration that one or more of the sections (or part thereof) are null and void shall have no effect on the remaining sections (or part thereof) of this Agreement.

No provision of this Agreement may be amended or waived unless such amendment or waiver is authorized by the Employee (including any authorized officer or committee of the board of directors) and is in writing signed by the Employee and by a duly authorized officer of the Employee. Except as otherwise specifically provided in this Agreement, no waiver by either party hereto of any breach by the other party of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar breach, condition or provision at the same time or at any prior or subsequent time

17. NOTICE

Any notice required to be given hereunder shall be deemed to have been properly given if delivered personally, via email or sent by pre-paid registered mail as follows:

- a) To the Employee: Last address on file with the Employer
- b) To the Employer: 100 Spy Court, Markham, Ontario, L3R5H6

And if sent by registered mail, shall be deemed to have been received on the 4th business day of uninterrupted postal service following the date of mailing. Either party may change its address for notice at any time, by giving notice to the other party pursuant to the provisions of this Agreement.

18. INTERPRETATION OF AGREEMENT

The interpretation, construction and performance of this Agreement shall be governed by the laws of the Province of Ontario. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

19. ENTIRE AGREEMENT

This Agreement, together with the Appendices hereto, collectively constitute the entire agreement between the parties with respect to the subject matter herein. The Employee has not relied on any representations, inducements or statements, oral or written, which are not contained in this Agreement. However, nothing herein shall serve to release the Company from its obligation to pay any accrued wages or bonus to the Employee as of the date of this Agreement.

20. OPPORTUNITY TO CONSULT LEGAL ADVICE

The Employee states that he has read this Agreement in its entirety, been given an opportunity to consider the Agreement and seek legal counsel and advice, and that he enters into this Agreement voluntarily and intending to be legally bound.

21. EMPLOYMENT STANDARDS

In the event that a minimum standard in the ESA is more favourable to the Employee in any respect than a term or provision provided herein, the provision of the ESA will apply in respect of that term or provision. For clarity, under no circumstance will the Employee receive less than his minimum entitlements under the ESA.

22. LANGUAGE OF AGREEMENT

The parties hereto confirm that it is their express wish that this Agreement, as well as related documents and notices, be drawn up in English. *Les parties a la presente convention conferment leur volonte expresse que cette convention, de meme que toute documentation ou avis afferent, soit redigee en anglais.*

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed effective date first noted above.

/s/ Michael Brooks
Michael Brooks

6/14/2019
Date

EDESA BIOTECH INC.

By: /s/ Sean MacDonald
Authorized Signing Officer

June 14, 2019
Date

EDESA BIOTECH, INC.

_____, 2019

Name of Director / Officer
Address of Director / Officer

Dear Sir:

Indemnity Agreement

In consideration of your service or continued service in any of the following capacities:

- as a director of Edesa Biotech, Inc. (the "**Corporation**"); or
- as an officer of the Corporation; or
- as a director of any other entity to the extent that you are serving in such capacity at the request of the Corporation; or
- as an officer of any other entity to the extent that you are serving in such capacity at the request of the Corporation,

such capacities referred to herein as the "**Indemnified Capacities**", the Corporation with full power and authority to grant an indemnity valid and binding upon and enforceable against it in the terms hereinafter contained, hereby agrees to indemnify you to the full extent contemplated by this Agreement.

1. **Scope of Indemnity**

Subject to the limitation contained in Section 6 hereof, the Corporation shall indemnify and hold you harmless for the full amount of any Cost (as hereinafter defined) reasonably incurred by you in connection with any Proceeding (as hereinafter defined) that may be made or asserted against or affect you or in which you are required by law to participate or in which you participate at the request of the Corporation or in which you choose to participate (based on your reasonable belief that you may be subsequently named in that Proceeding or any Proceeding related to it) if it relates to, arises from or is based on your service in an Indemnified Capacity, whether the alleged act or omission occurred before or after the date of this Agreement, in any case whether or not you have been named therein (an "**Indemnified Claim**"). The Corporation shall also indemnify and hold you harmless for the full amount of any other Cost reasonably incurred by you or to which you are subject (including, without restriction, where you are made a witness or participant in any other respect in any action, proceeding or investigation) if it relates to your service in an Indemnified Capacity or any other matters claimed against you solely by reason of you having acted in an Indemnified Capacity (an "**Other Indemnified Matter**"). Any amount which the Corporation is obliged to pay pursuant hereto is referred to as an "**Indemnified Amount**".

For the purposes of this Agreement:

"Cost" means all injury, liability, loss, damage, charge, cost, expense, taxes (other than taxes on any fees or salary or other form of compensation), fine or settlement amount whatsoever which you may reasonably incur, suffer or be required to pay (including, without limitation, all legal and other professional fees as well as all out-of-pocket expenses for attending discoveries, trials, hearings and meetings).

