
**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): November 6, 2020

QSAM BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-55148
(Commission File
Number)

20-1602779
(IRS Employer
Identification Number)

420 Royal Palm Way, #100, Palm Beach, Florida
(Address of principal executive offices)

33480
(Zip Code)

Registrant's telephone number, including area code

(561) 693-1423

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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Item 1.01 Entry into Material Agreements

QSAM Biosciences Inc. (f/k/a Q2Earth, Inc.) (“QSAM” or the “Company”) entered into an Omnibus Separation Agreement (the “Separation Agreement”) with its unconsolidated investee entity, Earth Property Holdings LLC (“EPH”), dated November 6, 2020 (the “Effective Date”). The Board of Directors (the “Board”) approved the Separation Agreement in furtherance of its previously disclosed plan to secure new technologies and business opportunities in the broader biosciences sector, and to significantly reduce debt and liabilities of the Company and eliminate under-performing assets and agreements.

The Company holds approximately an 18.5% subordinated equity interest in EPH, and accounts for EPH as an unconsolidated investee entity. It is the intention of the Company that it will sell back to EPH its equity interests prior to the end of 2020; however, terms have not yet been finalized and proceeds to the Company are not expected to be material. Kevin Bolin, the prior Chairman and CEO of the Company, also serves as President of EPH; and Christopher Nelson, President, General Counsel and Director of the Company, also serves as General Counsel and Secretary of EPH. Both Messrs. Bolin and Nelson abstained from voting on matters pertaining to the Separation Agreement as presented to the Board of Directors.

Under the terms of the Separation Agreement, the parties have agreed that the Company will continue to operate and pursue opportunities in the biosciences and pharmaceutical fields while EPH will continue to operate in the compost and soil manufacturing fields. More specifically:

1. On the Effective Date, the Management Agreement, dated January 18, 2019, as amended, between EPH and QSAM (then Q2Earth) is terminated by mutual agreement of the parties.
 - a. In lieu of any severance or other termination payments due thereunder, EPH has released QSAM from a total of \$993,984.71 in liabilities, inclusive of advanced management fees and multiple promissory notes, including accrued and unpaid interest. Such intercompany promissory notes have been retired and are no longer enforceable. An additional \$114,700 in promissory notes owed to an affiliate of EPH are being converted into Company common stock at a price of \$0.22 per share, and consequently, will be retired and no longer enforceable.
 - b. The prior officers and employees of QSAM engaged in the compost and soil manufacturing business have been released from any non-competition, non-solicitation or other restricted covenant pursuant to their respective employment agreements (as agreed in the Separation Agreement and further defined in individual release agreements with each such employee).
2. As of the Effective Date, EPH shall have the right in its sole discretion to use the name “Q2Earth” in all jurisdictions of the United States and worldwide.
3. QSAM has agreed to transfer to EPH the License Agreement with Agrarian Technologies LLC and Mulch Masters Inc. for the ABS product and all associated knowhow, trade secrets and trademark/service marks (the “ABS License”). Additionally, QSAM has agreed to transfer to EPH the Distributorship Agreement, dated June 1, 2019, with Senn, Senn & Senn LLC (the “Senn Agreement”). Both these transfers are subject to consent by the granting parties, which has not been received as of the current date.
4. QSAM has agreed that up to \$175,000 in funds raised in a next financing will be used to pay any remaining legacy debt and liability payments anytime after the Effective Date.

On November 10, 2020, we issued a press release announcing the foregoing corporate actions. A copy of the press release is filed as Exhibit 99.1 and is incorporated herein by reference.

The foregoing description of the Separation Agreement does not purport to be complete and is qualified in its entirety by the terms and conditions of the Separation Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

On November 6, 2020, the Management Agreement between QSAM and its unconsolidated investee entity, Earth Property Holdings LLC, was terminated by mutual agreement. The terms and conditions of such termination were provided in the Separation Agreement, as described in Item 1.01 above, and incorporated herein by reference to Exhibit 10.1.

Item 2.05 Costs Associated with Exit or Disposal Activities

The information contained in Item 1.01 above is incorporated herein by reference. The Company's refocus and realignment undertaken in connection with the Separation Agreement is expected to have the following effect on the Company:

- 1) An annualized fee of \$700,000 payable to the Company under the Management Agreement has been terminated as of the Effective Date.
- 2) Approximately \$1 million in annualized payroll expenses have been eliminated in connection with the termination and release of five employees of the Company retained in connection with the Management Agreement; and an additional amount of between \$160,000 and \$200,000 in annualized general administrative expenses in connection with the soil operations will also be eliminated.
- 3) \$993,984.71 in liabilities, inclusive of advanced management fees and multiple promissory notes, including accrued and unpaid interest, have been forgiven by EPH, and an additional \$114,700 in promissory notes owed to an affiliate of EPH will be converted into 521,264 shares of Company common stock.

The Company has provided pro-forma financial statements as Exhibit 99.2 hereto, for the periods ended December 31, 2019 and June 30, 2020, that demonstrates the effect of the termination of the Management Agreement as a discontinued operation, as if such termination took effect as of those historical dates.

Item 3.02 Unregistered Sales of Equity Securities

Between September 15, 2020 and October 31, 2020, the Company settled approximately \$2.8 million in defaulted promissory notes issued in 2017 and 2018 with 17 total note holders. Under the terms of such settlements, each such note holder agreed to convert all principal and interest under their respective debt obligations into shares of the Company's common stock at a price equal to \$0.22 per shares ("New Common Stock"). In total, 5,047,095 shares of New Common Stock were issued to the note holders, and an additional 6,356,385 shares are due to be issued to one noteholder but has not yet been issued as of the date of this Current Report.

As of November 6, 2020, an additional \$150,000 in deferred employee compensation was converted to 681,818 shares of New Common Stock.

As of November 6, 2020, 521,364 shares of New Common Stock were due to be issued to an affiliate of EPH in connection with the conversion of \$114,700 in promissory notes owed to that party.

As of November 1, 2020, the Company issued 800,000 shares of common stock to a service provider under a 12 month consulting agreement in connection with corporate communications and investor relations activities.

In October 2020, the Company issued 600,000 shares of common stock to three consultants in connection with services provided in the transaction and separation of the Company from EPH.

The issuance of the shares of the Company's New Common Stock described above was exempt pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended and/or Rule 506 of Regulation D promulgated thereunder.

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

On November 6, 2020, Kevin Bolin resigned as Chairman and Chief Executive Officer of the Company. The resignation was by mutual agreement, which agreement included general releases of both parties, a release of Mr. Bolin from any non-compete covenants for working in the compost space, a conversion of deferred salary and bonus payments to common stock of the Company at \$0.22 per share, and a release of any further forfeiture requirements of Mr. Bolin's 2018 common stock share issuance.

On November 6, 2020, Douglas Baum, age 53, was appointed as Chief Executive Officer of the Company. Mr. Baum has been a director of the Company since January 2020. Mr. Baum brings to the Company over 28 years of experience in the bioscience and biotech industries, including development, commercialization and marketing of multiple drugs and medical devices. Over his long senior executive tenure, including as CEO of Xeris Pharmaceuticals, he has overseen 15 product approvals through the FDA and raised over \$80 million in capital to fund breakthrough technologies. Mr. Baum does not have any family relationship with other directors or officers of the Company.

On November 6, 2020, C. Richard Piazza, age 73, was appointed as a Member of and the Executive Chairman of the Board of the Company. Mr. Piazza has more than 45 years of healthcare experience in both medical devices and pharmaceutical/biotech, and has led several technology companies to market success including numerous FDA approvals in both sectors. During his career running both public and private companies he has raised more than a \$120 million in capital. Mr. Piazza also serves as President, and is a minority shareholder, of IGL Pharma Inc., the licensor of the Company's drug technology, and a consultant to IsoTherapeutics Group, LLC, the inventors of the technology. Mr. Piazza does not have any family relationship with other directors or officers of the Company.

The employment agreements between Mr. Baum, Mr. Piazza and the Company provide for base salary and bonuses generally in line with market rates for biotechnology companies at the same level of development as the Company, three-year terms with renewal and severance provisions, and other standard terms for agreements of this type. Messrs. Baum and Piazza will also receive shares of the Company's Series E-1 Incentive Preferred Stock, a certificate of designation for which is expected to be filed with the Secretary of State of the Delaware this month. Furthermore, Mr. Piazza will participate in the Company's standard director compensation program. The employment agreements for Messrs. Baum and Piazza are filed herewith as Exhibits 10.2 and 10.3, respectively.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Omnibus Separation Agreement, dated November 6, 2020, between the Company and Earth Property Holdings, LLC</u>
10.2	<u>Employment Agreement dated November 6, 2020, between the Company and Douglas Baum</u>
10.3	<u>Employment Agreement dated November 6, 2020, between the Company and C. Richard Piazza</u>
99.1	<u>Press release dated November 10, 2020</u>
99.2	<u>Pro-forma financial statements for the periods ended December 31, 2019 and June 30, 2020</u>

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.

QSAM Biosciences, Inc.

By: /s/ Christopher Nelson

Christopher Nelson
President and General Counsel

Date: November 10, 2020

Exhibit Index

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99.2	<u>Pro-forma financial statements for the periods ended December 31, 2019 and June 30, 2020</u>

OMNIBUS SEPARATION AGREEMENT

This OMNIBUS SEPARATION AGREEMENT (this “**Agreement**”), dated as of November 6, 2020 (the “**Effective Date**”) is entered into by and between QSAM Biosciences, Inc. (f/k/a Q2Earth, Inc.), a Delaware corporation (“**QSAM**”), and Earth Property Holdings LLC, a Delaware limited liability company (“**EPH**”).

WHEREAS, the Board of Directors of QSAM previously authorized a strategic plan for 2020 which is comprised of: (1) securing new technologies and business opportunities in the broader biosciences sector; and (2) significantly reducing debt and liabilities of the Company and eliminating under-performing assets and agreements. The successful results of these actions are intended to attract new capital to fund long term growth opportunities for QSAM; and

WHEREAS, on April 20, 2020, QSAM’s wholly-owned subsidiary, QSAM Therapeutics Inc. (the “**Subsidiary**”) signed a Patent and Technology License Agreement and Trademark Assignment with IGL Pharma Inc. (“**IGL**”) to provide QSAM with all rights to the radiopharmaceutical Samarium-153 DOTMP (the “**New Technology**”), as well as other rights including the ability to license other IGL technologies; and

WHEREAS, the Board of Directors of QSAM have approved the company’s strategy to focus entirely on the New Technology in its forward looking plans, and in connection with such strategy, have approved the employment agreements and equity plan for new management of QSAM, which are due to take effect on November 1, 2020; and

WHEREAS, the parties have agreed to terminate other contractual obligations and rights between the parties, and to transfer certain intellectual property, as more fully set forth herein, so that moving forward, QSAM will pursue the opportunity presented by the New Technology and other technologies in the biosciences sector (the “**New QSAM Business**”), and EPH will pursue opportunities in the compost and soil health sector (the “**EPH Business**”).

