

## AGENCY AGREEMENT

June 27, 2017

Sunniva Holdings Corp.  
Waterfront Centre  
200 Burrard Street, Suite 1200  
Vancouver, BC, V6X 1T2

**Attention: Dr. Anthony (Tony) Holler, CEO and Executive Chairman**

Dear Mr. Holler:

### **Re: Private Placement of Special Warrants**

The undersigned, Canaccord Genuity Corp. (the "**Lead Agent**") and Beacon Securities Limited (collectively with the Lead Agent, the "**Agents**") understand that Sunniva Holdings Corp. (the "**Company**") proposes to undertake a private placement of up to 3,750,000 special warrants (the "**Special Warrants**") of the Company at a price of C\$6.75 per Special Warrant (the "**Issue Price**") for gross proceeds of up to C\$25,312,500. The Special Warrants will be issued under Special Warrant Certificates (as defined herein) and will entitle the holder thereof to acquire, on their deemed exercise on the Deemed Exercise Date (as defined herein), one Underlying Share (as defined below) of the Company per Special Warrant without payment of additional consideration, subject to adjustment as provided in the Special Warrant Certificates. Each Special Warrant shall be deemed to be exercised on the earlier of (the "**Deemed Exercise Date**") (i) October 28, 2017 and (ii) the 5th business day after a receipt is issued under Multilateral Instrument 11-102 - *Passport System* ("**MI 11-102**") for a final prospectus qualifying the Underlying Shares (the "**Prospectus Qualification**").

Notwithstanding the foregoing, in the event the Prospectus Qualification has not occurred prior to 5:00 pm (Vancouver time) on October 25, 2017, being the date which is 120 days following the Closing Date, each unexercised Special Warrant will entitle the holder to acquire 1.1 Underlying Shares (instead of one Underlying Share) without further payment.

In addition, the Company hereby grants the Agents an option (the "**Over-Allotment Option**") to increase the size of the Offering (as hereafter defined) by up to an additional 562,500 Special Warrants (the "**Additional Special Warrants**") at the Issue Price. The Over-Allotment Option shall be exercisable, in whole or in part by giving written notice of the exercise of the Over-Allotment Option, or a part thereof, to the Company at any time up to forty-eight (48) hours prior to the Closing Date of the Offering. Unless the context otherwise requires, references to "**Special Warrants**" or "**Underlying Shares**" means all of the Special Warrants issued pursuant to the Offering and the Underlying Shares issuable upon exercise thereof, including any Additional Special Warrants issued pursuant to the exercise of the Over-Allotment Option and the Underlying Shares issuable upon exercise thereof.

In consideration of the Agents' services to be rendered in connection with the Offering, the Company shall pay to the Agents a cash commission (the "**Agents' Commission**") equal to: (a) seven percent (7.0%) of the gross proceeds realized by the Company in respect of the sale of the Special Warrants under the Offering, excluding Special Warrants which are sold to the President's List (as hereinafter defined) and (b) a fee of two and one-half percent (2.5%) will be payable by the Company with respect to Special Warrants issued and sold to persons identified on the President's List. The Agents will be entitled to reimbursement of certain of their expenses, including the reasonable fees and disbursements of the Agents' Canadian legal counsel (where any such counsel is retained by us), which legal fees shall be capped at \$75,000 plus disbursements, taxes, or such higher amount as may be agreed between the Company and the Lead Agent (the "**Agents' Expenses**"). The Agents' Commission and the Agents' Expenses shall be payable at the Closing Time and may be deducted by the Agents from the gross proceeds of the Offering.

As additional consideration, the Company shall issue to the Agents that number of broker special warrants (the "**Broker Special Warrants**") equal to (a) seven percent (7.0%) of the number of Special Warrants sold by the

Company under the Offering, excluding Special Warrants which are sold to persons identified on the President's List; and (b) two and one-half of a percent (2.5%) of the number of Special Warrants sold by the Company under the Offering to persons identified on the President's List. Each Broker Special Warrant entitles the holder thereof to acquire, without payment of any additional consideration, upon voluntary exercise prior to, or deemed exercise on, the Deemed Exercise Date, one warrant (a "**Broker Warrant**"). Each Broker Warrant entitles the holder to purchase, at the Issue Price, one Common Share (a "**Broker Warrant Share**") at any time prior to 5:00 p.m. (Vancouver time) on the date which is twenty-four (24) months following the Closing Date. The Broker Special Warrants will be issuable upon each Closing of the Offering.

The Company will also pay to the Lead Agent on the Closing Date a corporate finance fee equal to \$150,000 (the "**Corporate Finance Fee**") payable as to 50% in cash and 50% in Common Shares at the Issue Price (the "**Corporate Finance Fee Shares**"). The Corporate Finance Fee Shares will be issued as Special Warrants (the "**Corporate Finance Fee Special Warrants**"). For greater certainty, the Corporate Finance Fee is a one-time fee payable on the Closing Date.

The Agents and the Company acknowledge and agree that the Company shall be entitled to issue and sell up to \$10,000,000 of Special Warrants at the Issue Price to purchasers identified by the Company in a written list to be delivered by the Company to the Lead Agent at least two (2) Business Days prior to the Closing Date (the "**President's List**").

The Agents understand that, concurrently with the Offering or subsequent to the Offering, the Company may be conducting a non-brokered private placement (the "**Concurrent Private Placement**") of common shares in the capital of the Company (the "**Private Placement Shares**"). The Agents and the Company acknowledge and agree that the Agents have not agreed to purchase or offer any Private Placement Shares in connection with the Concurrent Private Placement, and that no Agent will be entitled to any fee or commission with respect to the Private Placement Shares sold as part of the Concurrent Private Placement. Closing of the Offering will not be conditional upon the closing of the Concurrent Private Placement and closing of the Concurrent Private Placement will not be conditional on closing of the Offering.

Subject to the terms and conditions contained in this Agreement, the Company hereby appoints the Agents to act as the sole and exclusive agents to the Company, and the Agents hereby agree to act as the agents of the Company, to effect the sale of the Special Warrants on behalf of the Company on a "commercially reasonable efforts" basis to Purchasers resident in the Selling Jurisdictions (as hereinafter defined), through private placements or other offerings on an exempt basis and provided that the Company shall not become obligated to file a registration statement or prospectus in any jurisdiction except as provided herein. It is understood and agreed that the Agents are under no obligation to purchase any of the Special Warrants, although the Agents may subscribe for Special Warrants if they so desire.

The Agents shall be entitled to appoint other registered dealers as selling group members to assist in the Offering and the Agents shall determine the remuneration payable to such other dealers, such remuneration to be the sole responsibility of the Agents.

The net proceeds of the Offering shall be used for the purchase of land, equipment purchases, acquisitions, note repayments and for working capital and general corporate purposes.

The additional terms and conditions of this agency agreement (the "**Agreement**") are set forth below.

## 1. DEFINITIONS

1.1 In this Agreement, including any schedules forming a part of this Agreement:

- (a) "**ACMPR**" means the *Access to Cannabis for Medical Purposes Regulations* (formerly the *Marihuana for Medical Purposes Regulations*), promulgated under the *Controlled Drugs and Substances Act* S.C. 1996, c. 19 as the same may be amended from time to time and includes all notices, guidance, guidelines and ancillary rules or regulations promulgated thereunder or in connection therewith;

- (b) “**Additional Special Warrants**” has the meaning given to that term on page 1 of this Agreement;
- (c) “**Agents**” has the meaning given to that term on page 1 of this Agreement;
- (d) “**Agents’ Commission**” has the meaning given to that term on page 1 of this Agreement;
- (e) “**Agents’ Expenses**” has the meaning given to that term on page 1 of this Agreement;
- (f) “**Agreements and Instruments**” has the meaning given to that term in section 4.1(p);
- (g) “**Ancillary Documents**” means all agreements, certificates (including the certificates representing the Special Warrants, Underlying Shares, Broker Special Warrants, Broker Warrants, Broker Warrant Shares and Corporate Finance Fee Special Warrants), officer’s certificates, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the Offering and/or pursuant to this Agreement;
- (h) “**Annual Financial Statements**” has the meaning given to that term in subsection 4.1(t);
- (i) “**Applicable Securities Laws**” means, collectively, and, as the context may require all applicable securities laws in each Selling Jurisdictions and the respective regulations, rules, policies, instruments, notices and orders issued by the applicable Regulatory Authorities and the securities laws of the United States and any state of the United States;
- (j) “**Authorizations**” means any regulatory licences, approvals, conditional use permits, permits, approvals, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under applicable laws;
- (k) “**Broker Special Warrant**” has the meaning given to that term on page 1 of this Agreement;
- (l) “**Broker Special Warrant Certificate**” means the certificate evidencing the terms and conditions of the Broker Special Warrant, which shall be substantially in the form attached hereto as Schedule “B”;
- (m) “**Broker Warrant**” has the meaning given to that term on page 2 of this Agreement;
- (n) “**Broker Warrant Certificate**” means the certificate evidencing the terms and conditions of the Broker Warrant, which shall be substantially in the form attached hereto as Schedule “C”;
- (o) “**Broker Warrant Share**” has the meaning given to that term on page 2 of this Agreement;
- (p) “**Business Assets**” means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Company and the Subsidiaries in connection with their respective businesses;
- (q) “**Cathedral City Licenses**” means that certain medical marijuana cultivation license nos. MCL-16, 017, 024, 025, 043, 044, 045, 046, 047, 048, 049, 050, 051, 052, 053, 054, 055 and 056, and medical marijuana dispensing license no. MCL-16-016, and medical marijuana manufacturing license no. MCL-16-032, in each case issued by the city of Cathedral City, California;
- (r) “**Cathedral City Property**” means the property located at 69375 Ramon Road, Cathedral City, California, USA;
- (s) “**Claim**” has the meaning given to that term in section 12.1;

- (t) “**Closing**” and “**Closing Date**” have the meanings given to those terms in section 11.1;
- (u) “**Closing Materials**” has the meaning given to that term in subsection 8.1(b)(x) hereto;
- (v) “**Closing Time**” means 10:00 a.m. (Vancouver time) or such other time as may be agreed to by the Company and the Agents on the Closing Date;
- (w) “**Cole Memo**” means the memorandum dated August 29, 2013 addressed to “All United States Attorneys” from James M. Cole, Deputy Attorney General of the United States, and having the subject line “Guidance Regarding Marijuana Enforcement”;
- (x) “**Cole Memo Guidelines**” means the guidelines enumerated in the Cole Memo to prioritize enforcement of US federal law away from the marijuana industry operating as permitted under certain State laws, provided that: (i) marijuana is not being distributed to minors and dispensaries are not located around schools and public buildings; (ii) the proceeds from sales are not going to criminal enterprises, gangs, and cartels; (iii) marijuana grown in states where it is legal is not being diverted to other states; (iv) marijuana-related businesses are not being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity; (v) there is not any violence or use of fire-arms in the cultivation and distribution of marijuana; (vi) there is strict enforcement of drugged-driving laws and adequate prevention of adverse public health consequences associated with marijuana use; and (vii) marijuana is not grown, used, or possessed on US federal properties;
- (y) “**Commissions**” means the securities regulatory authorities (other than stock exchanges) of the Qualifying Provinces and “**Commission**” means the securities regulatory authority of a specified Qualifying Province;
- (z) “**Common Shares**” means the common shares of the Company;
- (aa) “**Concurrent Private Placement**” has the meaning given to that term on page 2 of this Agreement;
- (bb) “**Corporate Finance Fee**” has the meaning given to that term on page 2 of this Agreement;
- (cc) “**Corporate Finance Fee Shares**” has the meaning given to that term on page 2 of this Agreement;
- (dd) “**Corporate Finance Fee Special Warrants**” has the meaning given to that term on page 2 of this Agreement;
- (ee) “**Company**” means Sunniva Holdings Corp., a company incorporated under the laws of Canada;
- (ff) “**CP Logistics Opinion**” has the meaning given to that term in subsection 8.1(b)(iv) hereto;
- (gg) “**Deemed Exercise Date**” has the meaning given to it on page 1 of this Agreement;
- (hh) “**Disclosure Documents**” means, collectively, all agreements, records, corporate documentation, financial, marketing, regulatory, sales and operational information provided by the Company to the Agents;
- (ii) “**Distribution**” (or “**distribute**” as derived therefrom) has the meaning given to that term in the *Securities Act* (British Columbia);
- (jj) “**environmental laws**” has the meaning given to that term in subsection 4.1(gg) hereto;

- (kk) “**Exchange**” means the Canadian Stock Exchange;
- (ll) “**Federal Controlled Substances Act**” means United States *Controlled Substances Act* of 1970, as amended;
- (mm) “**Final Prospectus**” means the final long form prospectus of the Company and filed with the Commissions for the purpose of qualifying the distribution in each of the Qualifying Provinces of the Underlying Shares and the Broker Warrants to be issued in the Offering and any Supplementary Material;
- (nn) “**Final Receipt**” means the receipt issued by the British Columbia Securities Commission, as principal regulator under NP 11-202, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Provinces;
- (oo) “**Governmental Authority**” means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, including Health Canada, the Bureau of Medical Cannabis Regulation (California), the Cannabis Licensing Division of California Department of Food and Agriculture, and Cathedral City, California;
- (pp) “**IFRS**” means International Financial Reporting Standards;
- (qq) “**Indemnified Parties**” has the meaning given to that term in section 12.1 hereto;
- (rr) “**Issue Price**” means C\$6.75 per Special Warrant;
- (ss) “**Lead Agent**” means Canaccord Genuity Corp.;
- (tt) “**Legal Opinions**” has the meaning given to that term in subsection 8.1(b)(ii) hereto;
- (uu) “**Material Adverse Effect**” or “**Material Adverse Change**” means (i) any effect or change on the Company or any Subsidiaries that is or is reasonably likely to be materially adverse to the business, affairs, capital, operations, prospects, assets or liabilities (contingent or otherwise) of the Company or any Subsidiary, taken as a whole, or (ii) any fact, or change that would result in any Offering Document containing a misrepresentation;
- (vv) “**material change**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (ww) “**Material Contract**” means any and all contracts, commitments, agreements (written or oral), instruments, leases or other documents, including licenses, sub-licenses, supply agreements, distribution agreements, sales agreements, or any similar type agreement, to which the Company or any Subsidiary is a party or to which their Business Assets are otherwise bound, and which is material to the Company and the Subsidiaries on a consolidated basis;
- (xx) “**material fact**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (yy) “**MI 11-102**” has the meaning given to that term on page 1 of this Agreement;
- (zz) “**misrepresentation**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (aaa) “**Money Laundering Laws**” has the meaning given to that term in subsection 4.1(vv) hereto;

- (bbb) “**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;
- (ccc) “**OFAC**” means the Office of Foreign Assets Control of the United States Treasury Department;
- (ddd) “**Offering**” means the offering and sale of the Special Warrants pursuant to the terms and conditions of this Agreement;
- (eee) “**Offering Documents**” means, collectively, the Prospectuses and any Supplementary Material;
- (fff) “**Officers’ Certificate**” has the meaning given to that term in subsection 8.1(b)(vi) hereto;
- (ggg) “**Perez LLC Transaction**” means the transaction relating to the term sheet dated June 8, 2017 by and among Sun CA Holdings, Inc., James Kunevicius and Edlin Kim;
- (hhh) “**Preliminary Prospectus**” means the preliminary long form prospectus of the Company and filed with the Commissions for the purpose of qualifying the distribution in each of the Qualifying Provinces of the Underlying Shares and the Broker Warrants to be issued in the Offering;
- (iii) “**Preliminary Receipt**” means the receipt issued by the British Columbia Securities Commission, as principal regulator under NP 11-202, evidencing that a receipt has been, or has deemed to be, issued for the Preliminary Prospectus in each of the Qualifying Provinces;
- (jii) “**President’s List**” has the meaning given to that term on page 2 of this Agreement;
- (kkk) “**Prospectuses**” means collectively the Preliminary Prospectus and the Final Prospectus;
- (lll) “**Prospectus Qualification**” has the meaning given to that term on page 1 of this Agreement;
- (mmm) “**Prospectus Review Procedures**” means the procedures of a prospectus review in multiple jurisdictions provided for under NP 11-202 and, other than for the Province of Ontario, Multilateral Instrument 11-102 *Passport System*;
- (nnn) “**Purchasers**” means, collectively, the purchasers of the Special Warrants;
- (ooo) “**Qualified Institutional Buyer**” means a U.S. Purchaser that is a “qualified institutional buyer” as defined in Rule 144A;
- (ppp) “**Qualifying Provinces**” means each of the provinces of Canada, other than Québec to the extent that Purchasers reside in those provinces or territories;
- (qqq) “**Regulation D**” means Regulation D promulgated under the U.S. Securities Act;
- (rrr) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;
- (sss) “**Regulations**” means the securities rules or regulations proclaimed under the Acts and “**Regulation**” means the securities rules or regulations proclaimed under a specified Act;
- (ttt) “**Regulatory Authorities**” means collectively the Commissions and the Exchange;
- (uuu) “**Rule 144A**” means Rule 144A under the U.S. Securities Act;
- (vvv) “**Selling Firms**” has the meaning given to that term in subsection 3.11 hereto;