"Proceeding" means any civil, criminal, administrative, investigative or other claim, action, suit, application, litigation, charge, complaint, prosecution, assessment, reassessment, investigation, inquiry, hearing or proceeding of any nature or kind whatsoever, and, without limiting the generality of the foregoing, shall include any and every claim for any liability and/or any legal, regulatory or investigative action or proceeding by any governmental or regulatory authority or any person, firm, corporation or other entity whatsoever, whether such action, proceeding or investigation be pending, anticipated or threatened and including without limitation any and every claim by or on behalf of the Corporation, or by or on behalf of Canada or any other country, or any political subdivision thereof.

2. **Procedure for Making a Claim**

(a) If you become aware of any Indemnified Claim or Other Indemnified Matter or reasonably expect that an Indemnified Claim will be made or an Other Indemnified Matter will arise, you shall give notice in writing as soon as reasonably practicable to the Corporation of such Indemnified Claim or Other Indemnified Matter or potential Indemnified Claim or Other Indemnified Matter, including copies of any documents served on you in connection with a Proceeding or any other relevant documents in your possession, provided, however, that failure to give notice in a timely fashion shall not disentitle you to the right to indemnity under this Agreement except to the extent the Corporation suffers prejudice by reason of a delay.

(b) If you wish to make any claim for payment of an Indemnified Amount to you by the Corporation hereunder, you shall give written notice of such claim to the Corporation (such written notice referred to herein as an "**Indemnification Notice**"). Such Indemnification Notice shall contain reasonable details and supporting documentation with respect to the claim referred to therein. Subject to the provisions of Section 6 hereof, the Corporation shall pay all Indemnified Amounts arising in connection with the matters described in the Indemnification Notice to you (or as you may direct) no later than thirty (30) days after the date on which you deliver any invoice or account in respect of any such Indemnified Amount to the Corporation.

(c) If the Corporation becomes aware of any Indemnified Claim or Other Indemnified Matter or reasonably expects that an Indemnified Claim will be made or an Other Indemnified Matter will arise, the Corporation will give you notice in writing promptly of such Indemnified Claim or Other Indemnified Matter or potential Indemnified Claim or potential Other Indemnified Matter.

3. **Defence of Action**

(a) **By Corporation** The Corporation (or its insurer(s)) shall at its expense and in a timely manner contest and defend you against any Indemnified Claim and take all such steps as may be necessary or proper therein to prevent the resolution thereof in a manner adverse to you, including the taking of such appeals as counsel to the Corporation (or its insurer(s)) may advise are likely to succeed in the circumstances. In this regard, the Corporation will keep you fully informed on a timely basis of all steps and developments relating to the foregoing. The Corporation shall not agree to any settlement on your behalf without your written consent unless the terms of such settlement require only the payment of money (by persons or entities other than you) and do not require you to admit any wrongdoing or take or refrain from taking any action.

(b) **By Director or Officer** Notwithstanding Section 3(a) hereof, you will be entitled to assume carriage of your own defence relating to any Indemnified Claim (and for greater certainty, the full amount of any reasonable expense you incur in connection with such defence shall be an Indemnified Amount subject to the provisions of Section 6 hereof) if:

- (i) the Corporation (or its insurer(s)) does not in a timely manner:
 - (A) undertake appropriate action in respect to an Indemnification Notice delivered pursuant to Section 2; or
 - (B) take such legal steps as may be from time to time required to properly defend against any such Indemnified Claim;
- (ii) in the reasonable opinion of your counsel (which opinion shall be in writing and a copy thereof provided to the Corporation), your interests in respect of the relevant matter conflict with the interests of the Corporation in respect of such matter or with the interests of any other director or officer of the Corporation in respect of whose defence the Corporation has carriage; or
- (iii) the Proceeding is initiated by the Corporation or any of its subsidiaries.

4. **Presumptions and Settlement**

For the purposes of this Agreement, the termination of any Proceeding by judgment, order, settlement (whether with or without court approval) or conviction shall not, of itself, create a presumption that you did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. No settlement shall be undertaken by you in respect of any Proceeding without the consent of the Corporation unless the Corporation and its insurer(s) have indicated that they would not indemnify you according to this Agreement or any applicable directors' and officers' liability insurance policy ("**D&O Policy**").

5. **Former Directors and Officers and Access to Information**

- (a) You shall continue to be entitled to indemnification hereunder, even though you may no longer be acting in an Indemnified Capacity.