NEW THEREFORE, for good and valuation consideration, the parties agree as follows:

1. Termination of Management Agreement and Release of Employees. On the Effective Date, the Management Agreement, dated January 18, 2019, as amended, between EPH and QSAM (then Q2Earth) shall be terminated by mutual agreement of the parties.
 - a. In lieu of any severance or other termination payments due thereunder, EPH shall release QSAM from a total of \$993,984.71 in liabilities, inclusive of advanced management fees and the multiple Promissory Notes, including accrued and unpaid interest, as set forth in **Schedule 1.a**. Such Promissory Notes shall be retired and no longer enforceable. QSAM shall issue 521,364 shares of common stock to an affiliate of EPH in full and final payment of an additional \$114,700 in notes payable to that party.
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- a. Upon termination of the Management Agreement, the current officers and employees of QSAM shall be released from any non-competition, non-solicitation or other restricted covenant pursuant to their respective Employment Agreements. Such employees shall be able to sign new employment agreements with EPH, and shall be allowed to take to EPH all work product, inventions and other intellectual property pertaining to the EPH Business developed by them during their employment with QSAM or used by QSAM either under the Management Agreement or otherwise. The employees shall also be allowed to retain any computers personally used by them, and all files pertaining to the EPH Business.
 2. Use of Q2Earth Name. As of the Closing Date, EPH shall have the right in its sole discretion to use the name "Q2Earth" in all jurisdictions of the United States and worldwide. EPH shall have the right, in its sole discretion, to amend its Certificate of Formation to change its name to Q2Earth LLC, or such other similar name, and Q2 shall provide all required releases/waivers required for such filing with the State of Delaware. The parties will work together to develop new web sites and other social media or online presences, and to direct online traffic to properly find and access these new web sites.
 3. Transfer of License. QSAM shall transfer to EPH the License Agreement with Agrarian Technologies LLC and Mulch Masters Inc. for the ABS product and all associated knowhow, trade secrets and trademark/service marks (the "**ABS License**"). Additionally, QSAM shall transfer to EPH the Distributorship Agreement, dated June 1, 2019, with Senn, Senn & Senn LLC (the "**Senn Agreement**"). QSAM shall use all reasonable means to obtain consents for these transfers from the appropriate parties, and EPH hereby agrees to assume all responsibilities, obligations and rights under each of the ABS License and Senn Agreement.
 4. Other Legacy Debt and Tax Returns
 - a. Prior to the Effective Date, QSAM received a Payroll Protection Program loan of \$142,949. The parties will work together to file all necessary paperwork to qualify and receive loan forgiveness.
 - b. QSAM agrees that up to \$175,000 in funds raised in the next round of financing, will be used toward legacy debt and liability payments, in such amounts and to such parties as determined by the prior QSAM management, and as represented by Christopher Nelson. Such funds will be made available proportionately if and when QSAM raises its initial \$1.25 million.
 - c. EPH agrees to assist QSAM in preparing and filing all federal tax returns that remain unfiled as of the Effective Date for QSAM. All reasonable third party expenses for such tax preparation and filing will be paid by EPH.
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5. Representations. The parties hereby represent to the other the following:

- a. QSAM represents and warrants to EPH that as of the Effective Date: (i) QSAM is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) this Agreement and the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of QSAM and all necessary actions have been taken in accordance with appropriate law; (iii) no shareholder vote or action is required to effectuate this transaction in accordance with appropriate law and regulations (iv) this Agreement has been duly executed and delivered by QSAM and constitutes the valid and binding obligations of QSAM enforceable in accordance with its terms; (v) the execution and delivery of the Agreement by QSAM, and the consummation by QSAM of the other transactions contemplated by this Agreement do not and will not conflict with or result in a breach by QSAM of any of the terms or provisions of, or constitute a default under (a) QSAM's formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which QSAM is a party or by which it or any of its properties or assets are bound, or (c) any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal, state or foreign regulatory body, administrative agency, or other governmental body having jurisdiction over QSAM or any of QSAM's properties or assets; (d) no further authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of QSAM is required to be obtained by QSAM; and (e) there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of QSAM, threatened against or affecting QSAM before or by any governmental authority or non-governmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a material adverse effect on QSAM or which would adversely affect the validity or enforceability of, or the authority or ability of QSAM to perform its obligations.
 - b. EPH represents and warrants to QSAM that as of the Effective Date: (i) EPH is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) this Agreement and the transactions contemplated hereby have been duly and validly authorized by EPH and all necessary actions have been taken; (iii) this Agreement has been duly executed and delivered by EPH and constitutes the valid and binding obligations of EPH enforceable in accordance with its terms; (vi) the execution and delivery of the Agreement by EPH, and the consummation by EPH of the other transactions contemplated by this Agreement do not and will not conflict with or result in a breach by EPH of any of the terms or provisions of, or constitute a default under (a) EPH's formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which EPH is a party or by which it or any of its properties or assets are bound, or (c) any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal, state or foreign regulatory body, administrative agency, or other governmental body having jurisdiction over EPH or any of EPH's properties or assets; (d) no further authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of EPH is required to be obtained by EPH; and (e) there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of EPH, threatened against or affecting EPH before or by any governmental authority or non-governmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a material adverse effect on EPH or which would adversely affect the validity or enforceability of, or the authority or ability of EPH to perform its obligations.
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6. Indemnification. Each Party hereto hereby agrees to indemnify, defend and hold harmless the other Party, their respective officers, directors, members, employees and agents from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, and awards, and costs and expenses (including reasonable attorneys' fees), whether or not covered by insurance, arising from or relating to (a) any material breach of this Agreement, (b) any acts or omissions conducted in bad faith or gross negligence by the other Party or officers, directors or employees to the extent that such is not paid or covered by the proceeds of insurance, or (c) any claims made by the shareholders, debtholders or other constituents of one Party against the other Party. The provisions of this Section shall survive termination or expiration of this Agreement. The defending Party shall immediately notify the other Party of any lawsuits or actions, or any threat thereof, that are known or become known to the first Party that might adversely affect any interest of such Party whatsoever.

 7. Dispute Resolution. In the event that any disagreement, dispute or claim arises among the Parties hereto with respect to the enforcement or interpretation of this Agreement or any specific terms and provisions hereof or with respect to whether an alleged breach or default hereof has or has not occurred (collectively, a "Dispute"), such Dispute shall be resolved by final, confidential, and binding arbitration (the "Arbitration"). The Arbitration shall be settled in Wilmington, Delaware in accordance with the then prevailing rules of the American Arbitration Association for commercial disputes. The arbitrator shall have the power only to interpret and apply this Agreement, and shall have no power to alter or modify any express provisions of this Agreement or to make any award which by its terms affects any such alteration or modification. The arbitrators may not award punitive, exemplary, incidental or consequential damages, and the parties hereby irrevocably waive any claims(s) to such damages in disputes that are subject to this arbitration provision. The result of the arbitration will be final and binding on the parties, and judgment upon any award rendered by the arbitrators may be entered by any court having jurisdiction therein. The parties hereby agree not to appeal the result of the arbitration. The procedures set forth herein shall not preclude a party from seeking injunctive relief or other provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The Parties to the Dispute shall share the expenses of the arbitrator and the other costs of arbitration on a pro rata basis.
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8. Public Statements. Each Party agrees that it and its Affiliates will not issue any press release or otherwise make any public statement or respond to any media inquiry with respect to this Agreement or the transactions contemplated hereby without the prior approval of the other Party, which will not be unreasonably withheld, conditioned or delayed, but after having received such approval, a Party may thereafter disclose freely any information contained in such approved release or public statement without any need for further approval, except as may be required by Law.
 9. Directors' and Officers' Indemnification. For a period of not less than six (6) years from the Effective Date, QSAM will use its commercially reasonable efforts to cause it to exculpate, indemnify, advance expenses to and hold harmless all of its past and present directors and officers for any acts or omissions occurring at or prior to the Effective Date, subject to the liabilities or obligations of EPH pursuant to the terms of this Agreement. In the event that any claim for indemnification or advancement of expenses is asserted or made within such six (6) year period, all rights to indemnification and advancement of expenses will continue until such claim is disposed of or all orders, injunctions, judgments, decrees or rulings of any Governmental Authority in connection with such claim are fully satisfied. This Section 10 will survive the closing, and is expressly intended to be for the benefit of, and enforceable by, each of the former or present directors and officers of QSAM as of prior to the Effective Date and their respective heirs and legal representatives. In the event that QSAM, or any of its successors or assigns (i) consolidates with or merges into any other entity and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a majority of its properties and assets to any entity, then, in each such case, proper provision will be made so that the successors and assigns of QSAM will expressly assume and succeed to the obligations set forth in this Section 10.
 10. Mutual Release. EPH and QSAM, on behalf of themselves, and their respective officers, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns, hereby fully and forever release each other and their respective officers, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns, from, and agree not to sue concerning, any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that any of them may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date, including, without limitation:
 - a. any and all claims relating to or arising from the Employment Agreements or prior management's employment or Board relationship with QSAM and the termination of that relationship;
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- b. any and all claims relating to, or arising from, such party's right to purchase, or actual purchase of shares of stock or conversion of debt into shares of stock of QSAM, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law; and
 - c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion.
 - d. Such mutual release shall not apply to claims arising out of or in connection with this Agreement, or matters that arise from actions that occur after the Effective Date.
11. Counterparts. This Agreement, which may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The parties hereto confirm that any electronic copy of another party's executed counterpart of the signature page hereof will be deemed to be an executed original thereof.
 12. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.
 13. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.
 14. No Reliance. Both Parties acknowledge and agree that the other Party and its officers, directors, members, managers, representatives or agents have not made any representations or warranties to the other Party or any of its officers, directors, representatives, agents or employees except as expressly set forth in this Agreement.
 15. Amendments. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by both parties hereto.
 16. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of: (i) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer, or by facsimile (with successful transmission confirmation), (ii) the earlier of the date delivered or the third Business Day after deposit, postage prepaid, in the United States Postal Service by certified mail, or (iii) the earlier of the date delivered or the third Business Day after mailing by express courier, with delivery costs and fees prepaid, in each case, addressed to each of the other parties thereunto entitled at the addresses on the signature page (or at such other addresses as such party may designate by five (5) calendar days' advance written notice similarly given to each of the other parties hereto)
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17. Successors and Assigns. This Agreement or any of the severable rights and obligations inuring to the benefit of or to be performed by a Party hereunder may not be assigned to a third party, including its affiliates, in whole or in part, without the need to obtain the other Party's consent thereto, which shall not be unreasonably withheld.
18. Further Assurances. Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.
19. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in the form of a writing signed by the Party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.
20. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.
21. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Omnibus Separation Agreement to be duly executed as of the Effective Date.

QSAM BIOSCIENCES, INC.

By: /s/ Douglas Baum
Name: Douglas Baum
Title: Chief Executive Officer

EARTH PROPERTY HOLDINGS LLC

By: /s/ C. Thomas Paschall
Name: C. Thomas Paschall
Title: Class A Manager

Schedule 1.a. – Intercompany Debt

Redacted.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) by and between QSAM Biosciences, Inc., a Delaware corporation with an address of 8305 Summerwood Dr., Austin, TX 78759 (the “Company”), and Douglas R. Baum with a current residence located at 8305 Summerwood Drive, Austin, TX 78759 (the “Executive”).

RECITALS

WHEREAS, the Company desires to secure the employment of the Executive upon the terms and conditions hereinafter set forth.

WHEREAS, the Executive desires to accept such employment with the Company upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the parties, each intending to be legally bound hereby, agree as follows:

1. Employment.

1.1 The Company hereby agrees to employ the Executive and the Executive hereby agrees to serve the Company on the terms and conditions set forth in this Agreement.

2. Term; Renewal.

2.1 The initial term of the Executive’s employment under this Agreement shall commence as of November 6, 2020 (the “Effective Date”) and shall continue for a period of three (3) years ending on the third anniversary of the Effective Date (the “Initial Term”), unless such employment is sooner terminated by either the Executive or the Company in accordance with the terms of this Agreement.

2.2 The term of this Agreement may be extended for such periods (the “Renewal Term(s)”) as the parties may mutually agree on or before the scheduled expiration of the Initial Term or any Renewal Term. To be effective, any such agreement to extend the term of the Agreement for an additional Renewal Term must be by mutual consent in writing at least six (6) months prior to the scheduled expiration of the Initial Term or any Renewal Term, as the case may be, signed by the Executive and a duly authorized representative of the Company; such negotiation(s) and signatures shall not be unreasonably withheld. If no such agreement is reached, the Executive’s employment under this Agreement shall cease as of the end of the Initial Term or any then current Renewal Term, as the case may be.