- (www) “**Selling Jurisdictions**” means each of the provinces of Canada, other than Québec, and the United States and such other jurisdictions to which the Agents and the Company may agree and “**Selling Jurisdiction**” means any one of them;
- (xxx) “**Special Warrant Certificates**” means the certificates evidencing the special warrant setting out the terms and conditions of the Special Warrants;
- (yyy) “**Special Warrants**” means up to 4,312,500 special warrants of the Company, including Special Warrants issued pursuant to the exercise of the Over-Allotment Option, issued pursuant to the Special Warrant Certificates;
- (zzz) “**Subsidiaries**” means Sunniva Medical Inc.; Sun Holdings Management, LLC; Sunniva Technologies Corp.; CP Logistics, LLC, Natural Health Services Ltd.; 1964433 Alberta Ltd.; Sunniva Full Scale Distributors Corp., Full Scale Distributors, LLC, SunnyPeople LLC, and Sun CA Holdings, Inc. and “**Subsidiary**” means any one of the Subsidiaries;
- (aaaa) “**Subscription Agreements**” means the subscription agreements, in the forms agreed upon by the Company and the Lead Agent, pursuant to which Purchasers agree to subscribe for and purchase Special Warrants;
- (bbbb) “**Subsidiary Officer’s Certificate**” has the meaning given to that term in subsection 8.1(b)(ix) hereto;
- (cccc) “**Subsidiary Opinions**” has the meaning given to that term in subsection 8.1(b)(iii) hereto;
- (dddd) “**Supplementary Material**” means any documents supplemental to the Prospectuses including any amending or supplementary prospectus or other supplemental documents or similar documents;
- (eeee) “**trade**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (ffff) “**Underlying Shares**” has the meaning given to that term on page 1 of this Agreement;
- (gggg) “**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (hhhh) “**U.S. Affiliate**” means the U.S. registered broker-dealer affiliate of the Agents;
- (iiii) “**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations made thereunder;
- (jjjj) “**U.S. Fiduciary**” means a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) held for the benefit of a person excluded from the definition of “U.S. Person” pursuant to paragraph (k)(2)(i) of Rule 902 of Regulation S, provided that the U.S. Fiduciary is acting solely in its capacity as the holder of such accounts;
- (kkkk) “**U.S. Legal Opinion**” has the meaning given to that term in subsection 8.1(b)(iii) hereto;
- (llll) “**U.S. Person**” means a U.S. person as that term is defined in Regulation S under the U.S. Securities Act;
- (mmmm) “**U.S. Purchaser**” means: (i) any person, other than a U.S. Fiduciary, resident in the United States; (ii) any U.S. Person; (iii) any person purchasing Special Warrants for the account or benefit of a U.S. Person or person in the United States; (iv) any person, other than a U.S. Fiduciary, that receives or received an offer of the Special Warrants while in the United

States; or (v) any person, other than a U.S. Fiduciary, that is (or whose authorized signatory is) in the United States at the time its buy order is originated or a subscription agreement for Special Warrants is executed;

(nnnn) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations made thereunder; and

(oooo) **“U.S. Subsidiaries”** means the Subsidiaries incorporated or formed in the United States.

1.2 All references to dollar figures in this Agreement are to Canadian dollars.

1.3 Where any representation or warranty contained in this Agreement is expressly qualified by reference to the **“knowledge”** of the Company, or where any other reference is made herein to the **“knowledge”** of the Company, it shall be deemed to refer to the actual knowledge of Leith Pedersen, Anthony Holler, Duncan Gordon, and Michael Steele but does not include the knowledge or awareness of any other individual or any other constructive, implied or imputed knowledge (and for greater certainty, the use of such term will not create personal liability for such persons).

## 2. APPOINTMENT OF AGENTS

2.1 The Company appoints the Agents as its exclusive agents to effect the Offering and each of the Agents accepts the appointment and agrees to act as agent for such purpose and to use its commercially reasonable efforts to effect the sale of Special Warrants on the Company’s behalf to Purchasers on the terms and conditions contained herein.

## 3. DISTRIBUTION AND CERTAIN OBLIGATIONS AND ACKNOWLEDGEMENTS OF THE AGENTS AND THE COMPANY

3.1 The Agents covenant and agree that they will only offer Special Warrants, solicit subscriptions for Special Warrants and sell the Special Warrants to Purchasers resident in or otherwise subject to the laws of, (as applicable) the Selling Jurisdictions; provided, that any such offer, solicitation or sale in the United States shall be only to Qualified Institutional Buyers.

3.2 The Agents covenant and agree to effect the sale of the Special Warrants to Purchasers in a manner exempt from any prospectus or offering memorandum filing or delivery requirements of Applicable Securities Laws and without the necessity of obtaining any order or ruling of the Regulatory Authorities in Canada. The Agents will notify the Company with respect to the identity and jurisdiction of residence of each Purchaser in the Offering as soon as practicable and with a view to affording sufficient time to allow the Company to secure compliance with all Applicable Securities Laws in connection with the sale of the Special Warrants to the Purchasers.

3.3 The Agents will obtain from each Purchaser in the Offering and deliver to the Company at least 48 hours in advance of Closing, a properly completed and duly executed Subscription Agreement, together with any additional documentation as may be reasonably requested by the Company.

3.4 The Agents acknowledge that the Company is not taking any steps to qualify the Underlying Shares or the Broker Warrants for distribution with any securities authority outside of the Qualifying Provinces.

3.5 The Company covenants to use its commercially reasonable efforts to obtain all necessary regulatory approvals to complete the Offering.

3.6 No selling or promotional expenses will be paid or incurred in connection with the Offering, except for professional services or for services performed by a registered dealer, as provided for herein.



- 3.7 The Agents acknowledge that neither the Special Warrants nor the Underlying Shares have been, and will not be, registered under the U.S. Securities Act or applicable securities laws of any state of the United States.
- 3.8 The Agents shall have the right to offer the Special Warrants in the United States to U.S. Purchasers that are Qualified Institutional Buyers pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) in accordance with the manner described in Schedule "D" and in such other jurisdictions as are agreed upon between the Company and the Agents in which case such offer shall comply with applicable law. The Company and the Agents agree that any offers and sales of the Special Warrants in the United States will be made in accordance with Schedule "D" and that each of the agreements, covenants, representations and warranties set forth in Schedule "D" forms part of this Agreement. Notwithstanding the foregoing, an Agent will not be liable to the Company under this section or Schedule "D" with respect to a violation by another Agent or its U.S. Affiliate of the provisions of this section or Schedule "D" if the other Agent or its U.S. Affiliate, as applicable, is not itself also in violation.
- 3.9 Except as provided herein, it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Special Warrants except with its affiliates, any group members or with the prior written consent of the Company. The Agents shall cause each affiliate or group member participating in the distribution of the Special Warrants to agree, for the benefit of the Company, to the same provisions contained in this Section 3.9 as if such provisions applied to such persons.
- 3.10 The obligations of the Agents hereunder are several and not joint, nor joint and several. No Agent shall be liable hereunder with respect to any act, omission or conduct of any other Agent.
- 3.11 The Company agrees that the Agents will be permitted to appoint other registered dealers (or other dealers duly licensed in their respective jurisdictions) as their sub-agents (the "**Selling Firms**") to assist in the Offering and that the Agents may determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Agents. The Company grants all of the rights and benefits of this Agency Agreement to any Selling Firm so appointed by the Agents and appoints the Agents as trustee of such rights and benefits for such Selling Firms, and the Agents hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firms.
- 3.12 The Agents shall, and shall require any Selling Firm to agree to, comply with the Applicable Securities Laws in the Selling Jurisdictions in connection with the distribution of the Special Warrants and shall only offer the Special Warrants for sale upon the terms and conditions set out in this Agency Agreement and in compliance with Applicable Securities Laws.
- 3.13 The concepts of "medical cannabis" and "retail cannabis" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug and compliance with state laws with respect to marihuana do not absolve the Company of liability under U.S. federal law and may not provide a defense to any federal proceedings which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance. The representations and warranties made by the Company in sections 4.1(ii), 4.1(mm), 4.1(vv), 4.1(fff), and 4.1(ggg) are qualified by this statement.

#### **4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

- 4.1 The Company represents and warrants to the Agents, and acknowledges that the Agents are relying upon such representations and warranties in entering into this Agreement, that:
- (a) the Company is a duly incorporated company and validly existing and in good standing under the corporate laws of its jurisdiction of incorporation and no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the Company;

- (b) all of the shares of the Subsidiaries are, directly or indirectly, legally and beneficially owned by the Company, free and clear of all liens, charges and encumbrances of any kind whatsoever other than as set forth on Schedule "E" hereto;
- (c) the Subsidiaries are the only subsidiaries or affiliates of the Company (other than CC Growers, a cooperative corporation which the Company may contractually appoint a majority of the board of directors and which as of the date hereof, is not a material subsidiary or affiliate of the Company, has no material assets or liabilities and no material revenues are booked through such subsidiary) and each of the Subsidiaries is duly incorporated and validly existing and in good standing under the laws of their jurisdiction of incorporation and no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the Subsidiaries;
- (d) the form and terms of the certificates for the Special Warrants, the Underlying Shares, the Broker Special Warrants, the Broker Warrants, the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares have been approved and adopted by the directors of the Company and do not conflict with any applicable laws or the by-laws of the Company;
- (e) the Company is not a reporting issuer or the equivalent in any jurisdiction, and is not in default of any material requirement of Applicable Securities Laws;
- (f) the Common Shares are not listed and posted for trading on any stock exchange and the Company has not as at the date hereof made any application to any stock exchange for listing of the Common Shares;
- (g) no shareholders agreement or similar agreement affecting the business, affairs or governance of the Company or the rights of shareholders of the Company (including, without limitation, the ability of such shareholders to transfer or vote their shares of the Company) exist;
- (h) the descriptions of the securities of the Company in the Prospectuses will be true, complete and accurate descriptions, in all material respects, of the rights, privileges, restrictions, terms and conditions attaching to such securities;
- (i) as of the date hereof, the authorized share capital of the Company consists of an unlimited number of Common Shares without par value of which 25,344,901 Common Shares were issued and outstanding and all of the issued and outstanding Common Shares are fully paid and non-assessable and have been duly and validly authorized and issued, in compliance with applicable laws;
- (j) except as disclosed in Schedule "E" hereto, no person, firm or corporation has any agreement, option, right or privilege, whether pre-emptive, contractual or otherwise, capable of becoming an agreement for the purchase, acquisition, subscription for or issuance of any of the unissued shares of the Company or the Subsidiaries, or other securities convertible, exchangeable or exercisable for shares of the Company or the Subsidiaries;
- (k) There is no fact known to the Company which the Company has not disclosed to the Agents which would result in a Material Adverse Change;
- (l) each of the Company and the Subsidiaries has the corporate power and capacity to own the assets owned by it and to carry on the business carried on and proposed to be carried on by it, and each of the Company and the Subsidiaries holds all licences and permits that are required for carrying on its business in the manner in which such business has been carried on and is duly qualified to carry on business in all jurisdictions in which it carries on business, except where a failure to hold a licence or permit would not have a Material Adverse Effect;

- (m) each of the Company and the Subsidiaries has good title to its respective material assets as disclosed in the Disclosure Documents, free and clear of all material liens, charges and encumbrances of any kind whatsoever, except as disclosed in Schedule "E" hereto;
- (n) the Company and the Subsidiaries have all material licences, registrations, qualifications, permits, consents and authorizations necessary for the conduct of the business of the Company and the Subsidiaries as currently conducted and all such licences, registrations, qualifications, permits, consents and authorizations are valid and subsisting and in good standing in all material respects;
- (o) the Company has all requisite corporate power and authority to enter into this Agreement, the Subscription Agreements, the Special Warrant Certificates, the Broker Special Warrant Certificates and the Broker Warrant Certificates and to perform the transactions contemplated hereby and thereby, the granting of the Broker Special Warrants and the Broker Warrants and the sale by the Company of the Special Warrants and the issuance of the Underlying Shares, the Broker Special Warrants, the Broker Warrants and the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares have been duly authorized by all necessary corporate action of the Company, and this Agreement has been, and the Subscription Agreements, the Special Warrant Certificates, the Broker Special Warrant Certificates and the Broker Warrant Certificates will be, duly executed and delivered by the Company and this Agreement is, and the Special Warrant Certificates, the Broker Special Warrant Certificates and the Broker Warrant Certificates will upon execution and delivery in accordance with the terms hereof be, a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement, the Special Warrant Certificates, the Broker Special Warrant Certificates or the Broker Warrant Certificates (as the case may be) as may be limited by applicable law;
- (p) neither the Company nor any of the Subsidiaries is in material violation of its constating documents or in material default in the performance or observance of any material obligation, agreement, covenant or condition contained in any material contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject (collectively, "**Agreements and Instruments**"). The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the Offering Documents (including the authorization, issuance, sale and delivery of the Special Warrants, the Broker Special Warrants and the Broker Warrants, and the use of the proceeds from the sale of the Special Warrants, if any, as described in the Offering Documents under the caption "**Use of Proceeds**") and compliance by the Company with its obligations hereunder, do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien upon any property or assets of the Company or any of the Subsidiaries pursuant to the Agreements and Instruments, nor will such action result in any violation or conflict with the provisions of the constating documents of the Company or any of the Subsidiaries or any existing applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries of their assets, properties or operations, except for such violations or conflicts that would not, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (q) the Underlying Shares and the Broker Warrants, upon their issuance in accordance with the terms of the Special Warrant Certificates and Broker Special Warrant Certificates, as

applicable, and upon exercise in accordance with the terms of the Broker Warrant Certificate and full payment of the exercise price therefor, the Broker Warrant Shares, will be validly allotted, issued and outstanding, fully paid and non-assessable, free and clear of all liens, charges or encumbrances of any kind whatsoever;