(b) You and your advisors shall at all times be entitled to review during regular business hours all documents, records and other information with respect to the Corporation or any entity in which you acted in an Indemnified Capacity which are under the Corporation's control and which may be reasonably necessary in order to defend yourself against any Proceeding that relates to, arises from or is based on your discharge of your duties in an Indemnified Capacity, provided that you shall maintain all such information in strictest confidence except to the extent necessary for your defence. This Section 5(b) shall not apply where the Proceeding is initiated by the Corporation or any of its subsidiaries nor shall it apply where the review by you and/or your advisors of any such documents, records or other information would, in the opinion of legal counsel to the Corporation, cause the Corporation (or any entity in which you acted in an Indemnified Capacity) to lose its entitlement to claim privilege with respect to the disclosure of same in any proceeding in any jurisdiction.

6. **Limitation on Obligation of Indemnification**

(a) The Corporation shall not indemnify you pursuant to this Agreement unless:

- (i) you acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which you acted as a director or officer at the Corporation's request; and
- (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, you had reasonable grounds for believing that your conduct was lawful;

provided however, that for the purposes of any determination hereunder, in the absence of compelling evidence to the contrary, you shall be deemed to have acted in good faith and in the best interests of the Corporation (or the best interests of the other entity, as the case may be). The burden shall be on the Corporation to establish an absence of good faith. The knowledge and/or actions or failure to act of any other director, officer, agent or employee of the Corporation or any other entity shall not be imputed to you for the purposes of determining the right to indemnification under this Agreement.

(b) If the Corporation pays an Indemnified Amount which it is not permitted to pay by law or pursuant to this Agreement, then such amount shall be deemed to have been a loan by the Corporation to you and upon written request by the Corporation, you shall repay such amounts to the Corporation within thirty (30) days of such written request for reimbursement. No interest shall be payable by you with respect to such loan unless such loan is not repaid within such period of thirty (30) days, in which event interest shall be payable thereon at the rate of five percent (5%) per annum, computed from the date which is thirty (30) days following the written request of the Corporation for repayment.

(c) If you subsequently receive indemnification or reimbursement in respect of all or any part of an Indemnified Amount from a source other than the Corporation, the amounts so advanced and paid by the Corporation shall be repaid by you to the Corporation within thirty (30) days of a written request for repayment to the extent that you have received indemnification or reimbursement from such other source and the provisions of Section 6(b) above with respect to interest on such amount shall apply herein, *mutatis mutandis*. For greater certainty, you shall not be entitled to indemnification hereunder to the extent that you receive indemnification under any D&O Policy maintained by the Corporation.

7. **Advances**

(a) The Corporation shall periodically reimburse or advance the funds necessary for the payment of Costs reasonably incurred in connection with the investigation, monitoring, defence and appeal of any Proceeding in advance of the final disposition of such Proceeding, within thirty (30) days of any request in writing by you to the Corporation for such reimbursement or advance, accompanied by reasonable details and supporting documentation with respect to the Indemnified Amounts in respect of which such reimbursement or advance is requested, including, without limitation, in circumstances in which the Corporation shall commence any action against you or where you are required to pay or deposit any money as security for costs or in respect of any Cost.

(b) If and to the extent that the Corporation determines, acting reasonably, that you would not be permitted to be indemnified pursuant to this Agreement, the Corporation shall have no obligation to reimburse or advance any funds to you pursuant to this Agreement unless you commence legal proceedings in a court of competent jurisdiction to secure a determination that you should be indemnified pursuant to this Agreement. In the event that you institute such legal proceedings, then the Corporation shall continue to reimburse or advance funds to you pursuant to Section 7(a) until such time as the Corporation has secured a final judicial determination establishing that you are not entitled to be indemnified pursuant to this Agreement.

8. **Indemnification for Expenses Incurred in Enforcing Rights**

The Corporation shall indemnify you against all Costs that are incurred by you in connection with any action brought by you, the Corporation or a third party to determine whether you are entitled to:

(a) be indemnified by the Corporation under this Agreement, under any other agreement or under applicable law now or hereafter in effect relating to indemnification of directors and officers; and/or

(b) recover under any D&O Policy maintained by the Corporation,

but only in the event that you are ultimately determined to be entitled to such indemnification or insurance recovery, as the case may be. Furthermore, if so requested by you, the Corporation shall periodically reimburse or advance the funds necessary for the payment of Costs that are reasonably incurred by you in connection with the investigation, monitoring, defence and appeal of the foregoing action in advance of the final disposition, within thirty (30) days of any such request in writing by you.