2.3 As used in this Agreement, the term “Employment Period” shall be deemed to refer to and include the period during the Initial Term and any Renewal Term that the Executive is employed by the Company pursuant to the terms and provisions of this Agreement.

3. Duties and Responsibilities.

3.1 During the Employment Period, the Executive shall be employed as Chief Executive Officer of the Company. The Executive shall report to the Board of Directors (BOD), and perform such duties and have such responsibilities, consistent with their position and past experience, as may be assigned to him from time to time, by the BOD. Nothing in this Section 3.1 shall limit the Executive's opportunity to be considered for promotions to other positions in the Company during the Employment Period. The Company and the Executive may, from time to time, agree upon the assignment of temporary or interim duties to the Executive ("Interim Assignments").

3.2 The Executive shall devote his entire business related working time, attention and energies to the business and affairs of the Company, shall faithfully, diligently and competently perform the duties of his employment, and shall do all reasonably within his power to promote, develop and extend the business of the Company. Notwithstanding the foregoing, the Executive shall be permitted to serve on company, consulting, industry, civic, educational or charitable boards or committees, so long as such activities do not compete directly with the available Company services or products or unduly interfere with the performance of the Executive's duties and responsibilities as an employee of the Company.

3.3 The Executive shall perform their duties hereunder at the offices of the Company or such other site or sites as may be selected by the Company within a 50 mile radius of the Executive's current residence. The Executive shall be available for travel as needed for the performance of his job duties.

4. Compensation.

4.1 *Base Salary.* The Company shall pay the Executive a base salary (the "Base Salary") as approved by the Board of Directors. The Executive's Base Salary upon execution of this Agreement shall be \$250,000 per year; provided however, until such time that the Company successfully commences human testing of its initial drug candidate and starts to receive satisfactory safety and efficacy data from such tests, as reasonably confirmed by the BOD, the Executive shall receive a reduced salary in an amount to be determined by the BOD and reasonably approved by the Executive. The Base Salary shall be payable in accordance with the Company's regular payroll practice for its executives. During the Employment Period, the Base Salary shall be reviewed annually beginning no later than January 2022 for possible increase in accordance with the Company's compensation policies pertaining to executive personnel at the senior management level, but annual salary adjustments are not guaranteed. Following any increase in the Base Salary, the new salary shall be considered the Base Salary. Any increase in the Base Salary shall not limit or reduce any other obligation of either party under this Agreement.

4.2 *Management Incentive Plan.* In addition to the Base Salary referred to in Section 4.1, the Executive shall be entitled to participate in the QSAM Management Incentive Plan (the "MIP") if such plan becomes available. The MIP generally provides for the payment of stock and/or cash bonus awards to the executive officers of the Company based on the achievement of performance objectives. The stock and/or cash bonus amount, qualifying performance objectives and terms required to earn the incentive bonus for the Executive shall be based upon the annual business plan, corporate objectives and budget prepared by the executive team and approved by the Board of Directors prior to the start of the new fiscal year but no more than sixty (60) days following the start of the relevant fiscal year. Bonuses awarded under the MIP generally are paid during the month of February in the year following the plan year for which the bonuses are awarded, notwithstanding such, Bonuses awarded under the MIP shall be paid no later than March 31st following the plan year for which the bonuses are awarded.

4.3 *Series E-1 Incentive Preferred Stock Plan.* The Executive also shall be entitled to participate in the QSAM Series E-1 Incentive Preferred Stock Plan (the "Preferred Stock Plan"). The Issuance Agreement, as provided under the Preferred Stock Plan, between the parties shall remain in effect during the term of this Agreement.

5. *Benefits.*

5.1 The Executive shall be entitled to participate in all employee benefit plans and programs that are generally available to the salaried employees of the Company during the Employment Period (the "Regular Benefits").

5.2 In addition to the Regular Benefits, the Executive shall be eligible to participate in any additional compensation programs or arrangements relating to, or arising out of, a change in control of the Company that are adopted by the Company after the date of this Agreement and made generally available to the other senior executive officers of the Company as a group.

6. *Expenses and Vacations.*

6.1 *Expenses.* The Executive shall be reimbursed for the reasonable business expenses incurred by him in connection with the performance of their duties under this Agreement upon presentation of an itemized account and written proof of such expenses and provided that such expenses are of the type customarily reimbursed by the Company and have been approved in accordance with any procedures of the Company then in effect.

6.2 *Vacations, Sick Leave and Personal Time Off.* The Executive shall be entitled to paid vacation, paid sick leave and paid personal time off ("PTO") administered under the Company's Employee Leave Time Programs (the "Leave Program"). The Company may modify the Leave Program at any time within its sole and absolute discretion, however the Executive shall receive written notice of any modifications to the Leave Program sixty (60) days before such modifications are implemented.

7. *Termination.* The Executive's employment by the Company under this Agreement may be terminated prior to the end of the Initial Term or any then-current Renewal Term in accordance with the provisions of this Section 7.

7.1 *Termination by the Company for Cause.* The Company may terminate the employment of the Executive hereunder at any time and without prior notice for "Cause." For purposes of this Section 7.1, the term "Cause" shall mean and include any of the following:

- (a) the conviction of the Executive, or the entry of a plea of *nolo contendere* by the Executive, for a felony; or
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(b) the commission by the Executive of any act of fraud, misappropriation, embezzlement, regardless of whether such act is related to their duties under this Agreement; or

(c) the violation of a published Company policy which stipulates the Executive may be terminated by the Company for cause.

7.2 Termination by the Executive for any Reason. The Executive may terminate their employment hereunder at any time for any reason whatsoever by giving the Company written notice of the intent to do so at least thirty (30) days prior to the date on which the proposed termination is to be effective.

7.3 Termination by the Company without Cause. The Company may terminate the employment of the Executive hereunder at any time without Cause, for any reason whatsoever, by giving the Executive written notice of its intent to do so at least thirty (30) days prior to the date on which the proposed termination is to be effective.

7.4 Termination by the Executive Following a Material Change. The Executive may terminate their employment hereunder upon thirty (30) days prior written notice to the Company following a "Material Change." For purposes of this Section 7.4, the term "Material Change" shall mean and include any of the following:

(a) a fundamental change in the duties and responsibilities of the Executive (excluding Interim Assignments) which is inconsistent with the duties and responsibilities normally associated with the position of CEO (or such other position Executive may be promoted to during the Employment Period), which change has not been reversed within thirty (30) days after the delivery to the Company of written notice from the Executive objecting to such change; or

(b) Executive is required to report to a person other than the Board of Directors of the Company, which such reporting obligation is not reversed within thirty (30) days after the delivery to the Company of written notice from the Executive objecting to such reporting obligation; or

(c) reduction in or failure by the Company to pay to Executive the Base Salary as set forth in Section 4.1 hereof unless agreed to by the Executive; or

(d) failure of the Company to pay, if and when due, any bonus to which the Executive is entitled under the MIP, as then in effect; or

(e) any other material breach by the Company of any material term hereof, which breach has not been remedied within 30 days after the delivery to the Company of written notice thereof; or

(f) a material breach by the Company of any of the material terms, covenants, conditions and/or agreements under any Preferred Stock Plan or stock option agreement entered into between Executive and the Company, which breach has not been remedied within 30 days after the delivery to the Company of written notice thereof; or

(g) a relocation of the Executive office more than fifty miles from the current location as of the execution of this agreement.

7.5 Termination Upon the Death of the Executive. In the event that the Executive shall die at any time during the Employment Period, the Executive's employment hereunder shall terminate immediately.

7.6 Termination Upon the Disability of the Executive. In the event that the Executive shall become "disabled" at any time during the Employment Period, the Company shall have the right (but not the obligation) to terminate the Executive's employment hereunder on thirty (30) days prior written notice to the Executive. For purposes of this Section 7.6, the Executive shall be deemed to be "disabled" when he or she is considered disabled by two (2) medical professionals, and such consideration is documented in a writing to the Company and the Executive of such disability.

7.7 Termination Upon Expiration of Initial Term or Renewal Term. Unless action is taken to extend the Initial Term or any then-current Renewal Term in accordance with the provisions of Section 2.2 above, the Executive's employment under this Agreement shall terminate automatically and without the taking of any action by the Company or the Executive as of the end of the Initial Term or any then-current Renewal Term.

8. Effect of Termination.

8.1 Termination by the Company for Cause. Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.1, the Executive shall be entitled to receive their current Base Salary and Regular Benefits, including a lump-sum payment in respect of any accrued but unused PTO under the Leave Program ("Accrued Salary and Benefits"), calculated through the date such termination is effective, but the Executive thereafter shall not be entitled to receive any additional compensation from the Company. The Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

8.2 Termination by the Executive for any Reason

(a) Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.2, the Executive shall be entitled to receive all Accrued Salary and Benefits calculated through the date such termination is effective. The Executive thereafter shall not be entitled to receive any additional compensation from the Company.

(b) Notwithstanding the termination of Executive's employment, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

8.3 *Termination by the Company without Cause; Termination by the Executive Following a Material Change.*

(a) Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.3 or Section 7.4, the Executive shall be entitled to receive the following (sometimes hereinafter referred to collectively as the "Accrued Total Compensation and Benefits"):

(i) all Accrued Salary and Benefits calculated through the date such termination is effective, and

(ii) a pro-rated portion of any bonus to which the Executive otherwise would have been entitled under the MIP with respect to the plan year during which the termination is effective (the "Pro-Rated Current Year Bonus"), or

(iii) a lump sum payment equal to fifty percent (50%) of Executive's then-current full target bonus opportunity under the MIP (payable during the month of March in the year following the year during which the Executive's employment hereunder is terminated), whichever of Sections 8.3(a)(ii) or 8.3(a)(iii) is greater; and

(iv) any and all remaining stock options and/or restricted stock previously granted to the Executive by the Company that has not already vested through the date such termination is effective, will immediately vest upon the date such termination is effective. Furthermore, the executive will be granted a two year period to exercise any outstanding options.

(b) In addition to the foregoing, the Executive shall be entitled to receive the following additional compensation and benefits upon a termination of employment in accordance with the terms and provisions of Section 7.3 or Section 7.4:

(i) salary continuation and COBRA premiums for a period of twelve (12) months (payable in accordance with the Company's regular payroll practices) following the effective date of the termination of the Executive's employment hereunder;

(c) Except for the compensation and benefits specified in paragraphs (a) and (b) above, the Executive thereafter shall not be entitled to receive any additional compensation from the Company.

(d) Notwithstanding the termination of Executive's employment and except as set forth in paragraph (c) below, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

(e) In the event that the Executive desires to obtain relief from the non-competition provisions set forth in Section 11, the Executive may submit a written waiver request to the Company, which shall reasonably be granted by the Company within sixty (60) days after receipt. The written waiver request shall include disclosure of the organization, role and responsibilities the Executive intends to pursue. Provided the Company agrees to the waiver, the non-competition provisions set forth in Section 11 shall terminate subject to any reasonable qualifications stipulated by the Company, and the Executive thereafter shall not be entitled to any additional compensation or benefits under paragraph (b) above (it being understood that nothing in this paragraph (e) shall affect or impair the Executive's right to receive the Accrued Total Compensation and Benefits specified in paragraph (a) above). In the event that a waiver granted under this paragraph (e) shall be effective for less than the full nine (9) month period of restriction, the Executive shall be entitled to a pro-rated portion of the compensation and benefits specified in paragraph (b).

8.4 Termination Upon the Death of the Executive. Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.5, the Company shall have no further liability or obligation to the Executive's estate, except that the Executive's estate shall be entitled to receive (a) all Accrued Total Compensation and Benefits calculated through the date such termination is effective, and (b) the payments provided under any group life insurance policy or policies, if any, which may be in effect generally for the benefit of all full-time salaried employees of the Company.