- (r) when issued by the Company in accordance with the terms hereof or the terms of the Special Warrant Certificates or the Broker Warrants Certificates (as the case may be) the Underlying Shares and the Broker Warrant Shares shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions attaching to Common Shares;
- (s) the minute books and corporate records of the Company and the Subsidiaries made available to counsel for the Agents in connection with its due diligence investigation of the Company for the period from the date of incorporation or, in the case of a Subsidiary acquired by the Company, since the date of the acquisition by the Company, to the date of this Agreement are all of the minute books and corporate records of the Company and the Subsidiaries from incorporation to present or, in the case of a Subsidiary acquired by the Company, since the date of the acquisition to the date of review of such records and minute books and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Company and the Subsidiaries from its date of incorporation or, in the case of a Subsidiary acquired by the Company, since the date of the acquisition to the date of review of such corporate records and minute books other than those meetings, resolutions or proceedings of the shareholders, directors, or any committees of the directors of the Company or the Subsidiaries which are not material to the Company and the Subsidiaries, taken as a whole, or otherwise dealt with matters not out of the ordinary course of business of the Company;
- (t) the Company's audited annual financial statements for the fiscal years ended December 31, 2016 and 2015 (the "**Annual Financial Statements**") and all notes thereto (i) complied in all material respects with the requirements of applicable laws (ii) present fairly, in all material respects, the financial position of the Company and its financial performance and its cash flows and other information purported to be shown therein at the respective dates and for the respective periods to which they apply, (iii) have been prepared in accordance with IFRS, consistently applied throughout the period covered thereby, and all adjustments necessary for a fair presentation of the results for such periods have been made in all material respects, and (iv) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Company. The latest financial statements of the Company accurately reflect, in all material respects, the financial position of the Company as at the date thereof and no material changes in such position have taken place since the date thereof, save in the ordinary course of the Company's business;
- (u) there are no off-balance sheet transactions, arrangements, obligations or liabilities of the Company or its Subsidiaries whether direct, indirect, absolute, contingent or otherwise;
- (v) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance: (i) that transactions are completed in accordance with the general or a specific authorization of management or directors of the Company; (ii) that transactions are recorded as necessary to permit the preparation of the financial statements for the Company in conformity with IFRS and to maintain asset accountability; (iii) that access to assets of the Company is permitted only in accordance with the general or a specific authorization of management or directors of the Company; (iv) that the recorded accountability for assets of the Company is compared with the existing assets of the Company at reasonable intervals and appropriate action is taken with respect to any differences therein; and (v) regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements or interim financial statements;

- (w) except as disclosed in Schedule "E" hereto, the Company and the Subsidiaries have not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation whatsoever;
- (x) except as disclosed in Schedule "E", hereto, none of the directors, officers or shareholders of the Company or its Subsidiaries is indebted to or under any obligation to the Company or the Subsidiaries, in any material respect;
- (y) there are no material liabilities of the Company, whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Annual Financial Statements;
- (z) since December 31, 2016, there has not been any Material Adverse Change of the Company or its Subsidiaries or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business, affairs, capital, prospects or assets, or the right or capacity of the Company or its Subsidiaries to carry on its business, such business having been carried on in the ordinary course;
- (aa) other than as disclosed in Schedule "E" hereto, there are no amendments to the Material Contracts that have been, or are required to be, to the knowledge of the Company or any of the Subsidiaries, are proposed to be, made;
- (bb) all tax returns, reports, elections, remittances, filings, withholdings and payments of the Company and the Subsidiaries required by applicable laws to have been filed or made, have been filed or made (as the case may be) and are substantially true, complete and correct and all taxes owing of the Company as at December 31, 2016 have been paid or accrued in the Annual Financial Statements;
- (cc) the Company and its Subsidiaries have been assessed for all applicable taxes to and including the year ended December 31, 2016 and have received all appropriate refunds, made adequate provision for taxes payable for all subsequent periods and the Company is not aware of any material contingent tax liability of the Company or its Subsidiaries not adequately reflected in the Annual Financial Statements;
- (dd) to the Company's knowledge, no examination of any tax return of the Company or any of the Subsidiaries is currently in progress and there are no material issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable by the Company or any of the Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Company or any of the Subsidiaries;
- (ee) other than as disclosed in the Disclosure Documents and Schedule "E" hereto, there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Company's knowledge, pending or threatened against the Company or any of the Subsidiaries, or to the Company's knowledge, its directors or officers at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever and, to the Company's knowledge, there is no basis therefor;
- (ff) the Company has not approved or entered into any agreement in respect of, or has any knowledge of:
  - (i) the purchase of any material property or assets or any interest therein or, other than as disclosed to the Agents, the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares or otherwise;

- (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or otherwise) of the Company; or
  - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the shares of the Company;
- (gg) none of the Company nor any of the Subsidiaries has any knowledge of a violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licenses, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “**environmental laws**”). Without limiting the generality of the foregoing:
- (i) each of the Company, and to the best of the Company’s knowledge, the Subsidiaries has occupied its properties and has received, handled, used, stored, shipped and disposed of all pollutants, contaminants, hazardous or toxic materials, controlled or dangerous substances or wastes in compliance with all applicable environmental laws and has received all permits, licenses or other approvals required of them under applicable environmental laws to conduct their respective businesses; and
  - (ii) there are no orders, rulings or directives issued against the Company or any of the Subsidiaries, and to the best of the Company’s knowledge, there are no orders, rulings or directives pending or threatened against the Company or any of the Subsidiaries under or pursuant to any environmental laws requiring any work, repairs, construction or capital expenditures with respect to any property or assets of the Company;
- (hh) no notice with respect to any of the matters referred to in the immediately preceding paragraph, including any alleged violations by the Company or any of the Subsidiaries with respect thereto has been received by the Company or any of the Subsidiaries and no writ, injunction, order or judgment is outstanding, and no legal proceeding under or pursuant to any environmental laws or relating to the ownership, use, maintenance or operation of the property and assets of the Company or any of the Subsidiaries is in progress, threatened or, to the best of the Company’s knowledge, pending, which would have a Material Adverse Effect on the Company or any of the Subsidiaries and to the best of the Company’s knowledge there are no grounds or conditions which exist, on or under any property now or previously owned, operated or leased by the Company or any of the Subsidiaries, on which any such legal proceeding might be commenced with any reasonable likelihood of success or with the passage of time, or the giving of notice or both, would give rise;
- (ii) none of the Company, the Subsidiaries nor any of their directors or officers are in breach of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever where non-compliance would have a Material Adverse Effect on the Company or the Subsidiaries;
  - (jj) the Prospectuses will be prepared and filed in compliance in all material respects with the Applicable Securities Laws of the Qualifying Provinces, and the Final Prospectus will comply in all material respects with the Applicable Securities Laws of the Qualifying Provinces and the Company shall fulfill and comply with the necessary requirements of the Applicable Securities Laws of the Qualifying Provinces in qualify for distribution the Underlying Shares, the Corporate Finance Fee Shares and the Broker Warrants;
  - (kk) each of the Company and each Subsidiary has filed in a timely manner all necessary tax returns and notices that are due and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and none of the Company or any Subsidiary is aware of any tax deficiencies

or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it would have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or, to the best knowledge of the Company, pending against the Company or any Subsidiary which could result in a material liability in respect of taxes, charges or levies of any Governmental Authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Company or any Subsidiary has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;

- (ll) to the Company's knowledge, the Company or the Subsidiaries have the exclusive right to occupy and use any leased premises and each of the leases pursuant to which the Company or the Subsidiaries occupy the leased premises is in good standing and in full force and effect;
- (mm) to the knowledge of the Company and except as disclosed in the Disclosure Documents, each of the Company and each Subsidiary has conducted and is conducting the business thereof in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and to enable its assets to be owned or to be leased and operated as currently leased and operated, and all such approvals, consents, certificates, authorizations, qualifications, permits and licenses held are valid and existing and in good standing and neither the Company nor any Subsidiary has received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, individually or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would have a Material Adverse Effect, nor has the Company or any Subsidiary received a notice of non-compliance, nor know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes that would result in a Material Adverse Change;
- (nn) to the Company's knowledge, any and all of the agreements and other documents and instruments pursuant to which the Company, either directly or indirectly through the Subsidiaries, hold its assets (including any interest in, or right to earn an interest therein) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Company or the Subsidiaries, as applicable, in accordance with the terms thereof; neither the Company nor any Subsidiary is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and the Company's assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated; all material leases, licences and claims pursuant to which the Company derives the interests in such property and assets are in good standing and, to the knowledge of the Company, there has been no material default under any such lease, licence or claim. None of the leases, licences or claims pursuant to which the Company

derives its interests are subject to any right of first refusal or purchase or acquisition right which has not been disclosed to the Agents;

- (oo) to the Company's knowledge, all operations of the Company have been conducted in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been duly complied with. Each of the Company and each Subsidiary has security measures and safeguards in place to protect personal information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Company and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Company and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;
- (pp) the Company is not aware of any proposed material changes to existing legislation, or proposed legislation published by a legislative body, which it anticipates will result in a Material Adverse Change;
- (qq) the Company, either directly or indirectly through the Subsidiaries, is the legal and beneficial owner of, and has good and marketable title to, its assets as disclosed to the Agents, including but not limited to the Cathedral City Property; and except as disclosed to the Agents such interests are free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and the Company does not know of any claim or the basis for any claim that would have a Material Adverse Effect on the right thereof to use, transfer or otherwise exploit such property rights;
- (rr) the Prospectuses, including any and all amendments thereto, will contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the securities to be issued pursuant to the Offering and comply, in all material respects, with Applicable Securities Laws of the Qualifying Provinces;
- (ss) the proceeds of the Offering will be used for the purposes and in the manner that will be specified in the Offering Documents;
- (tt) except as provided herein, there is no person, firm or corporation which has been engaged by the Company to act for the Company and which is entitled to any brokerage or finder's fee in connection with this Agreement or the transactions contemplated hereunder;
- (uu) none of the Company, the Subsidiaries nor, to the knowledge of the Company, any of their employees or agents have made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States, federal, provincial or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws, in a manner that would reasonably be expected to have a Material Adverse Effect;
- (vv) the operations of the Company are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-



governmental authority involving the Company with respect to the Money Laundering Laws is, to the knowledge of the Company, pending or threatened;

- (ww) no material labour dispute with the employees of the Company or the Subsidiaries currently exists or, to the knowledge of the Company or the Subsidiaries, is imminent. None of the Company nor the Subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Company, no action has been taken or is contemplated to organize any employees of the Company or the Subsidiaries;
- (xx) the form of the certificate representing the Special Warrants, the Underlying Shares, the Broker Special Warrants, the Broker Warrants, the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares has been duly approved by the Company and complies with the provisions of the *Canada Business Corporations Act* and the Company's articles of incorporation and by-laws;
- (yy) no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of any court or governmental authority or agency in Canada or the United States is necessary or required for the performance by the Company of its obligations hereunder, in connection with the Offering in the Selling Jurisdictions, or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained, or as may be required, under Applicable Securities Laws;
- (zz) neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("OFAC"); and the Company will not knowingly, directly or indirectly, use the proceeds of the Offering, or knowingly lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC;
- (aaa) except as disclosed in the Disclosure Documents, the Company does not owe any amount to, nor has the Company any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder of any of them or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid or other advances of funds in the ordinary and normal course of the business of the Company. Except as disclosed in the Disclosure Documents and employee or consulting arrangements made in the ordinary and normal course of business, the Company is not a party to any contract, agreement or understanding with any officer, director, employee or securityholder of any of them or any other person not dealing at arm's length with the Company. Except as described in the Disclosure Documents, no officer, director, employee or securityholder of the Company has any cause of action or other claim whatsoever against, or owes any amount to, the Company except for claims in the ordinary and normal course of the business of the Company such as for accrued vacation pay or other amounts or matters which would not be material to the Company;
- (bbb) the Company and the Subsidiaries own or possess the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights necessary for the conduct of their respective businesses as now conducted, and the Company is not aware of any bona fide claim to the contrary or any challenge by any other person to the rights of the Company and the Subsidiaries with respect to the foregoing. To the knowledge of the Company, the Company's business, including that of the Subsidiaries, as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with in any material respect patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual

property or franchise right of any person. No bona fide claim has been made against the Company or the Subsidiaries alleging the infringement by the Company or the Subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person;

- (ccc) the Company and the Subsidiaries maintain insurance by insurers of recognized financial responsibility, against such losses, risks and damages to their Business Assets in such amounts that are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Company, the Subsidiaries, and their respective directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default, in any material respect. Each of the Company and the Subsidiaries is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Company or the Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Company has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the business at a cost that would not have a Material Adverse Effect, and neither the Company nor the Subsidiaries has failed to promptly give any notice of any material claim thereunder;
- (ddd) neither the Company nor any Subsidiary has received any correspondence of notice from any Governmental Authority, that has not been addressed to the applicable Governmental Authority's satisfaction, alleging or asserting material non compliance with any applicable law;
- (eee) the Company and each of the U.S. Subsidiaries have implemented procedures and policies to ensure that the Company and the U.S. Subsidiaries are operating in compliance with the Cole Memo Guidelines;
- (fff) the Company and the Subsidiaries have each complied and will comply in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, the *ACMPR*, Cole Memorandum Guidelines and all California state and municipal laws regarding marijuana and in all matters relating to the Offering and the issuance of the Company's securities thereunder;
- (ggg) Sunniva Medical Inc., a Subsidiary, is an applicant under the *ACMPR* and CP Logistics LLC, a Subsidiary, holds the Cathedral City Licenses in the State of California, USA, and, except as disclosed in the Disclosure Documents, all operations of the Company and the Subsidiaries in respect of or in connection with the Business Assets have been and continue to be conducted in accordance with good industry practices and, to the knowledge of the Company, in material compliance with all applicable laws. To the best of the Company's knowledge as at the date hereof and under current applicable laws, the Company and the Subsidiaries have obtained and are in compliance with all Authorizations to permit them to conduct their business as currently conducted or currently proposed to be conducted, except for the Authorizations disclosed in Schedule "F" hereto. All of the Authorizations issued to date are valid and in full force and effect and neither the Company nor any Subsidiary have received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any applicable laws or Authorizations. Neither the Company nor any Subsidiary have received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Authorizations or any notice advising of the refusal to grant any Authorization that has been applied for or is in process of being granted and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action; and

(hhh) the Company has not intentionally withheld from the Agents any material fact relating to the Company or the Subsidiaries.

4.2 The representations and warranties of the Company contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and they shall survive the completion of the transactions contemplated under this Agreement in accordance with Section 15.6.

## 5. REPRESENTATIONS AND WARRANTIES OF THE AGENTS

5.1 Each Agent represents and warrants to the Company, severally and not jointly, and acknowledges that the Company is relying upon such representations and warranties in entering into this Agreement, that:

- (a) the Agent and its U.S. Affiliate are valid and subsisting corporations duly incorporated and in good standing under the laws of the jurisdiction in which they are incorporated;
- (b) the Agent has all requisite power and authority and good and sufficient right and authority to enter into, deliver and carry out its obligations under this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein and upon such execution and delivery this Agreement shall constitute a legal, valid and binding obligation of the Agent, enforceable against the Agent in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement;
- (c) it is, and will remain, until the completion of the Offering, appropriately registered under Applicable Securities Laws so as to permit it to lawfully fulfill its obligations hereunder, and at least one Agent is and will remain, until the completion of the Offering, so registered in each of the Qualifying Provinces;
- (d) the Agents will not, in connection with the services provided hereunder, make any representations or warranties with respect to the Company or its securities;
- (e) no Agent that is a non-resident for the purposes of the *Income Tax Act* (Canada) will render any services under this Agreement in Canada;
- (f) the Agent and the U.S. Affiliate will conduct all their activities of, and in connection with, arranging for the sale of the Special Warrants in compliance with Applicable Securities Laws; and
- (g) the Agent and the U.S. Affiliate are appropriately registered under the Applicable Securities Laws or are exempt from the requirements under Applicable Securities Laws under a category that permits them to lawfully fulfill their obligations hereunder.

5.2 The representations and warranties of the Agent contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and they shall survive the completion of the transactions contemplated under this Agreement.