9. **Tax Adjustment**

If any amount payable under this Agreement (including, without limitation, an amount paid or payable on account of insurance premiums or made by an insurer under a D&O Policy), constitutes a taxable benefit to you or otherwise subjects you to any tax or levy of any kind, or taxing authority so alleges, the Corporation will keep you harmless from any such tax or levy and, without limiting the foregoing, shall timely pay to you or on your behalf the amount of any and all such taxes and levies, together with any interest and penalties thereon not arising exclusively from your gross negligence, including any such amounts relating to any payment under this Section 9, so that no such amount will be an unreimbursed expense to you. We also will reimburse you, on a similar after tax basis, for any reasonable costs (including the costs of professional advisors) incurred by you in connection with any payment to which this Section 9 relates or the enforcement by you of your rights hereunder. The amount of any payment hereunder shall be determined without regard to any deductions, credits offsets or similar amounts or adjustments available to you in computing income, taxable income, tax payable or other relevant amounts (except to the extent arising from payments under this Section 9). For clarity, you shall not be obliged to contest any claim that tax, other levy, penalty or interest to which this Section 9 applies is owing, and your rights under this Section 9 are not dependent on the validity of any such claim.

10. **Approvals**

Where any indemnification sought pursuant to this Agreement is, pursuant to applicable law, subject to or conditional upon the approval or consent of any court or of any governmental body or regulatory authority, the Corporation agrees to make or cause to be made all necessary applications and to use its reasonable best efforts to obtain or assist in obtaining or facilitating the obtaining of such approval or consent, at its expense.

11. **Partial Indemnification**

If you are entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the Costs in respect of a Proceeding, but not for the total amount of such Costs, the Corporation shall nevertheless indemnify you for the portion of such Costs to which you are entitled.

12. **Further Assurances**

Each of you and the Corporation shall diligently attend to, and assist in the conduct of, the defence of any Proceeding, shall assist in enforcing any right of contribution or indemnity against any person or organization and shall (or in the case of the Corporation, shall cause its appropriate officers, directors, advisors or personnel to) attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

13. **Non-Exclusivity**

Your rights under this Agreement shall be in addition to any other rights that you may have under the Corporation's articles, applicable law, or otherwise. To the extent that a change in applicable law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under this Agreement or under the Corporation's articles, it is the intent of the parties hereto that you may enjoy by this Agreement the greater benefits so afforded by that change. Your rights under this Agreement shall not be diminished by any present or future provision of the Corporation's articles and shall not diminish any other rights that you now or in the future have against the Corporation.

14. **Severability**

If any part of this Agreement or the application of such part to any circumstance shall, to any extent, be invalid or unenforceable, such part or the application of such part shall be interpreted and applied to such extent so as to be valid and enforceable in the circumstances, and the remainder of this Agreement, or the application of such part to any other circumstance, shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. **Insurance**

(a) The Corporation's liabilities under the Agreement shall be covered at all times by a D&O Policy that has been approved by the Corporation's board of directors (subject to the availability of such insurance in the market place) and a copy of such D&O Policy shall be provided to you.

(b) The Corporation will advise you promptly after it becomes aware of any material change in or withdrawal or lapse in coverage of any D&O Policy maintained by the Corporation, details of any claim made under such a policy and the triggering of any extended reporting period applicable to any such policy.

16. **Enurement**

This Agreement and the benefit of the obligations of the undersigned hereunder shall enure to the benefit of and be binding upon you, your heirs, estate, executors and administrators and shall be binding upon the Corporation's successors and assigns.

17. **Previous Indemnities and Retroactivity**

This Agreement supersedes and replaces all prior indemnities entered into between the Corporation and you with respect to the subject matter of this Agreement, provided however, that nothing in this provision shall operate to restrict in any way any indemnity to which you are entitled under the Corporation's articles or otherwise at law. No payment shall be made under this Agreement to the extent to which you are indemnified by any insurer or by the Corporation other than pursuant to this Agreement. This Agreement shall be deemed to have been in effect during all periods that you were acting in an Indemnified Capacity, regardless of the date of this Agreement.

18. **Subrogation**

In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of your rights of recovery. All of your actions to assist the Corporation in securing and enforcing its subrogation rights shall themselves be subject to the terms of this Agreement.

19. **Governing Law and Jurisdiction**

This Agreement shall be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein. Any dispute arising out of or relating to this Agreement shall, at the choice of either party hereto, be decided before a court in the Province of British Columbia without prejudice to the rights of either party to bring action in any court of any other jurisdiction.

20. **Notices**

Any notices to be given pursuant hereto shall be given to the Corporation at its address set forth above, Attention: President & CEO, and to you at your address on the books and records of the Corporation.

21. **Counterpart Execution**

This Agreement may be executed in two counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

DATED this ____ day of _____, 2019

EDESA BIOTECH, INC.

by /s/ Sean MacDonald
Authorized Signatory

The undersigned accepts the foregoing indemnity and agrees to comply with the terms and conditions set out above.

Director or Officer name