8.5 Termination Upon the Disability of the Executive. Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.6, the Company shall have no further liability or obligation to the Executive, except that the Executive shall be entitled to receive (a) all Accrued Total Compensation and Benefits calculated through the date such termination is effective, and (b) the payments provided under any group disability benefit insurance policy, if any, which may be in effect generally for the benefit of all full-time salaried employees of the Company. Notwithstanding the termination of Executive's employment, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

8.6 Termination Upon Expiration of Initial Term or Renewal Term.

(a) Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.7, the Executive shall be entitled to receive all Accrued Total Compensation and Benefits calculated through the date such termination is effective. In addition, a termination for expiration and nonrenewal of the contract shall be treated as a termination without clause and the Executive will be entitled to the benefits contained in Section 8.3 of this agreement.

(b) Notwithstanding the termination of Executive's employment, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

9. Representations and Warranties by the Executive. The Executive hereby represents and warrants to the Company that the execution and delivery by the Executive of this Agreement do not, and the performance by the Executive of the Executive's obligations hereunder will not, with or without the giving of notice or the passage of time, or both: (a) violate any judgment, writ, injunction or order of any court, arbitrator or governmental agency applicable to the Executive, or (b) conflict with, result in a breach of the provisions of or the termination of, or constitute a default under, any agreement to which the Executive is a party or by which the Executive is or may be bound.

10. *Inventions and Confidential Information.* The Executive hereby covenants, agrees and acknowledges that employment under this Agreement is pursuant to execution of the Company's form of Proprietary Information and Inventions Assignment Agreement ("*PIIA*"), which requires, among other things, the assignment of rights to any company related invention made during your employment at Company and non-disclosure of proprietary information.

11. *Non-Competition.*

11.1 Executive agrees that they will not, during the term of their employment and for a period of twelve (12) months after the termination of their employment for any reason whatsoever, unless acting with the prior written consent of the Company, directly or indirectly, own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, any business or enterprises which directly competes with the Company and which engages in the activities engaged in by the Company (the "Prohibited Activities"). This Section 11 shall not be construed to prohibit the ownership of not more than 5% of the capital stock of any corporation having a class of securities registered pursuant to the Securities Exchange Act of 1934.

12. *No Solicitation.*

12.1 The Executive agrees that they will not, for a period of twelve (12) months after the termination of their employment hereunder, solicit for employment, either directly or indirectly, any person, who was, during the Employment Period, an employee of the Company.

12.2 The Executive agrees that they will not, for a period of twelve (12) months after the termination of their employment hereunder, directly call on or solicit any person, firm, corporation or other entity who or which was, during the last twelve (12) months of the Employment Period, a customer, client or prospective client of the Company (herein referred to as the "Client"), if a principal purpose of such contact or solicitation is to solicit (i) specific business or projects that were ongoing or in discussion with such Client and the Company as of the date of the termination of the Executive's employment hereunder, or (ii) other specific business or projects for such Client for which all of the following are the same as for the specific business or projects that were ongoing or in discussion with such Client and the Company as of the date of termination of the Executive's employment hereunder.

13. *Equitable Relief.*

13.1 The Executive acknowledges that the restrictions contained in Sections 10, 11 and 12 hereof are reasonable and necessary to protect the legitimate interest of the Company, that the Company would not have entered into this Agreement in the absence of such restrictions, and that violation of any provision of those Sections (which has not previously terminated or been waived) will result in irreparable injury to the Company. The Executive also acknowledges that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equity accounting of all earnings, profits and other benefits arising from any such violation, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled. In the event that the provisions of any of Section 10, 11, or 12 hereof should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic or other limitations permitted by applicable law.

14. *Notices.*

14.1 Any notice required or permitted under this Agreement shall be in writing and sent by United States first class mail, by certified mail, return receipt requested, by facsimile or by hand delivery to the parties at their respective addresses set forth below or at such other address as the parties may designate by notice from time to time:

If to the Company:

QSAM Therapeutics, Inc.
3616 Far West Blvd., Suite 117-292
Austin, TX 78731
Attn: Chief Executive Officer

If to the Executive:

Douglas R. Baum
8305 Summerwood Drive
Austin, TX 78759

15. *Arbitration.*

15.1 Any controversy or claim arising from, or relating to, this Agreement, or the breach hereof, shall be settled by arbitration in accordance with the Model Employment Arbitration procedures of the American Arbitration Association, and judgement upon the award rendered by a panel of three (3) arbitrators may be entered in any court having jurisdiction thereof. The arbitrators shall commence the hearing not later than sixty (60) days after the demand unless the parties agree otherwise in writing. Arbitration under this Agreement shall take place in Travis County, Texas.

16. *Entire Agreement.*

16.1 With the exception outlined in Section 4.3, This Agreement supersedes any and all prior Agreements or arrangements between the parties with respect to the employment of the Executive by the Company and sets forth the entire Agreement between the parties with respect to the subject matter hereof, and it may be amended only by a written document signed by both parties to this Agreement.

17. *Successors and Assigns.*

17.1 This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns; provided that the Executive's duties hereunder are of a personal nature and may not be assigned.

18. *Governing Law.*

18.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas

19 *Counterparts.*

19.1 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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

QSAM Biosciences, Inc.

By: /s/ Christopher Nelson
Representative of the Board of Directors

THE EXECUTIVE

/s/ Douglas Baum
Executive

FORM OF RELEASE AGREEMENT

QSAM Biosciences, Inc.

Employment Termination Date: _____

1. **Introduction and General Information.** Signing this release (this “*Release*”) is one condition to receiving certain benefits offered by QSAM Biosciences, Inc. (the “*Company*”) that are in addition to anything of value to which you already are entitled. Reference is made to that certain Terms of Employment Agreement dated November 1, 2020 (the “*Agreement*”) between you and the Company. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

The Agreement provides that the Company will provide certain consideration, if among other requirements, you execute and deliver this Release and do not revoke the ADEA Release (as defined below) following your termination date and within the periods specified in Section 2(b), as set forth below. You should thoroughly review and understand the effect of this Release before signing it. To the extent you have any claims covered by this Release, you will be waiving potentially valuable rights by signing this Release. You also are advised to discuss this Release with your attorney.

2. **Releases.**

- (a) **General Release.** You agree that the foregoing consideration (including the consideration to be provided pursuant to the Agreement) represents settlement in full of all outstanding obligations owed to you by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns (collectively, the “*Releasees*”). You (for yourself, your spouse, executors, heirs, beneficiaries, representatives, agents, attorneys, assigns, insurers and assurers, and anyone claiming by or through him) hereby and forever release the Releasees from any and all manner of actions, causes of action, suits, charges, claims, complaints, counterclaims, defenses, demands, damages or liabilities whatsoever, including, without limitation, attorneys’ fees, known or unknown, accrued or which may ever accrue, whether based in contract or tort, statutory or common law, of every kind and nature whatsoever, arising from the beginning of time to the execution date of this Release, and hereafter, whether or not relating to or arising from your employment and termination of employment with the Company and any act that has occurred as of the date of the execution of this Release in connection with any service that you may have rendered or may have been requested to render to or on behalf of the Company at any time, other than the rights and obligations under this Release, and except as to claims arising under the Age Discrimination in Employment Act (“*ADEA*”), which are addressed in subsection (b) below. Except as to claims arising under the ADEA, which are covered in subsection (b) below, and as provided for in subsection (c) below, this Release shall be construed as broadly as possible and shall include without limitation: (i) any contractual or other claims of employment, benefits, or payment you may have; (ii) any claims arising out of or in connection with the initiation, termination or existence of your employment relationship with the Company or any service performed on behalf of the Company; (iii) any claims regarding wages and/or compensation in any form whatsoever, vacation, leaves, bonuses, commissions, monies, perquisites, benefits, severance, or any other item attributable to or arising in connection with your employment with the Company; (iv) any and all claims relating to the issuance of all outstanding shares of capital stock of the Company; and (v) without limitation, claims, if any, arising under the following:

- Title VII of the Civil Rights Act of 1964, as amended;
 - The Americans with Disabilities Act of 1990, as amended;
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- The Fair Labor Standards Act of 1938, as amended;
- The Family and Medical Leave Act of 1993;
- The Employee Retirement Income Security Act of 1974 (ERISA), as amended (non-vested rights);
- The Occupational Safety and Health Act of 1970 (OSHA), as amended;
- Texas Labor Code § 21.001, et seq. (Texas Employment Discrimination);
- Texas Labor Code § 61.001, et seq. (Texas Pay Day Act);
- Austin, Texas Code of Ordinance, Title V, Chapters 5-3, 5-5 and 5-6;
- any other federal, state or local civil or human rights law or other local, state or federal law, regulation or ordinance;
- any public policy, contract, tort, or common law (including, without limitation, those relating to fraud, whistleblower, retaliation, negligent or intentional conduct of any nature, constructive discharge, emotional distress, personal injury); or
- intentional conduct of any nature, constructive discharge, emotional distress, personal injury.

(b) ADEA Release. For the good and valuable consideration provided for under the Agreement, the sufficiency of which is hereby acknowledged, and to which you acknowledge you are not otherwise entitled, and other valuable consideration, the sufficiency of which is hereby acknowledged, you hereby completely and forever release and irrevocably discharge each of the Releasees, of and from any and all liabilities, claims, actions, demands, and/or causes of action, arising under the ADEA on or before the date of this Release (the "ADEA Release"), and hereby acknowledge and agree that: the Agreement and this Release, including this ADEA Release, was negotiated at arms' length; the Agreement and this Release, including the ADEA Release, is worded in a manner that you fully understand; you specifically waive any rights or claims under the ADEA; you knowingly and voluntarily agree to all of the terms set forth in the Agreement and this Release, including this ADEA Release; you acknowledge and understand that any claims under the ADEA that may arise after the date of this Release are not waived; the rights and claims waived in this Release and this ADEA Release are in exchange for consideration over and above anything to which you were already undisputedly entitled; you have been and hereby are advised in writing to consult with an attorney prior to executing the Agreement, this Release and the ADEA Release; you understand that you have been given a period of up to twenty-one (21) days to consider the ADEA Release prior to executing it; and you understand that you have been given a period of seven (7) days from the date of the execution of the ADEA Release to revoke the ADEA Release, and understand and acknowledge that the ADEA Release will not become effective or enforceable until the revocation period has expired. If you elect to revoke this ADEA Release, revocation must be in writing and presented to the Board of Directors or their designee within seven (7) days from the date of the execution of the Release.