## 6. PROSPECTUS QUALIFICATION

6.1 The Company covenants and agrees with the Agents that it shall:

- (a) elect and comply in all material respects with the Prospectus Review Procedures and shall use its reasonable commercial efforts to, as soon as reasonably practicable after the Closing Date, to:

- (i) prepare and file the Preliminary Prospectus and other documents required under the Applicable Securities Laws of the Qualifying Provinces with the Commissions and designate the British Columbia Securities Commission as the principal regulator; and
  - (ii) as soon as reasonably practicable after obtaining the Preliminary Receipt, resolve any comments with respect to the Preliminary Prospectus received by the Commissions in the Qualifying Provinces and prepare and file the Final Prospectus and other documents required under the Applicable Securities Laws of the Qualifying Provinces with the Commissions;
  - (iii) otherwise fulfill all necessary legal requirements to enable the Underlying Shares and the Broker Warrants to be distributed in each of the Qualifying Provinces;
  - (iv) until the completion of the distribution of the Underlying Shares and the Broker Warrants, promptly take or cause to be taken all additional steps and proceedings that from time to time may be required under the Applicable Securities Laws of the Qualifying Provinces to continue to qualify the Underlying Shares and the Broker Warrants for distribution or, in the event that the Underlying Shares and the Broker Warrants have, for any reason, ceased to so qualify, to use reasonable commercial efforts to again qualify the Underlying Shares and the Broker Warrants for distribution; and
  - (v) prior to the filing of the Prospectuses and prior to the filing with any Commission of any Supplementary Material, have allowed the Agents and the Agents' counsel reasonable opportunity to participate fully in the preparation of and to approve the form of such documents (such approval not to be unreasonably withheld);
- (b) apply the net proceeds from the Offering to the purchase of land, equipment purchases, acquisitions, note repayments and for general working capital;
- (c) deliver or cause to be delivered without charge to the Agents and the Agents' counsel the documents set out below at the respective times indicated:
- (i) prior to the filing with the Commissions of each of the Preliminary Prospectus and the Final Prospectus, copies of the Preliminary Prospectus and the Final Prospectus, signed by the Company as required by the Applicable Securities Laws of the Qualifying Provinces;
  - (ii) contemporaneously with, or prior to the filing of the Final Prospectus or any Supplementary Material in respect of the Final Prospectus, a certificate dated the date of the Final Prospectus, addressed to the Agents and signed by the Chief Executive Officer and Chief Financial Officer of the Company, certifying for and on behalf of the Company, and not in their personal capacities, after having made due inquiries, with respect to the following matters:
    - (A) the Company having complied with all of the covenants and satisfied all of the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the date of the Final Prospectus;
    - (B) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the issue of the Special Warrants, the Underlying Shares, the Over-Allotment Option, the Broker Special Warrants, the Broker Warrants or the Broker Warrant Shares or any of the Company's issued securities having been issued and no proceeding for such purpose being pending or, to the knowledge of such officers, threatened;

- (C) the representations and warranties of the Company contained in this agreement and in any certificates of the Company delivered pursuant to or in connection with this Agreement being true and correct as at the date of the Final Prospectus or Supplementary Material, with the same force and effect as if made on and as at the date of the Final Prospectus or Supplementary Material, as the case may be, after giving effect to the transactions contemplated by this agreement; and
  - (D) since the Closing Time, there having been no Material Adverse Change on the Company;
- (iii) contemporaneously with, or prior to the filing of the Final Prospectus, a “comfort letter” from the Company’s auditors, dated the date of the Final Prospectus, addressed to the Agents and satisfactory in form and substance to the Agents and the Agents’ counsel, acting reasonably, containing statements and information of the type ordinarily included in auditors’ comfort letters to an agent in connection with securities offerings in Canada with respect to certain financial and accounting information relating to the Company in the Final Prospectus which comfort letter shall be based on the Company’s auditors review having a cut-off date of not more than two Business days prior to the date of the Final Prospectus;
  - (iv) as soon as possible after the filing of the Final Prospectus, without charge, commercial copies of the Final Prospectus and any Supplementary Material in such numbers and in such cities as the Agents may reasonably request by written instructions to the Company, or the printer thereof, given no later than the time when the Company authorizes the printing of the commercial copies of such documents;
  - (v) upon the Final Receipt being issued, a favourable legal opinion of the Company’s counsel or other local counsel acceptable to the Agents acting reasonably, addressed to the Agents, in form and substance reasonably satisfactory to the Agents and the Agents’ counsel, acting reasonably, with respect the following matters relating to the filing of the Final Prospectus and all such opinions may be subject to customary assumptions, reliances and qualifications:
    - (A) the Company has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Company to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Qualifying Provinces in accordance with Applicable Securities Laws of the Qualifying Provinces;
    - (B) the attributes of the Underlying Shares, the Broker Warrant Shares and the Corporate Finance Fee Shares conform in all material respects with the description thereof contained in the Prospectuses;
    - (C) the statements under the headings “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” in the Prospectus are true and correct; and
    - (D) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Applicable Securities Laws of the Qualifying Provinces in order to qualify the Broker Warrants for distribution to the Agents and the Underlying Shares for distribution to the Purchasers in each of the Qualifying Provinces by or through investment dealers and brokers duly registered under the

- applicable laws of such Provinces who have complied with the relevant provisions of Applicable Securities Laws of the Qualifying Provinces;
- (E) the issuance of the Broker Warrant Shares by the Company in accordance with the Broker Warrants are exempt from the prospectus and registration requirements of Securities Laws; and
  - (F) the Common Shares have been conditionally listed or approved for listing on the Exchange;
- (d) each delivery of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material pursuant to subparagraph (b) hereof shall constitute a representation and warranty to the Agents by the Company (and the Company hereby acknowledges that the Agents are relying on such representations and warranties in entering into this agreement) that:
- (i) the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable:
    - (A) are at the respective dates of such documents, true and correct in all material respects;
    - (B) contain no misrepresentation; and
    - (C) contain, in all material respects, full, true and plain disclosure of all material facts relating to the Company and the Underlying Shares required under Applicable Securities Laws of the Qualifying Provinces,  
  
other than any information or statements relating solely to the Agents and furnished in writing to the Company by the Agents expressly for inclusion in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, and except any information and statements which are modified or superseded by information or statements contained in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be;
  - (ii) the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable, complies in all material respects with the Applicable Securities Laws of the Qualifying Provinces; and
  - (iii) except as has been disclosed in the Disclosure Documents, there has been no material change (actual, proposed or prospective, whether financial or otherwise) from the date of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material to the time of delivery of such respective document of the Company and its Subsidiaries, taken as a whole;
- (e) it will use its commercially reasonable efforts to obtain all necessary approvals of the Exchange required for the listing of the Common Shares and shall comply with all requirements of the Exchange in the order to list the Common Shares on the Exchange;
- (f) during the period commencing with the date hereof and ending on the Deemed Exercise Date, the Company will promptly provide to the Agents, for review by the Agents and the Agents' counsel, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any financial statements of the Company, report to shareholders, information circular or any press release or material change report, subject to the Company's obligations under Applicable Securities Laws to make timely disclosure of material information, and the Agents agree to keep such information confidential until it is disseminated into the marketplace, and any press release issued by the Company concerning

the offering of Special Warrants or Underlying Shares shall comply with Rule 135e under the U.S. Securities Act and shall be marked, at the top of the press release, as follows: "NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES";

- (g) during the period commencing with the date hereof and ending on the Deemed Exercise Date, the Company will promptly inform the Agents of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) of the Company and its Subsidiaries, taken as a whole;
  - (ii) any change in any material fact contained or referred to in the Disclosure Documents; and
  - (iii) the occurrence of a material fact or event, which, in any such case, is, or may be, of such a nature as to: (A) render any portion of the Disclosure Documents untrue, false or misleading in any material respect; (B) result in a misrepresentation in the Disclosure Documents; or (C) result in the Disclosure Documents not complying in a material respect with the Applicable Securities Laws;

provided that if the Company is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this subparagraph 6.1(g)(iii) has occurred, the Company shall promptly inform the Agents of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agents as to whether the occurrence is of such a nature;

- (h) during the period commencing with the date hereof and ending on the Deemed Exercise Date, the Company will promptly inform the Agents of:
  - (i) any request of the Commissions for any amendment to the Preliminary Prospectus or the Final Prospectus or for any additional information;
  - (ii) the receipt by the Company of any communication from any Commission or similar regulatory authority, the Exchange, or any other competent authority relating to any part of the Offering Documents; and
  - (iii) the issuance by any Commission or similar regulatory authority, the Exchange or by any other competent authority, of any order to cease or suspend trading of any securities of the Company or of the institution or threat of institution of any proceedings for that purpose;
- (i) the Company will promptly, and in any event within any applicable time limitation, comply to the reasonable satisfaction of the Agents and the Agents' counsel, with Applicable Securities Laws with respect to any material change or change, occurrence or event of the nature referred to in subparagraphs 6.1(g)(iii) and 6.1(h) and the Company will prepare and file promptly at the Agents' request, acting reasonably, any amendment to the Preliminary Prospectus, the Final Prospectus or Supplementary Material as may be required under Applicable Securities Laws of the Qualifying Provinces; provided that the Company shall have allowed the Agents and the Agents' counsel reasonable opportunity to participate fully in the preparation of any amendment to the Preliminary Prospectus, the Final Prospectus or Supplementary Material and to conduct all due diligence investigations which the Agents may reasonably require in order to fulfil their obligations as Agents and in order to enable the Agents to execute the certificate required to be executed by them in, or in connection with, such Supplementary Material;
- (j) the Company will duly, faithfully and punctually perform all the obligations to be performed by it and comply with its covenants and agreements hereunder and under the Subscription Agreements;

- (k) all representations, warranties and covenants in sections 4, 6 and 8 in this Agreement made by the Company to the Agents shall also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto (it being agreed that the Agents are acting for and on behalf of the Subscribers for this purpose).

## 7. DUE DILIGENCE REVIEW

- 7.1 During the period from the date hereof until the date of the Prospectus Qualification, the Company shall allow the Agents the opportunity to conduct required due diligence and to obtain, acting reasonably, satisfactory results therefrom and in particular, the Company shall allow the Agents and Agents' counsel to conduct all due diligence which the Agents may reasonably require in order to confirm the Offering Documents are accurate, complete and current in all material respects and to fulfill the Agents' obligations as registrants and, in this regard, without limiting the scope of the due diligence inquiries the Agents may conduct, the Company shall cause its senior management, auditors, legal counsel, technical advisors and such other persons as the Agents may require, to answer any questions which the Agents may reasonably have and to participate in one or more due diligence sessions to be held prior to the date of the Prospectus Qualification.

## 8. ADDITIONAL COVENANTS OF THE COMPANY

- 8.1 The Company covenants and agrees with the Agents that it shall:

- (a) take all steps as may be reasonably necessary to enable the Special Warrants to be sold on a private placement basis in the Selling Jurisdictions by way of exemptions from the prospectus or registration statement filing requirements of Applicable Securities Laws and otherwise fulfill all legal requirements required to be fulfilled by the Company (including, without limitation, compliance with all Applicable Securities Laws) in connection with the Offering;
- (b) deliver to the Agents and their legal counsel, as applicable:
  - (i) a copy of all letters, submissions and other materials with respect to the Offering filed with the Regulatory Authorities in Canada or elsewhere, if any, at the same time that the materials are filed with such Regulatory Authorities;
  - (ii) at each Closing Time, such legal opinions (the "**Legal Opinions**") of the Company's legal counsel (excluding U.S. legal counsel), addressed to the Agents and their legal counsel and dated as of such Closing Date, in form and content acceptable to the Agents, acting reasonably, relating to the matters set forth in Schedule "A" and all such opinions may be subject to customary assumptions, reliances and qualifications;
  - (iii) at each Closing Time, if any Special Warrants are being sold in the United States or to or for the benefit or account of U.S. Persons or persons in the United States, a legal opinion of U.S. legal counsel, addressed to the Agents and dated as of such Closing Date in form and content acceptable to the Agents, acting reasonably, to the effect that such offer and sale of the Special Warrants is not required to be registered under the U.S. Securities Act (the "**U.S. Legal Opinion**");
  - (iv) at each Closing Time, the Company will have caused favourable legal opinions for CP Logistics, LLC (the "**CP Logistics Opinion**") to be delivered by local counsel addressed to the Agents and their counsel, in form and substance satisfactory to the Agents, acting reasonably, with respect to the following matters, and all such opinions may be subject to customary assumptions, reliances and qualifications:
    - (A) the incorporation, existence and good standing of CP Logistics, LLC under the laws of its jurisdiction of incorporation;



- (B) as authorized capital CP Logistics, LLC and to the ownership thereof; and
  - (C) that CP Logistics, LLC has all necessary corporate power under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and own and lease its properties and assets and to conduct its business;
- (v) on the Closing Date at the Closing Time, the Company will have caused favourable legal opinions for the Subsidiaries other than CP Logistics, LLC (the “**Subsidiary Opinions**”) to be delivered by local counsel addressed to the Agents and their counsel, in form and substance satisfactory to the Agents, acting reasonably, with respect to the following matters, and all such opinions may be subject to customary assumptions, reliances and qualifications:
- (A) the incorporation, existence and good standing of each of the Subsidiaries under the laws of its jurisdiction of incorporation;
  - (B) as authorized capital of the Subsidiaries and to the ownership thereof; and
  - (C) that each of the Subsidiaries has all necessary corporate power under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and own and lease its properties and assets and to conduct its business;
- (vi) at each Closing Time, a certificate (the “**Officers’ Certificate**”) of the Company signed by its Chief Executive Officer and Chief Financial Officer, addressed to the Agents and their legal counsel and dated as of such Closing Date, in form and content acceptable to the Agents, acting reasonably, certifying for and on behalf of the Company and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due and relevant inquiry:
- (A) the Company has complied in all material respects with all covenants and satisfied all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time on the Closing Date;
  - (B) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Special Warrants or any of the Company’s issued securities has been issued and no proceeding for such purpose is pending or, to the knowledge of such officers, threatened;
  - (C) all of the representations and warranties made by the Company in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;
  - (D) there has not occurred since December 31, 2016 any Material Adverse Change;
- (vii) certificates dated each Closing Date signed by the Chief Executive Officer of the Company or another officer acceptable to the Agents, acting reasonably, in form and content satisfactory to the Agents, acting reasonably, with respect to the constating documents of the Company; the number of Common Shares issued and outstanding on the date prior to such Closing Date, the resolutions of the directors of the Company relevant to the Offering, including the allotment, issue (or reservation for issue) and sale of the Special Warrants, and the Underlying Shares, and the grant and

issuance of the Broker Special Warrants, the Broker Warrants, the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares, the authorization of this Agreement, and transactions contemplated by this Agreement; and the incumbency and signatures of signing officers of the Company;

- (viii) at each Closing Time, a Certificate of Compliance for the Company dated within one (1) business day (or such earlier or later date as the Agents may accept) of such Closing Date;
- (ix) at each Closing Time after the initial Closing Time, a certificate (the “**Subsidiary Officer’s Certificate**”) of each of the Subsidiaries other than CP Logistics, LLC signed by an appropriate officer of such Subsidiary, addressed to the Agents and their legal counsel and dated as of such Closing Date, in form and content acceptable to the Agents, acting reasonably, certifying for and on behalf of the Company and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due and relevant inquiry, as to (i) the corporate good standing, and (ii) as to the authorized capital and ownership thereof, of such Subsidiary; and
- (x) at each Closing Time, such other materials (the “**Closing Materials**”) as the Agents may reasonably require and as are customary in a transaction of this nature, and the Closing Materials will be addressed to the Agents and to such parties as may be reasonably directed by the Agents and will be dated as of such Closing Date or such other date as the Agents may reasonably require;
- (c) during the period commencing on the Closing Date and ending on the date which is 120 days after the Deemed Exercise Date, not, without the written agreement of the Lead Agent, which agreement will not be unreasonably withheld, issue, sell or grant or agree to announce any intention to issue, sell or grant any additional equity or quasi-equity securities except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plans of the Company and other share compensation arrangements, (ii) outstanding warrants or other outstanding convertible securities, (iii) obligations in respect of existing agreements, (iv) up to 1,500,000 Common Shares issuable pursuant to the Concurrent Private Placement, and (v) the issuance of securities in connection with property and share acquisitions in the normal course of business, including but not limited to the Company’s Cathedral City Property, the F1 Perez LLC Transaction and associated plant and equipment;
- (d) from the date of this Agreement to and including the Deemed Exercise Date, not reproduce, disseminate, quote from or refer to any written or oral opinions, advice, analysis and materials provided by the Agents to the Company in connection with the Offering in whole or in part at any time, in any manner or for any purpose, without the Lead Agent’s prior written consent in each specific instance, and the Company shall and shall cause its affiliates, officers, directors, shareholders, agents and advisors (including those shareholders who have an advisory relationship with the Company and the directors, officers, and employees of such shareholders) to keep confidential the opinions, advice, analysis and materials furnished to the Company by the Agents and their counsel in connection with the Offering;
- (e) from the date of this Agreement to and including the Deemed Exercise Date, promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agents may reasonably require from time to time for the purpose of giving effect to this Agreement; and
- (f) from the date of this Agreement to and including the Deemed Exercise Date, forthwith notify the Agents of any breach of any covenant of this Agreement by any party thereto, or upon it

becoming aware that any representation or warranty of the Company contained in this Agreement is or has become untrue or inaccurate in any material respect.