- (c) Notwithstanding the foregoing, by executing this Release, you shall not be deemed to have waived any rights with respect to your right to exercise vested stock options or your ownership of vested capital stock of the Company (although pursuant to this subsection (c), you are expressly waiving and releasing any and all claims, including any shareholder derivative claims, that you may have had from the beginning of time through the date of this Release as a stockholder of the Company). Furthermore, nothing in this Release is intended to be construed as a release of your rights of indemnification and exculpation for actions as a director, employee or officer of the Company you have at law or under the governing documents (charter and bylaws) of the Company or any of its Affiliates (as defined below), any written indemnity agreement with regard to the foregoing, or any D&O insurance coverage under which you may be covered by in connection with the foregoing; provided that in no event shall you be entitled to make any claim thereunder, under the Company's or the Affiliates' governing documents or insurance policies, or otherwise in defense of, or for exculpation, indemnification or advancement with respect to your compliance with this Release or your breach or alleged breach of this Release.
- (d) Release of Unknown Claims. You understand and agree, in compliance with any statute or ordinance which requires a specific release of unknown claims or benefits, that, except where expressly prohibited by law, this Release includes a release of unknown claims, and you hereby expressly waive and relinquish any and all claims, rights or benefits that you may have which are unknown to you at the time of the execution of this Release. You understand and agree that if, hereafter, you discover facts different from or in addition to those that you now know or believe to be true, that the waivers and releases of this Release shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such facts.
- (e) No Other Claims; Ownership of Claims. You represent and warrant that you do not presently have on file, and further represent and warrant to the maximum extent allowed by law that you will not hereafter file, any lawsuits, claims, charges, grievances or complaints against the Company and/or any of the Releasees in or with any administrative, state, federal or governmental entity, agency, board or court, or before any other tribunal or panel of arbitrators, public or private, based upon any actions or omissions by the Company and/or any of the Releasees occurring prior to the date of this Release. To the extent that you are still entitled to file any administrative charge with any governmental agency, you hereby release any personal entitlement to reinstatement, back pay, or any other types of damages or injunctive relief in connection with any civil action brought on your behalf after your filing of any administrative charge. Finally, you represent and agree that you are the sole and lawful owner of all rights, title and interest in and to all released matters, claims and demands arising out of or in any way related to your employment with the Company and/or the termination thereof.
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- (f) Company's Remedies for Breach. You acknowledge and agree that any breach by you of this Release or of your obligations under the Agreement, shall constitute a material breach of the Agreement, and shall entitle the Company immediately to recover the consideration provided to you in connection with the Agreement, except as provided by law. Except as provided by law, you shall also be responsible to the Company for all costs, attorneys' fees and any and all damages incurred by the Company in: (a) enforcing your obligations under this Release and the Agreement, including the bringing of any action to recover the consideration, and (b) defending against a claim brought or pursued by you in violation of the terms of this Release.
3. **Non-Disparagement.** (a) You agree that you will not, directly or indirectly, disclose, communicate or publish any disparaging or critical information concerning the Company or any parent or subsidiary of the Company, or any company controlled by the Company, or any other entity or organization wholly or partially, directly or indirectly, owned or controlled by the Company or any former officer or director of the Company (each, an "**Affiliate**"), their business, financial condition, professional skills or expertise, suppliers, customers or clients, products or services, operations, market position, performance, technology, employees, officers, directors, consultants, representatives, agents or investors, or proprietary or technical information whatsoever, or directly or indirectly cause or encourage others to disclose, communicate, or publish any disparaging or critical information concerning the same and (b) nothing contained in this paragraph is intended to prevent any person from testifying truthfully in any legal proceeding in which such person is under a subpoena or other court order to do so.
4. **No Interference.** You agree that you will not act in any manner that might damage the business of the Company or its Affiliates or the Company's investors or their respective affiliates. You agree that you will not, directly or indirectly, counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges or complaints by any third party against the Company or its Affiliates or the Company's investors or their respective affiliates and/or any officer, director, employee, agent, representative, shareholder or attorney of any of the foregoing, provided that nothing herein shall prohibit you from testifying truthfully in any legal proceeding in which you are under a subpoena or other court order to do so.
5. **Cooperation.** You agree to cooperate with the Company and its Affiliates, at the Company's reasonable request and without further consideration, in all respects concerning any matters which require your assistance, cooperation or knowledge, including communicating with persons inside or outside the Company and any Affiliate and assistance/availability for any agency, board and legal investigations and proceedings.
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6. **Confidentiality.** You agree to keep the terms and conditions of this Release confidential, except for any discussion with family members, accountants, or legal counsel, or as required by law.
7. **Severability.** If any provision contained in this Release is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision which was determined to be void, illegal or unenforceable had not been contained herein.
8. **Re-Affirmation.** You agree and acknowledge that your fulfillment of the obligations contained in your Proprietary Information and Inventions Agreement (your "**PIIA**") are necessary to protect the Company's Intellectual Property Rights (as defined in your PIIA) and to preserve the Company's value and goodwill. You further acknowledge the time, geographic and scope limitations of your obligations not to compete and not to interfere under your PIIA are reasonable, especially in light of the Company's desire to protect its Proprietary Information, and that you will not be precluded from gainful employment if you are obligated not to compete or interfere with the Company pursuant to the terms of your PIIA. Notwithstanding the foregoing, even if you fail to deliver or if you validly revoke this Release, nothing shall be deemed to affect the validity of your PIIA or the obligations contained therein.
9. **Choice of Law.** This Release shall be interpreted under and governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas, without giving effect to any principles of conflicts of law.
10. **Voluntary Agreement.** YOU UNDERSTAND AND AGREE THAT YOU MAY BE WAIVING SIGNIFICANT LEGAL RIGHTS BY SIGNING THIS RELEASE, AND REPRESENT THAT YOU HAVE ENTERED INTO THIS RELEASE VOLUNTARILY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF YOUR OWN CHOOSING, WITH A FULL UNDERSTANDING OF THE RELEASE AND ALL OF ITS TERMS.

[Signature page follows]

THE UNDERSIGNED HAS READ AND FULLY CONSIDERED THE RELEASE LANGUAGE HEREIN AND DESIRES TO ENTER INTO THIS RELEASE. I ALSO HAVE BEEN ADVISED HEREIN IN WRITING TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS RELEASE. HAVING ELECTED TO SIGN THIS RELEASE AND RECEIVE THE CONSIDERATION IN THE AGREEMENT, I FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS I HAVE OR MIGHT HAVE AGAINST THE COMPANY AND THE OTHER RELEASED PARTIES AS OF THE DATE I SIGN THIS RELEASE.

[Name of Executive]

Date: _____

ACKNOWLEDGED AND ACCEPTED:
QSAM BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____
Date: _____

Schedule I

Schedule of Base Salary, Performance Based Incentive Cash Bonus, Stock Options and Performance Based Stock Options For Fiscal Year 2021

The Executive's compensation for Fiscal Year 2021 shall include:

1. Annual Base Salary: \$250,000

2. Performance Based Incentive Cash Bonus: A Performance Based Incentive Stock and/or Cash Bonus subject to successful completion of the following Performance Objectives and as determined by the Company and Board of Director:

Performance Objectives	Measurable Outcome	Completion Date	Percent Allocation of the Total Potential Bonus	Total Potential Bonus \$
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3. Performance Based Stock Option: TBD shares of common stock

Performance Objectives	Measurable Outcome	Completion Date	Percent Allocation of the Total Potential Bonus	Total Potential Bonus # of Shares
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4. Time Based Stock Option: TBD shares of common stock

Award of Performance Based Incentive Cash Bonus and Stock Options shall be subject to final review and approval by the Compensation Committee

Schedule II

**SCHEDULE OF RESTRICTED STOCK OWNED BY DOUGLAS R. BAUM
AS OF NOVEMBER 1, 2020**

Certificate Number	Number of Shares	Date of Issuance	Agreement
TOTAL			

**SCHEDULE OF STOCK OPTIONS HELD BY DOUGLAS R. BAUM
AS OF NOVEMBER 1, 2020**

Grant Date	Vesting Commencement Date	Number of Option Shares	Agreement
TOTAL			

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) by and between QSAM Biosciences, Inc., a Delaware corporation with an address of 8305 Summerwood Dr., Austin, TX 78759 (the “Company”), and C. Richard Piazza with a current residence located at 6226 Lindyann Ln., Houston, TX 77008 (the “Executive”).

RECITALS

WHEREAS, the Company desires to secure the employment of the Executive upon the terms and conditions hereinafter set forth.

WHEREAS, the Executive desires to accept such employment with the Company upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the parties, each intending to be legally bound hereby, agree as follows:

2. Employment.

2.1 The Company hereby agrees to employ the Executive and the Executive hereby agrees to serve the Company on the terms and conditions set forth in this Agreement.

3. Term; Renewal.

2.1 The initial term of the Executive’s employment under this Agreement shall commence as of November 6, 2020 (the “Effective Date”) and shall continue for a period of three (3) years ending on the third anniversary of the Effective Date (the “Initial Term”), unless such employment is sooner terminated by either the Executive or the Company in accordance with the terms of this Agreement.

2.2 The term of this Agreement may be extended for such periods (the “Renewal Term(s)”) as the parties may mutually agree on or before the scheduled expiration of the Initial Term or any Renewal Term. To be effective, any such agreement to extend the term of the Agreement for an additional Renewal Term must be by mutual consent in writing at least six (6) months prior to the scheduled expiration of the Initial Term or any Renewal Term, as the case may be, signed by the Executive and a duly authorized representative of the Company; such negotiation(s) and signatures shall not be unreasonably withheld. If no such agreement is reached, the Executive’s employment under this Agreement shall cease as of the end of the Initial Term or any then current Renewal Term, as the case may be.

2.3 As used in this Agreement, the term "Employment Period" shall be deemed to refer to and include the period during the Initial Term and any Renewal Term that the Executive is employed by the Company pursuant to the terms and provisions of this Agreement.

5. Duties and Responsibilities.

3.1 During the Employment Period, the Executive shall be employed as Executive Chairman of the Company. The Executive shall report to the Board of Directors (BOD), and perform such duties and have such responsibilities, consistent with their position and past experience, as may be assigned to him from time to time, by the BOD. Nothing in this Section 3.1 shall limit the Executive's opportunity to be considered for promotions to other positions in the Company during the Employment Period. The Company and the Executive may, from time to time, agree upon the assignment of temporary or interim duties to the Executive ("Interim Assignments").

3.2 The Executive shall devote his entire business related working time, attention and energies to the business and affairs of the Company, shall faithfully, diligently and competently perform the duties of his employment, and shall do all reasonably within his power to promote, develop and extend the business of the Company. Notwithstanding the foregoing, the Executive shall be permitted to serve on company, consulting, industry, civic, educational or charitable boards or committees, so long as such activities do not compete directly with the available Company services or products or unduly interfere with the performance of the Executive's duties and responsibilities as an employee of the Company.

3.3 The Executive shall perform their duties hereunder at the offices of the Company or such other site or sites as may be selected by the Company within a 50 mile radius of the Executive's current residence. The Executive shall be available for travel as needed for the performance of his job duties.

6. Compensation.

4.1 *Base Salary.* The Company shall pay the Executive a base salary (the "Base Salary") as approved by the Board of Directors. The Executive's Base Salary upon execution of this Agreement shall be \$225,000 per year; provided however, until such time that the Company successfully commences human testing of its initial drug candidate and starts to receive satisfactory safety and efficacy data from such tests, as reasonably confirmed by the BOD, the Executive shall receive a reduced salary in an amount to be determined by the BOD and reasonably approved by the Executive. The Base Salary shall be payable in accordance with the Company's regular payroll practice for its executives. During the Employment Period, the Base Salary shall be reviewed annually beginning no later than January 2022 for possible increase in accordance with the Company's compensation policies pertaining to executive personnel at the senior management level, but annual salary adjustments are not guaranteed. Following any increase in the Base Salary, the new salary shall be considered the Base Salary. Any increase in the Base Salary shall not limit or reduce any other obligation of either party under this Agreement.

4.3 *Management Incentive Plan.* In addition to the Base Salary referred to in Section 4.1, the Executive shall be entitled to participate in the QSAM Management Incentive Plan (the "MIP") if such plan becomes available. The MIP generally provides for the payment of stock and/or cash bonus awards to the executive officers of the Company based on the achievement of performance objectives. The stock and/or cash bonus amount, qualifying performance objectives and terms required to earn the incentive bonus for the Executive shall be based upon the annual business plan, corporate objectives and budget prepared by the executive team and approved by the Board of Directors prior to the start of the new fiscal year but no more than sixty (60) days following the start of the relevant fiscal year. Bonuses awarded under the MIP generally are paid during the month of February in the year following the plan year for which the bonuses are awarded, notwithstanding such, Bonuses awarded under the MIP shall be paid no later than March 31st following the plan year for which the bonuses are awarded.

4.3 *Series E-1 Incentive Preferred Stock Plan.* The Executive also shall be entitled to participate in the QSAM Series E-1 Incentive Preferred Stock Plan (the "Preferred Stock Plan"). The Issuance Agreement, as provided under the Preferred Stock Plan, between the parties shall remain in effect during the term of this Agreement.

6. *Benefits.*

5.1 The Executive shall be entitled to participate in all employee benefit plans and programs that are generally available to the salaried employees of the Company during the Employment Period (the "Regular Benefits").

5.2 In addition to the Regular Benefits, the Executive shall be eligible to participate in any additional compensation programs or arrangements relating to, or arising out of, a change in control of the Company that are adopted by the Company after the date of this Agreement and made generally available to the other senior executive officers of the Company as a group.

6. *Expenses and Vacations.*

6.1 *Expenses.* The Executive shall be reimbursed for the reasonable business expenses incurred by him in connection with the performance of their duties under this Agreement upon presentation of an itemized account and written proof of such expenses and provided that such expenses are of the type customarily reimbursed by the Company and have been approved in accordance with any procedures of the Company then in effect.

6.2 *Vacations, Sick Leave and Personal Time Off.* The Executive shall be entitled to paid vacation, paid sick leave and paid personal time off ("PTO") administered under the Company's Employee Leave Time Programs (the "Leave Program"). The Company may modify the Leave Program at any time within its sole and absolute discretion, however the Executive shall receive written notice of any modifications to the Leave Program sixty (60) days before such modifications are implemented.

7. *Termination.* The Executive's employment by the Company under this Agreement may be terminated prior to the end of the Initial Term or any then-current Renewal Term in accordance with the provisions of this Section 7.

7.1 *Termination by the Company for Cause.* The Company may terminate the employment of the Executive hereunder at any time and without prior notice for "Cause." For purposes of this Section 7.1, the term "Cause" shall mean and include any of the following:

- (a) the conviction of the Executive, or the entry of a plea of *nolo contendere* by the Executive, for a felony; or
- (b) the commission by the Executive of any act of fraud, misappropriation, embezzlement, regardless of whether such act is related to their duties under this Agreement; or
- (c) the violation of a published Company policy which stipulates the Executive may be terminated by the Company for cause.

7.2 *Termination by the Executive for any Reason.* The Executive may terminate their employment hereunder at any time for any reason whatsoever by giving the Company written notice of the intent to do so at least thirty (30) days prior to the date on which the proposed termination is to be effective.

7.3 *Termination by the Company without Cause.* The Company may terminate the employment of the Executive hereunder at any time without Cause, for any reason whatsoever, by giving the Executive written notice of its intent to do so at least thirty (30) days prior to the date on which the proposed termination is to be effective.

7.4 *Termination by the Executive Following a Material Change.* The Executive may terminate their employment hereunder upon thirty (30) days prior written notice to the Company following a "Material Change." For purposes of this Section 7.4, the term "Material Change" shall mean and include any of the following:

- (a) a fundamental change in the duties and responsibilities of the Executive (excluding Interim Assignments) which is inconsistent with the duties and responsibilities normally associated with the position of Executive Chairman (or such other position Executive may be promoted to during the Employment Period), which change has not been reversed within thirty (30) days after the delivery to the Company of written notice from the Executive objecting to such change; or
 - (b) Executive is required to report to a person other than the BOD of the Company, which such reporting obligation is not reversed within thirty (30) days after the delivery to the Company of written notice from the Executive objecting to such reporting obligation; or
 - (c) reduction in or failure by the Company to pay to Executive the Base Salary as set forth in Section 4.1 hereof unless agreed to by the Executive; or
 - (d) failure of the Company to pay, if and when due, any bonus to which the Executive is entitled under the MIP, as then in effect; or
-

(e) any other material breach by the Company of any material term hereof, which breach has not been remedied within 30 days after the delivery to the Company of written notice thereof; or

(f) a material breach by the Company of any of the material terms, covenants, conditions and/or agreements under any Preferred Stock Plan or stock option agreement entered into between Executive and the Company, which breach has not been remedied within 30 days after the delivery to the Company of written notice thereof; or

(g) a relocation of the Executive office more than fifty miles from the current location as of the execution of this agreement.

7.5 Termination Upon the Death of the Executive. In the event that the Executive shall die at any time during the Employment Period, the Executive's employment hereunder shall terminate immediately.

7.6 Termination Upon the Disability of the Executive. In the event that the Executive shall become "disabled" at any time during the Employment Period, the Company shall have the right (but not the obligation) to terminate the Executive's employment hereunder on thirty (30) days prior written notice to the Executive. For purposes of this Section 7.6, the Executive shall be deemed to be "disabled" when he or she is considered disabled by two (2) medical professionals, and such consideration is documented in a writing to the Company and the Executive of such disability.

7.7 Termination Upon Expiration of Initial Term or Renewal Term. Unless action is taken to extend the Initial Term or any then-current Renewal Term in accordance with the provisions of Section 2.2 above, the Executive's employment under this Agreement shall terminate automatically and without the taking of any action by the Company or the Executive as of the end of the Initial Term or any then-current Renewal Term.

8. Effect of Termination.

8.1 Termination by the Company for Cause. Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.1, the Executive shall be entitled to receive their current Base Salary and Regular Benefits, including a lump-sum payment in respect of any accrued but unused PTO under the Leave Program ("Accrued Salary and Benefits"), calculated through the date such termination is effective, but the Executive thereafter shall not be entitled to receive any additional compensation from the Company. The Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

8.2 Termination by the Executive for any Reason

(a) Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.2, the Executive shall be entitled to receive all Accrued Salary and Benefits calculated through the date such termination is effective. The Executive thereafter shall not be entitled to receive any additional compensation from the Company.

(b) Notwithstanding the termination of Executive's employment, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

8.3 Termination by the Company without Cause; Termination by the Executive Following a Material Change.

(a) Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.3 or Section 7.4, the Executive shall be entitled to receive the following (sometimes hereinafter referred to collectively as the "Accrued Total Compensation and Benefits"):

(i) all Accrued Salary and Benefits calculated through the date such termination is effective, and

(ii) a pro-rated portion of any bonus to which the Executive otherwise would have been entitled under the MIP with respect to the plan year during which the termination is effective (the "Pro-Rated Current Year Bonus"), or

(iii) a lump sum payment equal to fifty percent (50%) of Executive's then-current full target bonus opportunity under the MIP (payable during the month of March in the year following the year during which the Executive's employment hereunder is terminated), whichever of Sections 8.3(a)(ii) or 8.3(a)(iii) is greater; and

(iv) any and all remaining stock options and/or restricted stock previously granted to the Executive by the Company that has not already vested through the date such termination is effective, will immediately vest upon the date such termination is effective. Furthermore, the executive will be granted a two year period to exercise any outstanding options.

(b) In addition to the foregoing, the Executive shall be entitled to receive the following additional compensation and benefits upon a termination of employment in accordance with the terms and provisions of Section 7.3 or Section 7.4:

(i) salary continuation and COBRA premiums for a period of twelve (12) months (payable in accordance with the Company's regular payroll practices) following the effective date of the termination of the Executive's employment hereunder;

(c) Except for the compensation and benefits specified in paragraphs (a) and (b) above, the Executive thereafter shall not be entitled to receive any additional compensation from the Company.

(d) Notwithstanding the termination of Executive's employment and except as set forth in paragraph (c) below, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

(e) In the event that the Executive desires to obtain relief from the non-competition provisions set forth in Section 11, the Executive may submit a written waiver request to the Company, which shall reasonably be granted by the Company within sixty (60) days after receipt. The written waiver request shall include disclosure of the organization, role and responsibilities the Executive intends to pursue. Provided the Company agrees to the waiver, the non-competition provisions set forth in Section 11 shall terminate subject to any reasonable qualifications stipulated by the Company, and the Executive thereafter shall not be entitled to any additional compensation or benefits under paragraph (b) above (it being understood that nothing in this paragraph (e) shall affect or impair the Executive's right to receive the Accrued Total Compensation and Benefits specified in paragraph (a) above). In the event that a waiver granted under this paragraph (e) shall be effective for less than the full nine (9) month period of restriction, the Executive shall be entitled to a pro-rated portion of the compensation and benefits specified in paragraph (b).

8.4 Termination Upon the Death of the Executive. Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.5, the Company shall have no further liability or obligation to the Executive's estate, except that the Executive's estate shall be entitled to receive (a) all Accrued Total Compensation and Benefits calculated through the date such termination is effective, and (b) the payments provided under any group life insurance policy or policies, if any, which may be in effect generally for the benefit of all full-time salaried employees of the Company.

8.5 Termination Upon the Disability of the Executive. Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.6, the Company shall have no further liability or obligation to the Executive, except that the Executive shall be entitled to receive (a) all Accrued Total Compensation and Benefits calculated through the date such termination is effective, and (b) the payments provided under any group disability benefit insurance policy, if any, which may be in effect generally for the benefit of all full-time salaried employees of the Company. Notwithstanding the termination of Executive's employment, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

8.6 Termination Upon Expiration of Initial Term or Renewal Term.

(b) Upon a termination of the Executive's employment hereunder in accordance with the terms and provisions of Section 7.7, the Executive shall be entitled to receive all Accrued Total Compensation and Benefits calculated through the date such termination is effective. In addition, a termination for expiration and nonrenewal of the contract shall be treated as a termination without clause and the Executive will be entitled to the benefits contained in Section 8.3 of this agreement.

(b) Notwithstanding the termination of Executive's employment, the Executive shall continue to be bound by the terms and provisions of Sections 10, 11, 12, 13 and 14 in accordance with their terms.

9. *Representations and Warranties by the Executive.* The Executive hereby represents and warrants to the Company that the execution and delivery by the Executive of this Agreement do not, and the performance by the Executive of the Executive's obligations hereunder will not, with or without the giving of notice or the passage of time, or both: (a) violate any judgment, writ, injunction or order of any court, arbitrator or governmental agency applicable to the Executive, or (b) conflict with, result in a breach of the provisions of or the termination of, or constitute a default under, any agreement to which the Executive is a party or by which the Executive is or may be bound.

11. *Inventions and Confidential Information.* The Executive hereby covenants, agrees and acknowledges that employment under this Agreement is pursuant to execution of the Company's form of Proprietary Information and Inventions Assignment Agreement ("*PIIA*"), which requires, among other things, the assignment of rights to any company related invention made during your employment at Company and non-disclosure of proprietary information.

12. *Non-Competition.*

12.1 Executive agrees that they will not, during the term of their employment and for a period of twelve (12) months after the termination of their employment for any reason whatsoever, unless acting with the prior written consent of the Company, directly or indirectly, own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, any business or enterprises which directly competes with the Company and which engages in the activities engaged in by the Company (the "Prohibited Activities"). This Section 11 shall not be construed to prohibit the ownership of not more than 5% of the capital stock of any corporation having a class of securities registered pursuant to the Securities Exchange Act of 1934.

13. *No Solicitation.*

12.1 The Executive agrees that they will not, for a period of twelve (12) months after the termination of their employment hereunder, solicit for employment, either directly or indirectly, any person, who was, during the Employment Period, an employee of the Company.

12.2 The Executive agrees that they will not, for a period of twelve (12) months after the termination of their employment hereunder, directly call on or solicit any person, firm, corporation or other entity who or which was, during the last twelve (12) months of the Employment Period, a customer, client or prospective client of the Company (herein referred to as the "Client"), if a principal purpose of such contact or solicitation is to solicit (i) specific business or projects that were ongoing or in discussion with such Client and the Company as of the date of the termination of the Executive's employment hereunder, or (ii) other specific business or projects for such Client for which all of the following are the same as for the specific business or projects that were ongoing or in discussion with such Client and the Company as of the date of termination of the Executive's employment hereunder.

14. *Equitable Relief.*

13.1 The Executive acknowledges that the restrictions contained in Sections 10, 11 and 12 hereof are reasonable and necessary to protect the legitimate interest of the Company, that the Company would not have entered into this Agreement in the absence of such restrictions, and that violation of any provision of those Sections (which has not previously terminated or been waived) will result in irreparable injury to the Company. The Executive also acknowledges that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equity accounting of all earnings, profits and other benefits arising from any such violation, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled. In the event that the provisions of any of Section 10, 11, or 12 hereof should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic or other limitations permitted by applicable law.