- 8.2 The Company covenants to use its commercially reasonable efforts to obtain all necessary approvals to complete the Offering.

**9. AGENTS' COMMISSION AND EXPENSES**

- 9.1 In consideration of the services to be rendered by the Agents to the Company under this Agreement, the Company agrees to pay to the Agents' Commission and the cash portion of the Corporate Finance Fee and issue the Special Broker Warrants and the Corporate Finance Fee Special Warrants to the Agents, at the time and in the manner specified in this Agreement.

- 9.2 Whether or not the sale of the Special Warrants shall be completed, all reasonable costs and expenses of or incidental to the sale and delivery of the Special Warrants and of or incidental to all matters in connection with the transactions herein shall be borne by the Company, and the Company shall reimburse the Agents for any and all expenses incurred by the Agents, including, without limitation and for greater certainty, the reasonable fees and disbursements of Agents' legal counsel up to a maximum of \$75,000 (in the aggregate and not per Closing) and the reasonable "out-of-pocket" expenses of the Agents.

- 9.3 All fees, expenses and other payments under this Agreement shall be paid without giving effect to any withholding or deduction of any tax or similar governmental assessment. If any sales taxes or other similar tax is payable with respect to the fees paid or payable to the Agents under this engagement, the Agents will add the amount of such tax to its invoice and the Company shall pay the Agents such tax.

**10. CONDITIONS TO CLOSING**

- 10.1 The following are conditions to the obligations of the Agents to complete the transactions contemplated in this Agreement, which conditions may be waived in writing in whole or in part by the Agents in their sole discretion:

- (a) there shall be no requirement under applicable law and no requirement imposed on the Company by the Regulatory Authorities to obtain, nor shall the Company voluntarily seek, shareholder approval of the Offering or of the issuance of the Special Warrants or Broker Special Warrants;
- (b) the Company will have, within the required time set out hereunder, delivered or caused the delivery of the required Legal Opinions, U.S. Legal Opinion, if applicable, the CP Logistics Opinion, the Subsidiary Opinions, if applicable, Officer's Certificate, the Subsidiary Officer's Certificates, if applicable and the Closing Materials, in form and substance satisfactory to the Agents and their counsel, acting reasonably;
- (c) no order ceasing or suspending trading in any securities of the Company, or ceasing or suspending trading by the directors, officers or promoters of the Company, or any one of them, or prohibiting the trade or distribution of any of the securities referred to herein will have been issued and no proceedings for such purpose, to the knowledge of the Company, will be pending or threatened;
- (d) there shall not have occurred since December 31, 2016 and until the Closing Time, any Material Adverse Change in the Company and the Subsidiaries, taken as a whole;
- (e) the due diligence conducted by the Agents shall not have revealed any Material Adverse Change or adverse material fact in respect of the Company;

- (f) the Company will have, as of the Closing Time, complied with all of its covenants and agreements contained in this Agreement; and
- (g) the representations and warranties of the Company contained in this Agreement will be materially true and correct as of the Closing Time as if such representations and warranties had been made as of the Closing Time.

## 11. CLOSING

- 11.1 The Company and the Agents shall cause the Closing to occur on June 27, 2017 or such other date as may be agreed by the Company and the Agents (the "**Closing Date**"), and with respect to subsequent Closing(s), such later date(s) as agreed by the Company and the Agents. The closing of the transactions contemplated under this Agreement (the "**Closing**") shall be completed at the Vancouver offices of Borden Ladner Gervais LLP, legal counsel to the Company.
- 11.2 On the Closing or such subsequent Closing(s), the Company shall issue and deliver to the Agents:
  - (a) one or more certificates representing the Special Warrants to be issued at Closing in the names and denominations reasonably requested by the Agents;
  - (b) the Company shall deliver to the Agents such documents set forth in subsection 8.1(a) as the Agents may request; and
  - (c) original certificates representing the Broker Special Warrants and the Corporate Finance Fee Special Warrants, registered as directed by the Agents.
- 11.3 If the Company has satisfied all of its obligations under this Agreement that are required to be satisfied before or at the Closing Time, on the Closing the Agents shall pay to the Company by certified cheque or wire transfer the aggregate gross proceeds of the sale of the Special Warrants, less (i) the Agents' Commission and the cash portion of the Corporate Finance Fee and, (ii) if so desired by the Lead Agent, any costs and expenses owing to the Agents pursuant to section 9.2.

## 12. INDEMNITY

- 12.1 In consideration of the services performed by the Agents under this Agreement, the Company and its affiliated companies (collectively, the "**Indemnitor**") hereby agrees to indemnify and save harmless, to the maximum extent permitted by law, the Agents, their affiliates and their respective directors, officers, employees agents, and advisors (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits), including the aggregate amount paid in reasonable settlement, provided the Company has consented to such settlement in accordance with Section 12.4, of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (each a "**Claim**" and, collectively, the "**Claims**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Indemnitor by the Indemnified Parties hereunder hereafter provided to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim
- 12.2 If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement in a proceeding in which the Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party's material breach of this Agreement, breach of applicable laws, gross negligence, fraudulent act or wilful misconduct, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds

advanced by the Company to the Indemnified Party pursuant to this indemnity in respect of such Claim. The Company agrees to waive any right the Company might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

- 12.3 If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Party will give the Company prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties (acting reasonably) affected and the payment of all expenses. The Company throughout the course thereof, will provide copies of all relevant documentation to the Indemnified Parties, will keep the Indemnified Parties advised of the progress thereof and will discuss with the Indemnified Parties all significant actions proposed. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder.
- 12.4 No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the Company's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld or delayed. Notwithstanding that the Company will undertake the investigation and defence of any Claim, the Indemnified Parties will have the right to employ one separate counsel in each applicable jurisdiction with respect to such Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Parties unless:
- (a) employment of such counsel has been authorized in writing by the Company;
  - (b) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim, action, suit, proceeding or investigation;
  - (c) the named parties to any such claim include both the Company and any of the Indemnified Parties, and the Indemnified Parties shall have been advised by counsel to the Indemnified Parties that there may be a conflict of interest between the Company and any Indemnified Party; or
  - (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Company;

in which case such reasonable fees and expenses of such counsel to the Indemnified Parties will be for the Company's account and the Company shall reimburse the Agents for such reasonable fees and expenses. The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights the Indemnified Parties may have at common law or otherwise.

- 12.5 Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable expenses (including legal expenses), losses (excluding loss of profits), claims and liabilities that the Agents may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Company.
- 12.6 If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, the Company will contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Company or the Company's shareholders on the one hand and the Indemnified Parties on the other, but also the relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Company will in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.

- 12.7 The Company hereby constitutes the Agents as trustees for each of their respective other Indemnified Parties of the Company's covenants under this indemnity with respect to such persons and the Agents agree to accept such trust and to hold and enforce such covenants on behalf of such persons.
- 12.8 The Company agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on the Company's behalf or in right for or in connection with the services provided by the Agents under this Agreement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Company are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which the applicable Indemnified Party is named as a party) that has become non-appealable to have resulted from a material breach of the Agreement, breach of applicable laws, gross negligence or fraudulent act of such Indemnified Party.
- 12.9 The Company agrees to reimburse the Agents monthly for the time spent by the Agents' personnel in connection with any Claim at reasonable per diem rates. The Company also agrees that if any action, suit, proceeding or claim shall be brought against, or an investigation commenced in respect of the Company and the Agents and personnel of the Agents shall be required to testify, participate or respond in respect of or in connection with this Agreement, the Agents shall have the right to employ their own counsel in connection therewith and the Company will reimburse the Agents monthly for the time spent by their personnel in connection therewith at their reasonable per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of the Agent's counsel.
- 12.10 The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company, and any Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered under this Agreement and/or any termination of this Agreement.

**13. AGENTS' PARTICIPATION**

- 13.1 The Agents will participate in the Offering as follows, unless otherwise agreed to between the Agents:
- |                           |     |
|---------------------------|-----|
| Canaccord                 | 95% |
| Beacon Securities Limited | 5%  |
- 13.2 If any of the Agents shall not arrange for the sale of its applicable percentage of the aggregate amount of the Special Warrants at a Closing for any reason whatsoever, including by reason of section 14 hereof, the other Agents shall have the right, but shall not be obligated, to arrange for the purchase of the Special Warrants which would otherwise have been sold by the Agent which fails to sell.
- 13.3 The rights and obligations of the Agents under this Agreement, including but not limited to the entitlement to the Agents' Commission, the cash portion of the Corporate Finance Fee, Corporate Finance Special Warrants and the Broker Special Warrants, will be several (as distinguished from joint or joint and several) rights and obligations for each Agent.
- 13.4 All steps or other actions which must or may be taken by the Agents in connection with this Agreement shall be taken by the Lead Agent, with the exception of the matters contemplated by sections 12 and 14 on the Agents' behalf, and the execution of this Agreement by the Agents shall constitute the authority of the Company for accepting notification of any such steps or other actions from the Lead Agent.

- 13.5 Except as otherwise specifically provided in this Agreement, the rights and obligations of the Agents will be divided in the proportions in which the Agents participate in the Offering, as indicated by the respective percentages set out in section 13.1 hereof.

**14. TERMINATION OF AGREEMENT**

- 14.1 In addition to any other remedies which may be available to the Agents, each of the Agents may terminate its obligations under this Agreement by delivering written notice to that effect to the Company at or prior to the Closing Time, if:

- (a) the Agents are not satisfied, in their sole discretion, acting reasonably, with the results of their due diligence review and investigations;
- (b) there shall have occurred any material change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact, which, in each case, in the reasonable opinion of the Agents, has or would be expected to have a Material Adverse Effect on the market price or value of any of the securities of the Company, including, without limitation, the Special Warrants and the Underlying Shares;
- (c) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made by any federal, provincial, state, municipal or other governmental department, securities commission, board, bureau, agency or other instrumentality including, without limitation, the Canadian Securities Regulators or any securities regulatory authority, which inquiry, action, suit, investigation or other proceeding involves the Company or any of its securities, directors or officers (other than one based upon the activities or alleged activities of the Agents and not upon activities of the Company) or any law or regulation is enacted or changed which, in the opinion of the Agents, acting reasonably, prevents or restricts the trading of the securities of the Company or materially and adversely affects or will materially and adversely affect the market price or value of the Common Shares of the Company, or the distribution of the Special Warrants and the Underlying Shares;
- (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including, without limitation, an act of terrorism) or any law or regulation which, in the opinion of the Agents, acting reasonably, might materially adversely affect, or involve, or will materially adversely affect, or involve, the financial markets or the business, operations or affairs of the Company;
- (e) the Company is in breach of, in default under or non-compliance with any representation, warrant, term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement is or becomes false;
- (f) the Offering cannot, in the reasonable opinion of the Agents, be profitably marketed due to the state of the financial markets;
- (g) the Agents become aware of, as a result of their due diligence review or otherwise, of any material adverse change, or a change in any material fact or any material fact with respect to the Company (in the sole opinion of the Agents acting reasonably) which has not been disclosed to the Agents prior to the date hereof;
- (h) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the securities of the Company prohibiting or restricting the Offering is made by a Governmental Authority or Securities Regulator and that order is still in effect;

- (i) any material term or condition of this Agreement remains outstanding and incomplete at any time after the time which the Company is required to complete or waive such term or condition; or
- (j) the Agents and the Company mutually agree in writing to terminate this Agreement.

**15. GENERAL**

15.1 Any notice to be given hereunder shall be in writing and may be given by email, facsimile or by hand delivery and shall, in the case of notice to the Company, be addressed and faxed or delivered to:

Sunniva Holdings Corp.  
200 Burrard Street, Suite 1200  
Vancouver, BC  
V7X 1T2

Attention: Anthony Holler  
Fax No.: (604) 640-4166  
Email: aholler@sunniva.com

with a copy to:

Borden Ladner Gervais LLP  
Waterfront Centre  
200 Burrard Street, Suite 1200  
Vancouver, BC  
V7X 1T2

Attention : Warren Learmonth  
Fax No.: (604) 640-4166  
Email: wlearmonth@blg.com

and in the case of the Agents, be addressed and faxed or delivered to each of:

Canaccord Genuity Corp.  
Pacific Centre  
609 Granville Street, Suite 2200  
Vancouver, BC  
V7Y 1H2

Attention: Jamie Brown  
Fax No: (604) 643-7772  
Email: jbrown@canaccordgenuity.com

with a copy to:

McMillan LLP  
Royal Centre, 1055 West Georgia Street  
Suite 1500, PO Box 11117  
Vancouver, BC  
V6E 4N7

Attention: Desmond Balakrishnan  
Fax No.: (604) 685-7084  
Email: desmond.balakrishnan@mcmillan.ca



The Company and the Agents may change their respective addresses for notice by notice given in the manner referred to above.

- 15.2 The forbearance or failure of one of the parties hereto to insist upon strict compliance by the other with any provision of this Agreement, whether continuing or not, shall not be construed as a waiver of any rights or privileges hereunder. No waiver of any right or privilege of a party arising from any default or failure hereunder of performance by the other shall affect such party's rights or privileges in the event of a further default or failure of performance.
- 15.3 Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement.
- 15.4 This Agreement constitutes the entire agreement between the parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein and this Agreement supersedes any previous agreements, arrangements or understandings among the parties.
- 15.5 The headings in this Agreement are for reference only and do not constitute terms of the Agreement.
- 15.6 Except as expressly provided for in this Agreement, all warranties, representations, covenants and agreements of the Company herein contained, or contained in, documents submitted or required to be submitted pursuant to this Agreement, shall survive the Closing of the Offering and shall continue in full force and effect, regardless of the closing of the sale of the Special Warrants and regardless of any investigation which may be carried on by the Agents, or on their behalf, subject only to the applicable limitation period prescribed by law. For greater certainty, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations, including those provided for in section 12, shall survive and continue in full force and effect, subject only to the applicable limitation period prescribed by law.
- 15.7 Canaccord Genuity Corp., as the Lead Agent, is hereby authorized by the other Agent to act on its behalf and the Company shall be entitled to and shall act on any notice given hereunder by the Lead Agent or agreement entered into by or on behalf of the Agents by the Lead Agent, which represents and warrants that it has irrevocable authority to bind the Agents, except in respect of any consent to a settlement pursuant to section 12, which consent shall be given by the Indemnified Party, a notice of termination pursuant to section 14, which notice may be given by any of the Agents exercising such right, or any waiver pursuant to section 14.1, which waiver must be signed by all the Agents. The Lead Agent shall, where practicable, consult with the other Agents concerning any matter in respect of which they act as representative of the Agents.
- 15.8 The Company hereby acknowledges that the Agents are acting solely as Agents in connection with the sale of the Special Warrants contemplated hereby. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such sale of the Special Warrants, either before or after the date hereof. The Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agents agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Common Shares or Warrants, do not constitute advice or recommendations to the Company. The Company and the Agents agree that the Agents are acting as principal and not the agent or fiduciary of the Company and no Agent has assumed, and no Agent will assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Agent has advised or is currently advising the Company on other matters). The Company

hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Agents with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

- 15.9 No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid and binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by the parties directly affected by such alteration, amendment, modification or interpretation.
- 15.10 The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing Date, reasonably require in order to carry out the full intent and meaning of this Agreement.
- 15.11 This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.
- 15.12 This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the Canadian federal laws applicable therein.
- 15.13 The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
- 15.14 The parties may sign this Agreement as many counterparts as may be deemed necessary and may be delivered by facsimile, all of which so signed and delivered shall be deemed to be an original and together shall constitute one and the same instrument.
- 15.15 The Agents hereby acknowledge that they have consented that this Agreement and all documents evidencing or relating in any way to the sale be drawn up in the English language only. Nous reconnaissons par les présentes avoir consenti que tous les documents faisant foi ou se rapportant de quelque manière à notre achat soient rédigés en anglais seulement.

***[THIS SPACE IS INTENTIONALLY LEFT BLANK]***

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agents whereupon this letter as so accepted shall constitute an agreement between the Company and the Agents enforceable in accordance with its terms.

Yours truly,

**CANACCORD GENUITY CORP.**

By: "Frank G. Sullivan" \_\_\_\_\_  
Name: Frank G. Sullivan  
Title: Vice President, Sponsorship  
Investment Banking

**BEACON SECURITIES LTD.**

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

The foregoing is accepted and agreed to on June \_\_\_\_, 2017, effective as of the date appearing on the first page of this Agreement.

**SUNNIVA HOLDINGS CORP.**

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

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agents whereupon this letter as so accepted shall constitute an agreement between the Company and the Agents enforceable in accordance with its terms.

Yours truly,

**CANACCORD GENUITY CORP.**

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

**BEACON SECURITIES LTD.**

By: "Mario Maruzzo"  
Name: Mario Maruzzo  
Title: Managing Director, Investment Banking

The foregoing is accepted and agreed to on June \_\_\_\_, 2017, effective as of the date appearing on the first page of this Agreement.

**SUNNIVA HOLDINGS CORP.**

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

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agents whereupon this letter as so accepted shall constitute an agreement between the Company and the Agents enforceable in accordance with its terms.

Yours truly,

**CANACCORD GENUITY CORP.**

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

**BEACON SECURITIES LTD.**

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

The foregoing is accepted and agreed to on June 27, 2017, effective as of the date appearing on the first page of this Agreement.

**SUNNIVA HOLDINGS CORP.**

By: “Dr. Anthony F. Holler”  
Name: Dr. Anthony F. Holler  
Title: Chief Executive Officer

## SCHEDULE "A"

### MATTERS IN RESPECT OF WHICH COMPANY'S COUNSEL SHALL DELIVER OPINIONS PURSUANT TO SUBSECTION 8.1(b)(ii)

1. the Corporation exists under the Canada Business Corporations Act, has filed the required annual returns, and has paid all prescribed fees.
2. Sunniva Medical exists under the Canada Business Corporations Act, has filed the required annual returns, and has paid all prescribed fees.
3. Sunniva Technologies exists under the Canada Business Corporations Act, has filed the required annual returns, and has paid all prescribed fees.
4. Natural Health is a valid and subsisting corporation under the laws of the Province of Alberta;
5. 1964433 Ltd. is a valid and subsisting corporation under the laws of the Province of Alberta;
6. the Corporation has the necessary corporate power and capacity to: (i) carry on its business as presently carried and to own and lease its properties and assets and to conduct its business, and (ii) execute and deliver the Agency Agreement and to carry out the transactions contemplated thereby;
7. each of the Canadian Subsidiaries has the necessary corporate power and capacity to carry on its business as presently carried and to own and lease its properties and assets and to conduct its business;
8. the authorized capital of the Corporation is an unlimited number of common shares of which 25,344,901 common shares are issued and outstanding as non-assessable shares;
9. the authorized capital of Sunniva Medical consists of an unlimited number of common shares of which 200 common shares are issued and outstanding as non-assessable shares;
10. the authorized capital of Sunniva Technologies consists of an unlimited number of common shares of which 100 common shares are issued and outstanding as non-assessable shares;
11. the authorized capital of Natural Health consists of an unlimited number of class A common voting shares, an unlimited number of class B common voting shares, an unlimited number of class C common non-voting shares and an unlimited number of preferred shares of which 6,282,401 class A common voting shares are issued and outstanding as non-assessable shares;
12. the authorized capital of 1964433 Ltd. consists of four million class A voting shares, one million class B voting shares and 500,000 class C non-voting shares of which 1,515,126 class A voting are issued and outstanding as non-assessable shares;
13. all of the issued and outstanding shares in the capital of Sunniva Medical, Sunniva Technologies and Natural Health are registered in the name of the Corporation;
14. all of the issued and outstanding shares in the capital of 1964433 Ltd. are registered in the name of Natural Health;
15. all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Material Agreements and the performance by the Corporation of its obligations thereunder and to authorize the issuance of the Special Warrants, the Underlying Shares, the Broker

- Special Warrants, the Broker Warrants, the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares;
16. the Special Warrants, the Broker Special Warrants and the Corporate Finance Fee Special Warrants have been validly created and issued;
  17. the Broker Warrants, when issued upon exercise of the Broker Special Warrants in accordance with the Broker Special Warrant Certificate, will be validly created and issued;
  18. the Underlying Shares, the Broker Warrant Shares and the Corporate Finance Fee Shares have been allotted and reserved for issuance by the Corporation and upon valid exercise in accordance with the terms of the Special Warrant Certificates, the Broker Warrant Certificate, and the certificates representing the Corporate Finance Fee Special Warrants, respectively, and in respect of the Broker Warrant Shares, including full payment therefor, and the issue thereof, the Underlying Shares, the Broker Warrant Shares and the Corporate Finance Fee Shares will have been validly issued as fully paid and non-assessable shares in the capital of the Corporation;
  19. the form and terms of the certificates for the Special Warrants, the Underlying Shares, the Broker Special Warrants, the Broker Warrants, the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares have been approved and adopted by the directors of the Corporation and comply in all material respects with the *Canada Business Corporations Act* and the constating documents of the Corporation;
  20. each of the Material Agreements has been, or would be if executed and delivered as of the date hereof, duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms;
  21. the execution and delivery of the Material Agreements, the fulfillment of the terms thereof by the Corporation and the offering and sale of the Special Warrants, the Underlying Shares, the Broker Special Warrants, the Broker Warrant Shares, the Corporate Finance Fee Special Warrants and the Corporate Finance Fee Shares and the grant of the Broker Warrants do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with any of the terms, conditions or provisions of the articles of incorporation or by-laws of the Corporation or any resolutions of the shareholders or directors (or any committee thereof) of the Corporation or any applicable laws of the Province of British Columbia or federal laws applicable therein;
  22. the offering, sale, issuance and delivery, as applicable, of the Corporate Finance Fee Special Warrants and the Broker Special Warrants to the Agents and the Special Warrants by the Corporation to Purchasers in accordance with the Subscription Agreements in the Qualifying Provinces are exempt from the prospectus requirements of Canadian Securities Laws of the Qualifying Provinces and no other documents are required to be filed, proceeding taken or approval, consent or authorization obtained by the Corporation under Canadian Securities Laws of the Qualifying Provinces to permit such offering, sale, issuance and delivery thereof. We note that the Corporation must file with the securities commission in the Qualifying Provinces within 10 days after the date hereof, a report prepared and executed in accordance with Form 45-106F1 prescribed under NI 45-106 – *Prospectus Exemptions*, together with the prescribed filing fees and a fee checklist;
  23. the issuance and delivery of the Corporate Finance Fee Shares and the Broker Warrants to the Agents upon exercise or deemed exercise of the Corporate Finance Fee Special Warrants and the Broker Special Warrants, respectively, and the Underlying Shares by the Corporation to Purchasers in the Qualifying Provinces upon exercise or deemed exercise of Special Warrants are exempt from the prospectus requirements of Canadian Securities Laws of the Qualifying Provinces and no other documents are required to be filed, proceeding taken or approval, consent or authorization obtained

by the Corporation under Canadian Securities Laws of the Qualifying Provinces to permit the issuance and delivery of the Corporate Finance Fee Shares and Broker Warrants to the Agents and the Underlying Shares to Purchasers in the Qualifying Provinces, provided such securities are issued in accordance with the terms and conditions of the applicable certificates;

24. the issuance and delivery of the Broker Warrant Shares upon exercise of the Broker Warrants are exempt from the prospectus requirements of Canadian Securities Laws of the Qualifying Provinces and no other documents are required to be filed, proceeding taken or approval, consent or authorization obtained by the Corporation under Canadian Securities Laws of the Qualifying Provinces to permit the issuance and delivery to the Agents of the Broker Warrant Shares, provided such securities are issued in accordance with the terms and conditions of the applicable certificates;
25. other than as provided in paragraph 26 or a trade which is otherwise exempted under Canadian Securities Laws, the first trade in the Qualifying Jurisdictions, or resale of, as applicable: (i) the Underlying Shares; (ii) the Broker Warrants; (iii) the Corporate Finance Fee Shares; or (iv) the Broker Warrant Shares, as applicable, in each case, in the Qualifying Jurisdictions, will be a distribution subject to the prospectus requirements of the Canadian Securities Laws at the time of the trade, unless:
  - such trade is not a “control distribution” within the meaning of National Instrument 45-102 - Resale of Securities (“NI 45-102”);
  - at the time of the trade, the Corporation is and has been a “reporting issuer”, as defined in Canadian Securities Laws, in a jurisdiction of Canada for the four months immediately preceding such trade;
  - at least four months have elapsed from the “distribution date” within the meaning of NI 45-102 of the Special Warrants, the Corporate Finance Fee Special Warrants and the Broker Special Warrants;
  - the certificates representing the Special Warrants, the Broker Special Warrants, the Corporate Finance Fee Special Warrants and the Broker Warrants were issued endorsed with the legend required by Section 2.5(2)3(ii) of NI 45-102, if applicable;
  - no unusual effort is made to prepare the market or create a demand for the securities that are the subject of the trade;
  - no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
  - if the selling security holder is an insider or officer of the Corporation at the time of the trade, the selling security holder has no reasonable grounds to believe that the Corporation is in default of “securities legislation”, as such term is defined in National Instrument 14-101 – *Definitions*; and
26. If a preliminary prospectus and a (final) prospectus qualifying the issuance by the Corporation of the Underlying Shares upon exercise of the Special Warrants and the Corporate Finance Fee Special Warrants and the Broker Warrants upon exercise of the Broker Special Warrants has been filed with, and receipts obtained therefor from, the securities commissions in the Qualifying Provinces, and provided that the Underlying Shares and Broker Warrants are issued after the date of the receipt for such (final) prospectus, the first trade by a holder, of the Underlying Shares, the Broker Warrants and the Broker Warrant Shares upon exercise of the Broker Warrants after the issuance of such receipt will not be subject to the prospectus requirements under Canadian Securities Laws, such Underlying Shares, Broker Warrants and Broker Warrant Shares will not be subject to any statutory



hold period, and no filing, proceeding, approval, consent or authorization under Canadian Securities Laws will be required to be made, taken or obtained to permit the trade of such Underlying Shares Broker Warrants and Broker Warrant Shares in the Qualifying Provinces through registrants registered under Canadian Securities Laws who have complied with such laws, provided that such sale is not a “control distribution” within the meaning of NI 45-102.

**SCHEDULE "B"**

**FORM OF BROKER SPECIAL WARRANT CERTIFICATE**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) JUNE 27, 2017, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

**SUNNIVA HOLDINGS CORP.**  
a corporation incorporated under the laws of Canada  
and having its principal office at  
1200-200 Burrard Street, Vancouver, B.C. V7X 1T2

NO. BSW-[●]

[●] **BROKER SPECIAL WARRANTS**  
*Each entitling the holder to acquire one Broker  
Warrant for each Special Broker Warrant.,  
subject to adjustment in certain circumstances.*

### **BROKER SPECIAL WARRANTS**

THIS IS TO CERTIFY THAT for value received [●] (the “**Holder**”) of [●], is the registered holder of the number of Broker Special Warrants stated above and is entitled, for each whole Broker Special Warrant represented hereby, to receive, without the payment of any additional consideration, one warrant (a “**Broker Warrant**”), subject to certain stated events and to adjustments as provided for herein, from the time of issue thereof until the Time of Expiry (as defined below), all in accordance with the terms of the Broker Special Warrant Certificate. Each Broker Warrant entitles the Holder to purchase, subject to adjustment, one Common Share in the capital of the Company (as defined below) at the exercise price of C\$6.75 per Common Share for a period of 24 months after the Closing Date, subject to the provisions and upon the terms and conditions set out in the Broker Warrant Certificate (as defined below).

**Definitions: In this Broker Special Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:**

- (a) “**Agents**” means the Lead Agent and Beacon;
- (b) “**Beacon**” means Beacon Securities Limited;
- (c) “**Broker Special Warrant**” means a warrant to acquire a Broker Warrant;
- (d) “**Broker Special Warrant Certificate**” means this certificate representing the Broker Special Warrants;
- (e) “**Broker Warrant**” means a warrant to acquire one Common Share;
- (f) “**Broker Warrant Certificate**” means the certificate evidencing the terms and conditions of the Broker Warrant, which shall be substantially in the form attached hereto as Schedule “B”;
- (g) “**Business Day**” means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia;
- (h) “**Clearance Date**” means the date which is five Business Days following the date the Company receives a Receipt for the Prospectus by the last of the securities regulatory authorities in the Designated Jurisdictions;
- (i) “**Clearance Deadline**” means October 28, 2017;

- (j) “**Closing Date**” means June 27, 2017;
- (k) “**Common Shares**” means common shares in the capital of the Company;
- (l) “**Company**” means Sunniva Holdings Corp.;
- (m) “**Current Value**” means the fair market value of the Common Shares as determined by a nationally or internationally recognized investment dealer or investment banker selected by the Company;
- (n) “**Designated Jurisdictions**” means all of the provinces and territories of Canada except Québec to the extent that Subscribers are resident in those provinces and territories;
- (o) “**Exercise Date**” means the date on which the Company has received a duly completed Subscription Notice;
- (p) “**Exercise Period**” means any time at or prior to the Time of Expiry;
- (q) “**Holder**” means the owner of the Broker Special Warrants as evidenced by this Broker Special Warrant Certificate;
- (r) “**International Jurisdiction**” means any jurisdiction other than and outside of Canada and the United States;
- (s) “**Lead Agent**” means Canaccord Genuity Corp.;
- (t) “**Offering**” means the private placement offering by the Company of up to 3,750,000 Special Warrants at a price of \$6.75 per Special Warrant;
- (u) “**Prospectus**” means the final long form prospectus qualifying the Common Shares issuable pursuant to the exercise of the Special Warrants in the Designated Jurisdictions in which Subscribers reside;
- (v) “**Receipt**” means a decision document issued in accordance with Multilateral Instrument 11-202 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* evidencing that a receipt has been issued or deemed to be issued in each of the Designated Jurisdictions;
- (w) “**SEC**” means the United States Securities and Exchange Commission;
- (x) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in the Designated Jurisdictions;
- (y) “**Securities Laws**” means, collectively, the applicable securities laws of the Designated Jurisdictions and the regulations and rules made and forms prescribed thereunder together with all applicable published policy statements, blanket orders, rulings and notices of the Securities Commissions;
- (z) “**Securities Regulators**” means, as applicable, the Securities Commissions or other securities regulatory authorities of the Designated Jurisdictions and International Jurisdictions, and the SEC, or, as the context may require, any one or more of the Designated Jurisdictions, the International Jurisdictions and the SEC;
- (aa) “**Special Warrants**” means the special warrants purchased in the Offering;

- (bb) “**Subscriber**” means the subscriber for the Special Warrants under the Offering;
- (cc) “**Subscription Notice**” means the subscription notice in the form attached to this Broker Special Warrant Certificate as Schedule A;
- (dd) “**Time of Expiry**” means 5:00 p.m. (Pacific Time) on the earlier of:
  - (i) the Clearance Date, or
  - (ii) the Clearance Deadline;
- (ee) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended;
- (ff) “**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

Capitalized terms used herein without definition have the meanings ascribed thereto in the agency agreement dated June 27, 2017 among the Company and the Agents.

## **1. Broker Special Warrants**

The Broker Special Warrants represented by this Certificate are issued as partial consideration to the Agents in connection with the issuance of up to 3,750,000 Special Warrants at an issue price of \$6.75 per Special Warrant.

## **2. General Terms of Broker Special Warrants**

2.1 Each Broker Special Warrant, upon the exercise or deemed exercise thereof in accordance with the terms hereof and prior to the Time of Expiry, entitles the holder to receive one Broker Warrant without payment of any further consideration.