15. *Notices.*

14.1 Any notice required or permitted under this Agreement shall be in writing and sent by United States first class mail, by certified mail, return receipt requested, by facsimile or by hand delivery to the parties at their respective addresses set forth below or at such other address as the parties may designate by notice from time to time:

If to the Company:

QSAM Therapeutics, Inc.
3616 Far West Blvd., Suite 117-292
Austin, TX 78731
Attn: Chief Executive Officer

If to the Executive:

C. Richard Piazza
6226 Lindyann Ln.
Houston, TX 77008

16. *Arbitration.*

15.1 Any controversy or claim arising from, or relating to, this Agreement, or the breach hereof, shall be settled by arbitration in accordance with the Model Employment Arbitration procedures of the American Arbitration Association, and judgement upon the award rendered by a panel of three (3) arbitrators may be entered in any court having jurisdiction thereof. The arbitrators shall commence the hearing not later than sixty (60) days after the demand unless the parties agree otherwise in writing. Arbitration under this Agreement shall take place in Travis County, Texas.

17. *Entire Agreement.*

16.1 With the exception outlined in Section 4.3, This Agreement supersedes any and all prior Agreements or arrangements between the parties with respect to the employment of the Executive by the Company and sets forth the entire Agreement between the parties with respect to the subject matter hereof, and it may be amended only by a written document signed by both parties to this Agreement.

17. *Successors and Assigns.*

17.1 This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns; provided that the Executive's duties hereunder are of a personal nature and may not be assigned.

18. *Governing Law.*

18.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas

19. *Counterparts.*

19.1 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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

QSAM Biosciences, Inc.

By: /s/ Christopher Nelson
Representative for the Board of Directors

THE EXECUTIVE

/s/ C. Richard Piazza
Executive

FORM OF RELEASE AGREEMENT

QSAM Biosciences, Inc.

Employment Termination Date: _____

11. **Introduction and General Information.** Signing this release (this “**Release**”) is one condition to receiving certain benefits offered by QSAM Biosciences, Inc. (the “**Company**”) that are in addition to anything of value to which you already are entitled. Reference is made to that certain Terms of Employment Agreement dated November 1, 2020 (the “**Agreement**”) between you and the Company. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

The Agreement provides that the Company will provide certain consideration, if among other requirements, you execute and deliver this Release and do not revoke the ADEA Release (as defined below) following your termination date and within the periods specified in Section 2(b), as set forth below. You should thoroughly review and understand the effect of this Release before signing it. To the extent you have any claims covered by this Release, you will be waiving potentially valuable rights by signing this Release. You also are advised to discuss this Release with your attorney.

12. **Releases.**

(a) **General Release.** You agree that the foregoing consideration (including the consideration to be provided pursuant to the Agreement) represents settlement in full of all outstanding obligations owed to you by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns (collectively, the “**Releasees**”). You (for yourself, your spouse, executors, heirs, beneficiaries, representatives, agents, attorneys, assigns, insurers and assurers, and anyone claiming by or through him) hereby and forever release the Releasees from any and all manner of actions, causes of action, suits, charges, claims, complaints, counterclaims, defenses, demands, damages or liabilities whatsoever, including, without limitation, attorneys’ fees, known or unknown, accrued or which may ever accrue, whether based in contract or tort, statutory or common law, of every kind and nature whatsoever, arising from the beginning of time to the execution date of this Release, and hereafter, whether or not relating to or arising from your employment and termination of employment with the Company and any act that has occurred as of the date of the execution of this Release in connection with any service that you may have rendered or may have been requested to render to or on behalf of the Company at any time, other than the rights and obligations under this Release, and except as to claims arising under the Age Discrimination in Employment Act (“**ADEA**”), which are addressed in subsection (b) below. Except as to claims arising under the ADEA, which are covered in subsection (b) below, and as provided for in subsection (c) below, this Release shall be construed as broadly as possible and shall include without limitation: (i) any contractual or other claims of employment, benefits, or payment you may have; (ii) any claims arising out of or in connection with the initiation, termination or existence of your employment relationship with the Company or any service performed on behalf of the Company; (iii) any claims regarding wages and/or compensation in any form whatsoever, vacation, leaves, bonuses, commissions, monies, perquisites, benefits, severance, or any other item attributable to or arising in connection with your employment with the Company; (iv) any and all claims relating to the issuance of all outstanding shares of capital stock of the Company; and (v) without limitation, claims, if any, arising under the following:

- Title VII of the Civil Rights Act of 1964, as amended;
 - The Americans with Disabilities Act of 1990, as amended;
-

- The Fair Labor Standards Act of 1938, as amended;
- The Family and Medical Leave Act of 1993;
- The Employee Retirement Income Security Act of 1974 (ERISA), as amended (non-vested rights);
- The Occupational Safety and Health Act of 1970 (OSHA), as amended;
- Texas Labor Code § 21.001, et seq. (Texas Employment Discrimination);
- Texas Labor Code § 61.001, et seq. (Texas Pay Day Act);
- Austin, Texas Code of Ordinance, Title V, Chapters 5-3, 5-5 and 5-6;
- any other federal, state or local civil or human rights law or other local, state or federal law, regulation or ordinance;
- any public policy, contract, tort, or common law (including, without limitation, those relating to fraud, whistleblower, retaliation, negligent or intentional conduct of any nature, constructive discharge, emotional distress, personal injury); or
- intentional conduct of any nature, constructive discharge, emotional distress, personal injury.

(b) ADEA Release. For the good and valuable consideration provided for under the Agreement, the sufficiency of which is hereby acknowledged, and to which you acknowledge you are not otherwise entitled, and other valuable consideration, the sufficiency of which is hereby acknowledged, you hereby completely and forever release and irrevocably discharge each of the Releasees, of and from any and all liabilities, claims, actions, demands, and/or causes of action, arising under the ADEA on or before the date of this Release (the "**ADEA Release**"), and hereby acknowledge and agree that: the Agreement and this Release, including this ADEA Release, was negotiated at arms' length; the Agreement and this Release, including the ADEA Release, is worded in a manner that you fully understand; you specifically waive any rights or claims under the ADEA; you knowingly and voluntarily agree to all of the terms set forth in the Agreement and this Release, including this ADEA Release; you acknowledge and understand that any claims under the ADEA that may arise after the date of this Release are not waived; the rights and claims waived in this Release and this ADEA Release are in exchange for consideration over and above anything to which you were already undisputedly entitled; you have been and hereby are advised in writing to consult with an attorney prior to executing the Agreement, this Release and the ADEA Release; you understand that you have been given a period of up to twenty-one (21) days to consider the ADEA Release prior to executing it; and you understand that you have been given a period of seven (7) days from the date of the execution of the ADEA Release to revoke the ADEA Release, and understand and acknowledge that the ADEA Release will not become effective or enforceable until the revocation period has expired. If you elect to revoke this ADEA Release, revocation must be in writing and presented to the Board of Directors or their designee within seven (7) days from the date of the execution of the Release.

- (c) Notwithstanding the foregoing, by executing this Release, you shall not be deemed to have waived any rights with respect to your right to exercise vested stock options or your ownership of vested capital stock of the Company (although pursuant to this subsection (c), you are expressly waiving and releasing any and all claims, including any shareholder derivative claims, that you may have had from the beginning of time through the date of this Release as a stockholder of the Company). Furthermore, nothing in this Release is intended to be construed as a release of your rights of indemnification and exculpation for actions as a director, employee or officer of the Company you have at law or under the governing documents (charter and bylaws) of the Company or any of its Affiliates (as defined below), any written indemnity agreement with regard to the foregoing, or any D&O insurance coverage under which you may be covered by in connection with the foregoing; provided that in no event shall you be entitled to make any claim thereunder, under the Company's or the Affiliates' governing documents or insurance policies, or otherwise in defense of, or for exculpation, indemnification or advancement with respect to your compliance with this Release or your breach or alleged breach of this Release.
- (d) Release of Unknown Claims. You understand and agree, in compliance with any statute or ordinance which requires a specific release of unknown claims or benefits, that, except where expressly prohibited by law, this Release includes a release of unknown claims, and you hereby expressly waive and relinquish any and all claims, rights or benefits that you may have which are unknown to you at the time of the execution of this Release. You understand and agree that if, hereafter, you discover facts different from or in addition to those that you now know or believe to be true, that the waivers and releases of this Release shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such facts.
- (e) No Other Claims; Ownership of Claims. You represent and warrant that you do not presently have on file, and further represent and warrant to the maximum extent allowed by law that you will not hereafter file, any lawsuits, claims, charges, grievances or complaints against the Company and/or any of the Releasees in or with any administrative, state, federal or governmental entity, agency, board or court, or before any other tribunal or panel of arbitrators, public or private, based upon any actions or omissions by the Company and/or any of the Releasees occurring prior to the date of this Release. To the extent that you are still entitled to file any administrative charge with any governmental agency, you hereby release any personal entitlement to reinstatement, back pay, or any other types of damages or injunctive relief in connection with any civil action brought on your behalf after your filing of any administrative charge. Finally, you represent and agree that you are the sole and lawful owner of all rights, title and interest in and to all released matters, claims and demands arising out of or in any way related to your employment with the Company and/or the termination thereof.
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- (f) Company's Remedies for Breach. You acknowledge and agree that any breach by you of this Release or of your obligations under the Agreement, shall constitute a material breach of the Agreement, and shall entitle the Company immediately to recover the consideration provided to you in connection with the Agreement, except as provided by law. Except as provided by law, you shall also be responsible to the Company for all costs, attorneys' fees and any and all damages incurred by the Company in: (a) enforcing your obligations under this Release and the Agreement, including the bringing of any action to recover the consideration, and (b) defending against a claim brought or pursued by you in violation of the terms of this Release.
13. **Non-Disparagement.** (a) You agree that you will not, directly or indirectly, disclose, communicate or publish any disparaging or critical information concerning the Company or any parent or subsidiary of the Company, or any company controlled by the Company, or any other entity or organization wholly or partially, directly or indirectly, owned or controlled by the Company or any former officer or director of the Company (each, an "**Affiliate**"), their business, financial condition, professional skills or expertise, suppliers, customers or clients, products or services, operations, market position, performance, technology, employees, officers, directors, consultants, representatives, agents or investors, or proprietary or technical information whatsoever, or directly or indirectly cause or encourage others to disclose, communicate, or publish any disparaging or critical information concerning the same and (b) nothing contained in this paragraph is intended to prevent any person from testifying truthfully in any legal proceeding in which such person is under a subpoena or other court order to do so.
14. **No Interference.** You agree that you will not act in any manner that might damage the business of the Company or its Affiliates or the Company's investors or their respective affiliates. You agree that you will not, directly or indirectly, counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges or complaints by any third party against the Company or its Affiliates or the Company's investors or their respective affiliates and/or any officer, director, employee, agent, representative, shareholder or attorney of any of the foregoing, provided that nothing herein shall prohibit you from testifying truthfully in any legal proceeding in which you are under a subpoena or other court order to do so.
15. **Cooperation.** You agree to cooperate with the Company and its Affiliates, at the Company's reasonable request and without further consideration, in all respects concerning any matters which require your assistance, cooperation or knowledge, including communicating with persons inside or outside the Company and any Affiliate and assistance/availability for any agency, board and legal investigations and proceedings.
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16. **Confidentiality.** You agree to keep the terms and conditions of this Release confidential, except for any discussion with family members, accountants, or legal counsel, or as required by law.
17. **Severability.** If any provision contained in this Release is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision which was determined to be void, illegal or unenforceable had not been contained herein.
18. **Re-Affirmation.** You agree and acknowledge that your fulfillment of the obligations contained in your Proprietary Information and Inventions Agreement (your “PIIA”) are necessary to protect the Company’s Intellectual Property Rights (as defined in your PIIA) and to preserve the Company’s value and goodwill. You further acknowledge the time, geographic and scope limitations of your obligations not to compete and not to interfere under your PIIA are reasonable, especially in light of the Company’s desire to protect its Proprietary Information, and that you will not be precluded from gainful employment if you are obligated not to compete or interfere with the Company pursuant to the terms of your PIIA. Notwithstanding the foregoing, even if you fail to deliver or if you validly revoke this Release, nothing shall be deemed to affect the validity of your PIIA or the obligations contained therein.
19. **Choice of Law.** This Release shall be interpreted under and governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas, without giving effect to any principles of conflicts of law.
20. **Voluntary Agreement.** YOU UNDERSTAND AND AGREE THAT YOU MAY BE WAIVING SIGNIFICANT LEGAL RIGHTS BY SIGNING THIS RELEASE, AND REPRESENT THAT YOU HAVE ENTERED INTO THIS RELEASE VOLUNTARILY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF YOUR OWN CHOOSING, WITH A FULL UNDERSTANDING OF THE RELEASE AND ALL OF ITS TERMS.