2.2 No certificate evidencing fractional Broker Special Warrants shall be issued or otherwise provided for and a Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Broker Special Warrant or claim thereto.

2.3 The number of Broker Warrants which may be acquired pursuant to the exercise or deemed exercise of the Broker Special Warrants shall be adjusted in the events and in the manner specified in Section 9 herein.

2.4 No Holder shall have any further rights under this Broker Special Warrant Certificate (other than the right to receive Broker Warrants in respect of Broker Special Warrants duly exercised or deemed to be exercised prior to or at the Time of Expiry, as the case may be), after the Time of Expiry and the Broker Special Warrants shall be null and void and of no effect from and after the Time of Expiry.

## **3. Method of Voluntary Exercise of Broker Special Warrants**

3.1 During the Exercise Period, the Holder may exercise all or any number of whole Broker Special Warrants represented hereby, upon delivering to the Company at its principal office noted above this original Broker Special Warrant Certificate, together with a duly completed and executed Subscription Notice evidencing the election (which upon delivery to the Company shall be irrevocable) of the Holder to exercise the number of Broker Special Warrants set forth in the Subscription Notice (which shall not be greater than the number of Broker Special Warrants represented by this Broker Special Warrant Certificate as adjusted from time to time pursuant to Section 9 of this Broker Special Warrant Certificate). If the Holder is not exercising all Broker Special Warrants represented by this Broker Special Warrant Certificate, the Holder shall be entitled to receive, without charge, a new Broker Special Warrant Certificate representing the number of Broker Special Warrants which is the difference between the number of Broker Special Warrants represented by the then original Broker Special Warrant Certificate and the number of Broker Special Warrants being so exercised.

3.2 The Subscription Notice shall be executed by the Holder or the Holder's executors, administrators or other legal representatives of the Holders or their attorney duly appointed by an instrument in writing in form and manner satisfactory to the Company, acting reasonably and shall specify: (i) the number of Broker Warrants which the Holder wishes to acquire (being not more than that number which the Holder is entitled to acquire pursuant to the Broker Special Warrant Certificate(s) so surrendered) (ii) the Holders full name that such Broker Warrants are to be issued, and (iii) the address of the Holder.

3.3 The Holder shall be deemed to have become the holder of record of Broker Warrants on the Exercise Date; provided, however, that if such date is not a Business Day then the Broker Warrants shall be deemed to have been issued and the Holder shall be deemed to have become the holder of record of the Broker Warrants on the next following Business Day. Within five (5) Business Days of the Exercise Date, the Company shall issue and deliver (or cause to be delivered) to the Holder, by registered mail or pre-paid courier to his, her or its address specified in the register of the Company or on the Subscription Notice, one or more Broker Warrant Certificates for the appropriate number of issued and outstanding Broker Warrants.

3.4 The Holder acknowledges that any Broker Warrants issued upon exercise of the Broker Special Warrants at any time prior to the date on which a Receipt for the Prospectus is issued will be subject to hold periods under applicable Canadian securities laws and the certificates representing such Broker Warrants will bear the legend specified in Section 5.1.

#### **4. Deemed Exercise of Broker Special Warrants**

4.1 In the event and to the extent that a Holder has not exercised all of its Broker Special Warrants in accordance with Section 3, any such unexercised Broker Special Warrants will be deemed to be exercised and surrendered by such Holder without further action on the Holder's part into Broker Warrants immediately prior to the Time of Expiry.

4.2 In the case of Broker Special Warrants which are deemed to be exercised on behalf of the Holders pursuant to Section 4.1, within five (5) Business Days after the Time of Expiry the Company shall cause to be mailed to the address of the Holder of the Broker Special Warrants so exercised last appearing on the register of Holders maintained by the Company, certificates representing the Broker Warrants to be issued pursuant to any such exercise of Broker Special Warrants, registered in the name of such Holder along with a notice of the deemed exercise.

#### **5. Legends on Certificates**

5.1 The certificates representing the Broker Special Warrants (and the Broker Warrants, if issued before the Time of Expiry if such issuance precedes the receipt by the Company of the Receipt for the Prospectus by Securities Regulators in the Designated Jurisdictions) and all certificates issued in exchange therefor or in substitution thereof prior to the Time of Expiry, if such exchange or substitution precedes the receipt by the Company of the Receipt for the Prospectus shall bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (i) JUNE 27, 2017, AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.”

#### **6. United States Holders of Broker Special Warrants**

6.1 The Broker Special Warrants represented by this Broker Special Warrant Certificate may not be exercised in the United States or by or on behalf of a U.S. Person nor will the Broker Warrants issuable upon exercise of these Broker Special Warrants be registered or delivered to an address in the United States, unless the Broker Warrants issuable upon exercise of these Broker Special Warrants have been registered in accordance with the U.S. Securities Act and the securities laws of any applicable U.S. state or an exemption from the registration requirements of the U.S. Securities Act and the securities laws of any applicable U.S. state is available. The Broker Warrants issuable upon conversion of these Broker Special Warrants will be exempt from the registration requirements of the U.S.

Securities Act under Section 3(a)(9) thereof, provided that no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange. As used herein, the terms "United States" and "U.S. Person" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

#### **7. Cancellation of Broker Special Warrants**

All Broker Special Warrant Certificates surrendered to the Company pursuant hereto (including those deemed exercised and surrendered under Section 4) shall be cancelled and, after the expiry of any period of retention prescribed by law, destroyed by the Company.

#### **8. Representations, Warranties and Covenants**

The Company represents and warrants that it is duly authorized and has the corporate and lawful power and authority to create and issue the Broker Special Warrants and to perform its obligations hereunder and that this Broker Special Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms, and the Company further covenants and agrees that, until the Time of Expiry, while any of the Broker Special Warrants represented by this Broker Special Warrant Certificate shall be outstanding;

- (a) it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of exercise of the Broker Warrants and Special Broker Warrants herein provided, as such right of exercise may be adjusted pursuant to Section 9 of this Broker Special Warrant Certificate;
- (b) the Company will cause the Broker Warrants and the certificates representing those Broker Warrants to be duly issued and delivered in accordance with the Broker Special Warrants and the terms of this Broker Special Warrant Certificate;
- (c) all Broker Warrants which shall be issued upon the exercise herein provided for, shall be issued as fully paid and non-assessable securities and the holders thereof shall not be liable to the Company or its creditors in respect thereof; and
- (d) the Company shall make all requisite filings under the *Securities Act* (British Columbia) and the regulations made thereunder and all applicable Securities Laws including those necessary to remain a reporting issuer not in default of any requirement of such applicable Securities Laws;
- (e) the Company shall use all reasonable efforts to preserve and maintain its corporate existence.

#### **9. Adjustment of Number of Broker Warrants Issuable Upon Exercise or Deemed Exercise**

The number of Broker Warrants issuable on exercise of a Broker Special Warrant shall be subject to adjustment from time to time as follows:

- (a) if and whenever at any time from the date hereof and prior to the Time of Expiry, the Company shall:
  - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares; or
  - (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares;

(a "Share Reorganization") the number of Broker Warrants issuable on exercise or deemed exercise of each Broker Special Warrant then outstanding shall be adjusted immediately after the record date at which the holders of Common Shares are determined for the purpose by multiplying the number of Common Shares theretofore obtainable on the exercise or deemed exercise thereof

immediately prior to the record date by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately after such record date and the denominator shall be the total number of Common Shares outstanding immediately prior to such record date;

- (b) if and whenever at any time from the date hereof and prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of the Company other than a Share Reorganization as described in Section 9(a) above or a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity (other than to one or more of the Company's wholly owned subsidiaries or to one or more entities that will be a wholly owned subsidiary after the completion of such transaction) (a "**Capital Reorganization**"), any Holder who has not exercised its Broker Special Warrants prior to the effective date of such Capital Reorganization event, upon the exercise or deemed exercise of the Broker Special Warrants thereafter, shall be entitled to receive and shall accept, in lieu of the number of Broker Warrants such Holder would otherwise be entitled to acquire, the number of shares or other securities or other property of the Company or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such Capital Reorganization, if, on the record date or the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Broker Warrants to be acquired by it if all Broker Special Warrants then held by such Holder had been exercised or deemed to be exercised immediately prior to such record date or effective date. If determined appropriate by the Company to give effect to or to evidence the provisions of this Section 9(b), the Company, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, merger, sale or conveyance, enter into an indenture which shall provide, to the fullest extent possible, for the application of the provisions set forth in this Broker Special Warrant Certificate with respect to the rights and interests thereafter of the Holders to the end that the provisions set forth in this Broker Special Warrant Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or other property to which a Holder is entitled on the exercise or deemed exercise of its acquisition rights thereafter;
- (c) if and whenever at any time from the date hereof and prior to the Time of Expiry, the Company fixes a record date for the distribution to all or substantially all of the holders of Common Shares of rights, options or warrants entitling them for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the Current Value for the Common Shares on such record date (any of such events being called a "**Rights Offering**"), then the number of Broker Warrants issuable on exercise or deemed exercise of each Broker Special Warrant shall be adjusted effective immediately after such record date for the Rights Offering by multiplying the number of Broker Warrants theretofore obtainable on the exercise or deemed exercise thereof immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable); and
  - (ii) the denominator of which shall be the aggregate of:
    - (A) the total number of Common Shares outstanding on such record date; and
    - (B) the quotient obtained by dividing:



- (1) the amount equal to the aggregate consideration payable on the exercise of all of the rights, warrants and options under the Rights Offering plus the aggregate consideration, if any, payable on the exchange or conversion of the exchangeable or convertible securities issued upon exercise of such rights, warrants or options (assuming the exercise of all rights, warrants and options under the Rights Offering and assuming the exchange or conversion of all exchangeable or convertible securities issued upon exercise of such rights, warrants and options);

by

- (2) the Current Value of the Common Shares as of the record date for the Rights Offering.

Any Common Shares owned by or held for the account of the Company or any of its subsidiaries or a partnership in which the Company is directly or indirectly a party will be deemed not to be outstanding for the purpose of any such computation. If, at the date of expiry of the rights, options or warrants subject to the Rights Offering, less than all the rights, options or warrants have been exercised, then the number of Broker Warrants issuable on exercise or deemed exercise of each Broker Special Warrant shall be readjusted effective immediately after the date of expiry based upon the number of Common Shares actually delivered upon the exercise of the rights, options or warrants, as the case may be. If at the date of expiry of the rights of exchange or conversion of any securities issued pursuant to the Rights Offering, less than all of such securities have been exchanged or converted into Common Shares, then the number of Broker Warrants issuable on exercise or deemed exercise of each Broker Special Warrant shall be readjusted effective immediately after the date of expiry based upon the number of exchangeable or convertible securities actually delivered upon exercise of the rights, options or warrants, as the case may be.

- (d) If and whenever from the date hereof and prior to the Time of Expiry, the Company shall issue or distribute to all or to substantially all the holders of Common Shares:
  - (i) securities of the Company including shares, rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into or exchangeable into any such shares or cash, property or assets and including evidences of its indebtedness, or
  - (ii) any cash, property or other assets,

and if such issuance or distribution does not constitute dividends paid in the ordinary course, a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a “**Special Distribution**”), the number of Broker Warrants to be issued by the Company under the Broker Special Warrants shall, at the time of exercise or deemed exercise, be appropriately adjusted and the Holder shall receive, in lieu of the number of Broker Warrants in respect of which the right is then being exercised, the aggregate number of Broker Warrants or other securities or property that the Holder would have been entitled to receive as a result of such event if, on the record date therefore, the Holder had been the registered holder of the number of Broker Warrants to which the Holder was theretofore entitled upon the exercise or deemed exercise of the Broker Special Warrants.

## 10. Rules Regarding Calculation of Adjustments

The following rules and procedures shall be applicable to the adjustments made pursuant to Section 9:

10.1 The adjustments provided for in Section 9 are cumulative, and shall, in the case of adjustments to the number of Broker Warrants be computed to the nearest one one-hundredth of a Broker Warrant and shall be made

successively whenever an event referred to therein shall occur, subject to the following paragraphs of this Section 10.

10.2 No adjustment shall be made in the number of Broker Warrants purchasable upon exercise or deemed exercise of this Broker Special Warrant unless it would result in a change of at least one one-hundredth of a Broker Warrant; provided, however, that any adjustments which, except for the provisions of this Section 10.2 would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

10.3 No adjustment in the number of Broker Warrants purchasable upon exercise or deemed exercise of the Broker Special Warrants shall be made in respect of any event described in Section 9, other than the events referred to in Section 9(b), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if it had exercised its Broker Special Warrants prior to or on the effective date or record date of such event.

10.4 No adjustment in the number of Broker Warrants shall be made pursuant to Section 9 in respect of the issue from time to time:

- (i) of Broker Warrants purchasable on exercise or deemed exercise of the Broker Special Warrants represented by this Broker Special Warrant Certificate;
- (ii) in respect of the issue from time to time as dividends paid in the ordinary course of Common Shares to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend pursuant to a dividend reinvestment plan or similar plan adopted by the Company;
- (iii) of Common Shares pursuant to any stock option plan, stock purchase plan or benefit plan in force at the date hereof for directors, officers, employees, advisers or consultants of the Company, as such option or plan is amended or superseded from time to time in accordance with applicable securities laws, and such other stock option plan, stock purchase plan or benefit plan as may be adopted by the Company in accordance with applicable securities laws;
- (iv) the payment of interest on any outstanding notes;
- (v) the issuance of securities in connection with strategic license agreements and other partnering arrangements; or
- (vi) full or partial consideration in connection with a strategic merger, consolidation or purchase of substantially all of the securities or assets of a Company or other entity;

and any such issue shall be deemed not to be a Share Reorganization or Capital Reorganization.

10.5 If the Company shall set a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the number of Broker Warrants purchasable upon exercise or deemed exercise of any Broker Special Warrant shall be required by reason of the setting of such record date.

10.6 As a condition precedent to the taking of any action which would require any adjustment in any of the subscription rights pursuant to this Broker Special Warrant Certificate, including the number or class of shares or other securities which are to be received upon the exercise thereof, the Company shall take any corporate action which may be necessary in order that the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the holder of such

Broker Special Warrant Certificate is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

10.7 In the absence of a resolution of the board of directors of the Company fixing a record date for any dividend or distribution referred to in Section 9(d) or any Rights Offering or Special Distribution, the Company shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected.

10.8 Any question or dispute that at any time or from time to time arises with respect to the amount of any adjustment pursuant to Section 9 shall be conclusively determined by a firm of independent chartered accountants (who may be the Company's auditors) selected by the Company and shall be binding upon the Company and the Holder.

On the happening of each and every such event set out in Section 9, the applicable provisions of this Broker Special Warrant Certificate, shall, *ipso facto*, be deemed to be amended accordingly and the Company shall take all necessary action so as to comply with such provisions as so amended.

#### **11. Postponement of Subscription**

In any case in which Section 9 shall require that an adjustment shall be effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such an event:

- (a) issuing to the holder of any Broker Special Warrant exercised or deemed to be exercised after such record date and before the occurrence of such event, the additional Broker Warrants issuable upon such exercise or deemed exercise by reason of the adjustment required by such event, and
- (b) delivering to such holder any distributions declared with respect to such additional Broker Warrants such Exercise Date and before such event;

provided, however, that the Company shall deliver or cause to be delivered to such Holder, an appropriate instrument evidencing such Holder's right, upon the occurrence of the event requiring the adjustment, to an adjustment in the number of Broker Warrants purchasable on the exercise or deemed exercise of any Broker Special Warrant and to such distributions declared with respect to any additional Broker Warrants issuable on the exercise or deemed exercise of any Broker Special Warrant.

#### **12. Notice of Adjustment**

At least 10 Business Days prior to the effective date or record date, as the case may be, of any event which requires or might require adjustment in any of the subscription rights pursuant to this Broker Special Warrant Certificate, including the number of Broker Warrants which are purchasable upon the exercise thereof, or such longer period of notice as the Company shall be required to provide holders of Common Shares in respect of any such event, the Company shall notify the Holder of the particulars of such event and, if determinable, the required adjustment and the computation of such adjustment. In case any adjustment for which such notice has been given is not then determinable, the Company shall promptly after such adjustment is determinable notify the Holder of the adjustment and the computation of such adjustment. Failure or delay in giving said notice shall not invalidate any action or event giving rise to an adjustment hereunder.