[Signature page follows]

THE UNDERSIGNED HAS READ AND FULLY CONSIDERED THE RELEASE LANGUAGE HEREIN AND DESIRES TO ENTER INTO THIS RELEASE. I ALSO HAVE BEEN ADVISED HEREIN IN WRITING TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS RELEASE. HAVING ELECTED TO SIGN THIS RELEASE AND RECEIVE THE CONSIDERATION IN THE AGREEMENT, I FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS I HAVE OR MIGHT HAVE AGAINST THE COMPANY AND THE OTHER RELEASED PARTIES AS OF THE DATE I SIGN THIS RELEASE.

[Name of Executive]

Date: _____

ACKNOWLEDGED AND ACCEPTED:
QSAM BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____
Date: _____

Schedule I

Schedule of Base Salary, Performance Based Incentive Cash Bonus, Stock Options and Performance Based Stock Options For Fiscal Year 2021

The Executive's compensation for Fiscal Year 2021 shall include:

1. Annual Base Salary: \$225,000

2. Performance Based Incentive Cash Bonus: A Performance Based Incentive Stock and/or Cash Bonus subject to successful completion of the following Performance Objectives and as determined by the Company and Board of Director:

<u>Performance Objectives</u>	<u>Measurable Outcome</u>	<u>Completion Date</u>	<u>Percent Allocation of the Total Potential Bonus</u>	<u>Total Potential Bonus \$</u>
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3. Performance Based Stock Option: TBD shares of common stock

<u>Performance Objectives</u>	<u>Measurable Outcome</u>	<u>Completion Date</u>	<u>Percent Allocation of the Total Potential Bonus</u>	<u>Total Potential Bonus # of Shares</u>
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4. Time Based Stock Option: TBD shares of common stock

Award of Performance Based Incentive Cash Bonus and Stock Options shall be subject to final review and approval by the Compensation Committee

Schedule II

SCHEDULE OF RESTRICTED STOCK OWNED BY C. RICHARD PIAZZA
AS OF NOVEMBER 1, 2020

Certificate Number	Number of Shares	Date of Issuance	Agreement
TOTAL			

SCHEDULE OF STOCK OPTIONS HELD BY C. RICHARD PIAZZA
AS OF NOVEMBER 1, 2020

Grant Date	Vesting Commencement Date	Number of Option Shares	Agreement
TOTAL			

QSAM Biosciences Advances Plan of Separation from Legacy Business

*Pharmaceutical Industry Experts Assume Leadership Roles at QSAM;
Over \$4M in Debt Eliminated from Balance Sheet*

Palm Beach, FL; November 10, 2020 – QSAM Biosciences Inc. (OTCQB: QSAM) announced today that it has signed an Omnibus Separation Agreement with Earth Property Holdings LLC (“EPH”) to provide for the termination of management services to EPH and the elimination of over \$1.1 million in debt owed to EPH, among other terms.

In connection with this agreement, Kevin Bolin has stepped down as Chairman and CEO of the Company and has been replaced by Douglas Baum as CEO and C. Richard Piazza as Executive Chairman of the Board. In separate transactions, the Company has also converted approximately \$2.8 million in promissory notes previously in default, and approximately an additional \$0.37 million in deferred compensation and other liabilities, into shares of common stock at a conversion price of \$0.22 per share.

In addition to eliminating significant debt, the Separation Agreement with EPH benefits the Company by providing management the ability to focus entirely on the clinical development of its exclusively licensed radiopharmaceutical called CycloSam[®], which is meant to treat different types of bone cancer such as metastatic prostate and breast bone cancer, osteosarcoma, Ewing’s Sarcoma, and other related diseases. CycloSam is expected to go into Phase 1 clinical trials in the first half of 2021 and has already been used in one human trial this past summer with preliminary results that indicate effectiveness of CycloSam for use in bone marrow ablation procedures.

Mr. Baum, who has been appointed CEO of the Company as well as maintaining his position as President of the Company’s wholly-owned subsidiary QSAM Therapeutics, brings over 28 years of experience in the bioscience and biotech industries, including development, commercialization and marketing of multiple drugs and medical devices. Over his long senior executive tenure, including as CEO of Xeris Pharmaceuticals, he has overseen 15 product approvals through the FDA and raised over \$80 million in capital to fund breakthrough technologies.

Mr. Piazza, who has been appointed Executive Chairman of the Company, has more than 45 years of healthcare experience in both medical devices and pharmaceutical/biotech development, and has led several technology companies to market success including numerous FDA approvals in both sectors. During his career running both public and private companies he has raised more than a \$120 million in capital.

“This is a major step forward in our corporate development. With the elimination of a significant amount of our debt and the laser focus we can now apply to developing our promising drug candidate, I believe we are in a position to raise long term capital that will help fast track the growth of QSAM and build value for our shareholders by funding and aggressively pursuing CycloSam FDA approval,” stated Mr. Baum, CEO of the Company.

About QSAM: QSAM Bioscience, Inc. (f/k/a Q2Earth, Inc.) holds the worldwide license for CycloSam[®] (Samarium-153 DOTMP), a clinical stage novel radiopharmaceutical meant to treat different types of bone cancer and related diseases. This nuclear technology uses low specific activity Samarium-153 (resulting in far less europium) and DOTMP, a chelator which is believed to eliminate off-target migration and targets high bone turn over making it an ideal agent to treat metastatic prostate and breast bone cancer, osteosarcoma, Ewing’s Sarcoma, bone metastases and to perform bone marrow ablation. Sm-153 DOTMP has been cleared by the FDA under an investigator initiated IND to commence human dosing of cancer patients.

Legal Notice Regarding Forward-Looking Statements This news release contains “Forward-looking Statements”. These statements relate to future events or our future financial performance. These statements are only predictions and may differ materially from actual future results or events. We disclaim any intention or obligation to revise any forward-looking statements whether as a result of new information, future developments or otherwise. There are important risk factors that could cause actual results to differ from those contained in forward-looking statements, including, but not limited to our ability to fully commercialize our technology, risks associated with changes in general economic and business conditions, actions of our competitors, the extent to which we are able to develop new products and markets, the time and expense involved in such development activities, the ability to secure additional financing, the ability to consummate acquisitions and ultimately integrate them, the level of demand and market acceptance of our products, and changes in our business strategies. This is not an offering of securities and securities may not be offered or sold absent registration or an applicable exemption from the registration requirements

Contact
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DISCONTINUED OPERATIONS

On November 6, 2020, the Company entered into an Omnibus Separation Agreement with Earth Property Holdings LLC (EPH), a related party, whereby the Company, in effect transferred a segment of its business and the related assets and liabilities to EPH.

ASC 205-20 "Discontinued Operations" establishes that the disposal or abandonment of a component of an entity or a group of components of an entity should be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. As a result, the component's results of operations have been reclassified as discontinued operations on a retrospective basis for all periods presented. Accordingly, the assets and liabilities of this component are separately reported as "assets and liabilities held for disposal" as of December 31, 2019 and June 30, 2020. The results of operations of this component, for all periods, are separately reported as "discontinued operations".

A reconciliation of the major classes of line items constituting the loss from discontinued operations, net of income taxes as is presented in the Consolidated Statements of Operations for the period ended June 30, 2020, and the year ended December 31, 2019 are summarized below:

	For the six months ended June 30, 2020	For the twelve months ended December 31, 2019
REVENUES		
Revenues	\$ -	\$ 250,000
OPERATING EXPENSES		
Payroll and related expenses	49,182	84,986
Professional fees	173,561	362,522
General and administrative	64,942	39,317
Research and development expenses	110,000	-
Total Operating Expenses	397,684	486,825
LOSS FROM OPERATIONS	(397,684)	(236,825)
OTHER INCOME (EXPENSE)		
Financing costs including interest	(278,161)	(540,877)
Change in fair value of convertible bridge notes	(323,185)	1,057,877
Loss on equity method investment	-	(21,588)
Total Other Income (Expense)	(601,346)	495,412
Income (Loss) from continuing operations before income taxes	(999,030)	258,587
Income taxes	-	-
Loss from continuing operations	(999,030)	258,587
Loss from discontinued operations	(311,015)	(940,566)
NET LOSS	(1,310,046)	(681,979)
PREFERRED STOCK		
Series A convertible contractual dividends	(17,292)	(36,000)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (1,327,338)	\$ (717,979)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS: BASIC AND DILUTED		
Continuing operations	\$ (0.02)	\$ 0
Discontinued operations	\$ (0.01)	\$ (0.02)
	\$ (0.02)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES		
OUTSTANDING: BASIC AND DILUTED	56,555,471	51,997,460

A reconciliation of the major classes of line items constituting the discontinued operations in the Consolidated Balance Sheets as of June 30, 2020, and December 31, 2019 are summarized below:

	June 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 19,601	\$ 478
Prepaid expenses and other assets	-	7,665
TOTAL CURRENT ASSETS	19,601	8,143
TOTAL ASSETS	\$ 19,601	\$ 8,143
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 125,060	\$ 47,240
Notes payable - convertible	60,000	-
Paycheck Protection Program Loan	142,942	-
Debentures	165,000	165,000
Convertible bridge notes, at fair value	3,074,000	2,473,000
Liabilities held for disposal	1,517,217	1,147,634
TOTAL CURRENT LIABILITIES	5,084,219	3,832,874
TOTAL LIABILITIES	5,084,219	3,832,874
Redeemable convertible preferred stock - Series A; \$0.0001 par value, 1,500 designated Series A, 600 shares issued and outstanding (liquidation preference of \$765,896)	765,896	748,604
STOCKHOLDERS' DEFICIT		
Preferred stock, \$0.0001 par value; 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.0001 par value, 100,000,000 shares authorized, 56,997,460 and 51,997,460 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	5,699	5,199
Additional paid-in capital	6,527,209	6,470,676
Deferred stock-based compensation	(4,167)	-
Accumulated deficit	(12,359,255)	(11,049,210)
TOTAL STOCKHOLDERS' DEFICIT	(5,830,514)	(4,573,335)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 19,601	\$ 8,143

The following tables presents (1) the reconciliation of carrying amounts of major classes of assets and liabilities of the Company classified as discontinued operations in the consolidated balance sheet at June 30, 2020 and December 31, 2019; and (2) a summary of accrued salaries to the Company's former CEO and former President for the period ended June 30, 2020 and the year ended December 31, 2019:

	June 30, 2020	December 31, 2019
Carrying amounts of major classes of liabilities included as part of liabilities held for disposal		
Accounts payable and accrued expenses	\$ 212,894	\$ 193,708
Accrued payroll and related expenses	160,254	-
Accrued bonus	150,000	150,000
Accrued interest - related parties	42,896	15,426
Notes payable - related parties	951,173	788,500
Total liabilities included in the liabilities held for disposal	\$ 1,517,217	\$ 1,147,634
Accrued payroll and related expenses	Chairman/CEO	President
January 1, 2019, balance	\$ -	\$ -
Accrued payroll	-	-
December 31, 2019, balance	-	-
Accrued payroll	106,095	54,159
June 30, 2020, balance	\$ 106,095	\$ 54,159