#### **13. Entitlement to Securities on Exercise or Deemed Exercise of Broker Special Warrant**

All shares of any class or other securities which a Holder is at the time in question entitled to receive on the exercise or deemed exercise of its Broker Special Warrant, whether or not as a result of adjustments made pursuant to this Section 9, shall, for the purposes of the interpretation of this Broker Special Warrant Certificate, be deemed to be securities which such Holder is entitled to acquire pursuant to such Broker Special Warrant.

#### **14. Register of Holders**

The Company shall maintain at its principal office a register of Holders in which shall be entered the names and addresses of the Holders of the Broker Special Warrants and of the number of Broker Special Warrants held by them. Such register shall be open at all reasonable times for inspection by the Holder. The Company shall notify the Holder forthwith of any change of address of the principal office of the Company.

**15. No Fractional Broker Warrants**

The Company shall not be required to issue fractional Broker Warrants in satisfaction of its obligations hereunder. Any fractional interest in a Broker Warrant shall be rounded down to the nearest whole number without any further payment or consideration therefor.

**16. Enforcement By Holder**

Subject as herein provided, all or any of the rights conferred upon the Holder by the terms hereof may be enforced by the Holder by appropriate legal proceedings.

**17. Exchange of Certificates**

The registered Holder of this Broker Special Warrant Certificate may at any time up to and including the Time of Expiry, upon the surrender hereof to the Company at its principal office, exchange this Broker Special Warrant Certificate for one or more Broker Special Warrant Certificates entitling the Holder to subscribe in the aggregate for the same number of Broker Warrants as is expressed in this Broker Special Warrant Certificate. Any Broker Special Warrant Certificate tendered for exchange shall be surrendered to the Company and cancelled.

**18. Lost or Stolen Certificates**

If this Broker Special Warrant Certificate becomes stolen, lost, mutilated or destroyed, the Company shall, on such terms as it may in its discretion acting reasonably impose, issue and deliver to the Holder a new Broker Special Warrant Certificate of like denomination, tenor and date as the Broker Special Warrant Certificate so stolen, lost, mutilated or destroyed.

**19. Special Warrants to Rank *Pari Passu***

All Broker Special Warrants will rank *pari passu*, whatever may be the actual dates of issue of the Broker Special Warrant Certificates by which they are evidenced.

**20. Transferability**

This Broker Special Warrant Certificate and the Broker Special Warrants represented hereby are not transferable and no transfer of Broker Special Warrants shall be valid.

**21. Not A Shareholder**

Except as expressly set out herein, the holding of this Broker Special Warrant Certificate or the Broker Special Warrants represented hereby shall not constitute a Holder hereof a holder of Common Shares nor entitle it to any right of interest in respect thereof.

**22. Severability**

If any one or more of the provisions or parts thereof contained in this Broker Special Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Broker Special Warrant Certificate in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Broker Special Warrant Certificate in any other jurisdiction.

**23. Notice**

Any notice, document or communication required or permitted by this Broker Special Warrant Certificate to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid registered mail, email or if transmitted by any form of recorded telecommunication rested prior to transmission, to such party addressed as follows:

- (a) to the Holder, in the register to be maintained pursuant to Section 14 hereof; and
- (b) to the Company at:

**Sunniva Holdings Corp.**  
1200-200 Burrard Street,  
Vancouver, British Columbia V7X 1T2

Attention: Warren Learmonth  
Telecopier: 604.662.5866  
Email: wlearmonth@blg.com

**24. Time of the Essence**

Time is of the essence hereof.

**25. Enurement**

This Broker Special Warrant Certificate shall enure to the benefit of the Holder and his heirs, executors, administrators, legal personal representatives, permitted assigns and successors is binding upon the Company and its successors and assigns.

**26. Governing Law**

This Broker Special Warrant Certificate and the Broker Special Warrants represented hereby shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Company has caused this certificate to be executed by a duly authorized officer.

**SUNNIVA HOLDINGS CORP.**

By: \_\_\_\_\_  
Authorized Signatory

**Schedule A**

**SUBSCRIPTION NOTICE**

TO: SUNNIVA HOLDINGS CORP. (the "Company")  
1200-200 Burrard Street.  
Vancouver, British Columbia V7X 1T2  
H4S 1X9

The undersigned registered Holder of the attached Broker Special Warrant Certificate, hereby:

- (a) subscribes for \_\_\_\_\_ warrants to acquire common shares of the Company ("Broker Warrants"); and
- (b) delivers herewith the above-mentioned Broker Special Warrant Certificate entitling the undersigned to subscribe for the above-mentioned number of Broker Warrants.

The undersigned hereby directs that the said Broker Warrants be registered as follows:

Name(s) in full	Address(es) (including Postal Code)	Number of Broker Warrants
-----------------	--	------------------------------

Total: \_\_\_\_\_

*(Please print full name in which share certificates are to be issued.)*

- (c) certifies either (i) that the undersigned is not a U.S. Person or a person in the United States, and is not acquiring any of the Broker Warrants hereby subscribed for the account or benefit of a U.S. Person or a person in the United States, and none of the persons listed in paragraph (b) above is a U.S. Person or a person in the United States, or (ii) as of the date hereof there is an effective registration statement filed with the United States Securities and Exchange Commission and all applicable states covering the issuance of the Broker Warrants, or an exemption from such registration is available. For purposes hereof the terms "United States" and "U.S. Person" and "Qualified Institutional Buyer" shall have the meanings ascribed to them in Regulation S under the U.S. Securities Act of 1933, as amended.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Signature of Subscriber)

\_\_\_\_\_  
(Print Name of Subscriber)

\_\_\_\_\_  
(Address of Subscriber in full)

***The certificates will be mailed by registered mail to the address appearing in this Subscription Notice.***

Schedule B

FORM OF BROKER WARRANT CERTIFICATE

BROKER WARRANT CERTIFICATE

Void after 4:00 p.m. (Vancouver time) on the Expiry Date.

SUNNIVA HOLDINGS CORP.

Broker Warrant to Subscribe for Shares

Certificate No.: •

[•], 2017

1. THIS IS TO CERTIFY THAT, for value received, [name of Agent] (the “Holder”) is entitled (the “Broker Warrant”) to subscribe for and purchase, subject to the terms hereof, up to • fully paid and non-assessable common shares (each a “Share”), as constituted on the date hereof, of Sunniva Holdings Corp. (the “Company”) at an exercise price of C\$6.75 per Share in lawful money of Canada (the “Exercise Price”) at any time up to 4:00 p.m. Vancouver time (the “Time of Expiry”) on June [•], 2019 (the “Expiry Date”), all subject to adjustment as hereinafter provided, by surrendering this certificate with the subscription form duly completed and executed together with payment of the Exercise Price therefor to the executive office of the Company.
2. The Holder may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this certificate prior to the Time of Expiry, the Company will issue a new certificate to the Holder in the same form as this certificate representing the balance of the Broker Warrants remaining unexercised.
3. Within three business days of receipt of this certificate with the subscription form attached as Schedule “A” hereto duly completed and executed (and including any additional documents contemplated thereby) together with payment for such subscribed Shares by certified cheque, bank draft, money order or wire transfer received by the Company in lawful money of Canada payable to or to the order of the Company, the Company will deliver or cause to be delivered to the Holder a certificate representing the Shares subscribed for and purchased by the Holder hereunder, and a replacement certificate representing the balance of the Broker Warrants remaining unexercised, if any.
4. Nothing contained in this certificate will be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Company or any other right or interest except as herein expressly provided.
5. From and after the date hereof, the Exercise Price and the number of Shares purchasable upon the exercise of this Broker Warrant will be subject to adjustment in the events and in the following manner:
  - (a) In case of any reclassification of the Shares or change of the Shares into other shares, or in case of the consolidation, merger, reorganization or amalgamation of the Company with or into any other corporation or entity which results in any reclassification of the Shares or a change of the Shares into other shares, or in case of any transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a “Reclassification of Shares”), at any time prior to the Time of Expiry, the options to purchase Shares held by the Holder which have not been exercised prior to the effective date of such Reclassification of Shares will, after the effective date of such Reclassification of Shares and upon the due exercise of the right to purchase Shares hereunder, will entitle the Holder to receive, and the Holder will accept, in lieu of the number of Shares to which the Holder was theretofore



entitled upon such exercise, the kind and amount of securities or other property which the Holder would have been entitled to receive as a result of such Reclassification of Shares if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled upon such exercise. If necessary, appropriate adjustments will be made in the application of the provisions set forth in this Section 5 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 5 will thereafter correspondingly be made applicable as nearly as may be reasonable in relation to any securities or other property thereafter deliverable upon the exercise of this Broker Warrant.

- (b) If and whenever at any time prior to the Time of Expiry the Company:
- (i) subdivides the Shares into a greater number of shares;
  - (ii) consolidates the Shares into a lesser number of shares; or
  - (iii) issues Shares, Participating Shares (as hereinafter defined) or Convertible Securities (as hereinafter defined) to all or substantially all of the holders of Shares by way of a stock dividend or other distribution on the Shares payable in Shares, Participating Shares or Convertible Securities;

(any such event being hereinafter referred to as a “**Capital Reorganization**”), and any such event results in an adjustment in the Exercise Price pursuant to paragraph 5(c) below, the number of Shares purchasable pursuant to this Broker Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares, theretofore purchasable on the exercise thereof by a fraction the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

- (c) If and whenever at any time prior to the Time of Expiry, the Company shall engage in a Capital Reorganization, the Exercise Price will, on the effective date, in the case of a subdivision or consolidation, or on the record date, in the case of a stock dividend or other distribution, be adjusted by multiplying the Exercise Price in effect on such effective date or record date by a fraction: (A) the numerator of which will be the number of Shares and Participating Shares, if applicable, outstanding before giving effect to such Capital Reorganization; and (B) the denominator of which will be the number of Shares and Participating Shares, if applicable, outstanding after giving effect to such Capital Reorganization (including after giving effect to the deemed conversion into or exchange for Shares or Participating Shares of any Convertible Securities distributed by way of stock dividend or other such distribution). Such adjustment will be made successively whenever any event referred to in this paragraph will occur.
- (d) To the extent that any adjustment to the Exercise Price or the number of Shares which the Holder is entitled to purchase occurs pursuant to paragraphs 5(b) and 5(c) as a result of the Company fixing a record date for the distribution of Convertible Securities and to the extent that any such Convertible Securities are not exchanged or converted prior to any applicable expiration of such exchange or conversion right, the Exercise Price and the number of Shares, respectively, which the Holder is entitled to purchase shall be readjusted, immediately after the expiration of such exchange or conversion right, to the Exercise Price and the number of Shares, respectively, which the Holder is entitled to purchase which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration.
- (e) If and whenever at any time prior to the Time of Expiry, the Company will fix a record date for the issuance of rights, options or warrants to all or substantially all of the holders of Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares, Participating Shares or Convertible Securities at a price per share (or having a conversion or exchange price per share) of less than 95% of the Current Value (as hereinafter defined) of the Shares on the earlier of the date of the first public announcement of the proposed

issuance of such rights, options or warrants and such record date (any such event being hereinafter referred to as a “**Rights Offering**”), the Exercise Price will be adjusted immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which will be the aggregate of: (A) the number of Shares outstanding on such record date; and (B) a number determined by dividing whichever of the following is applicable by the Current Value of the Shares on the record date: (1) the amount obtained by multiplying the number of Shares or Participating Shares which the holders of Shares are entitled to subscribe for or purchase by the subscription or purchase price; or (2) the amount obtained by multiplying the maximum number of Shares or Participating Shares which the holders of Shares are entitled to receive on the conversion or exchange of the Convertible Securities by the conversion or exchange price per share; and
- (ii) the denominator of which will be the aggregate of: (A) the number of Shares outstanding on such record date; and (B) whichever of the following is applicable: (1) the number of Shares or Participating Shares which the holders of Shares are entitled to subscribe for or purchase; or (2) the maximum number of Shares or Participating Shares which the holders of Shares are entitled to receive on the conversion or exchange of the Convertible Securities.

2. and if any such event results in an adjustment in the Exercise Price, the number of Shares purchasable pursuant to this Broker Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares theretofore purchasable on the exercise thereof by a fraction the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the subscription or conversion price, as applicable.

1. Any Shares owned by or held for the account of the Company will be deemed not to be outstanding for the purpose of such computation. Such adjustment will be made successively whenever such a record date is fixed.

2. To the extent that such Rights Offering is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price and the number of Shares purchasable pursuant to this Broker Warrant will then be readjusted to the Exercise Price and number of Shares purchasable which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued.

(f) If and whenever at any time prior to the Time of Expiry, the Company will fix a record date for the distribution to all or substantially all the holders of Shares of:

- (i) shares of any class, whether of the Company or any other corporation;
- (ii) rights, options or warrants;
- (iii) evidences of indebtedness; or
- (iv) other assets or property;

3. and if such distribution does not constitute a Dividend Paid in the Ordinary Course (as hereinafter defined), Capital Reorganization or a Rights Offering or does not consist of rights, options or warrants entitling the holders of Shares to subscribe for or purchase Shares, Participating Shares or Convertible Securities for a period expiring not more than 45 days after such record date and at a price per share (or having a conversion or exchange price per share) of at

least 95% of the Current Value of the Shares on the earlier of the date of the first public announcement of such distribution and such record date (any such non-excluded event being hereinafter referred to as a “**Special Distribution**”) the Exercise Price will be adjusted immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction: (A) the numerator of which will be the amount by which (1) the amount obtained by multiplying the number of Shares outstanding on such record date by the Current Value of the Shares on such record date, exceeds (2) the fair market value (as determined by the directors of the Company, which determination will be conclusive, subject to Canadian Stock Exchange (“**CSE**”) acceptance) to the holders of such Shares of such Special Distribution; and (B) the denominator of which will be the total number of Shares outstanding on such record date multiplied by such Current Value, and if any such event results in an adjustment in the Exercise Price, the number of Shares purchasable pursuant to this Broker Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares theretofore purchasable on the exercise thereof by a fraction the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

Any Shares owned by or held for the account of the Company will be deemed not to be outstanding for the purpose of any such computation. Such adjustment will be made successively whenever such a record date is fixed.

To the extent that such Special Distribution is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price and the number of Shares purchasable pursuant to this Broker Warrant shall then be readjusted to the Exercise Price and number of Shares which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued.

- (g) For the purpose of this Section 5: (i) “**Participating Share**” means a share (other than a Share) that carries the right to participate in earnings to an unlimited degree; and (ii) “**Convertible Security**” means a security convertible into or exchangeable for a Share or Participating Share or both.
- (h) For the purpose of this Section 5, “**Dividend Paid in the Ordinary Course**” means, during the time any options to purchase Shares hereunder remain outstanding and may be exercised, a dividend paid on the Shares in any fiscal year of the Company in cash, provided that the aggregate amount of such dividends does not in such fiscal year exceed 5% of the Exercise Price, and for such purpose the amount of any dividend paid in shares shall be the aggregate stated capital of such shares, and the amount of any dividend paid in other than cash or shares shall be the fair market value of such dividend as determined by a resolution passed by the board of directors of the Company, subject, if applicable, to the prior consent of any stock exchange or any other over-the-counter market on which the Shares are traded.
- (i) In any case in which this Section 5 will require that an adjustment will become effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing to the Holder, upon the exercise this Broker Warrant after such record date and before the occurrence of such event, the Shares issuable upon such exercise by reason of the adjustment required by such event; provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder’s right to receive such Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on the Shares comprising such Shares on and after such exercise.
- (j) The adjustments provided for in this Section 5 are cumulative and shall, in the case of adjustments to the Exercise Price be computed to the nearest one tenth of one cent and shall be made successively whenever an event referred to therein shall occur, subject to the following subsections of this Section 5. No adjustment of the Exercise Price shall be required unless such adjustment would result in a change of at least 5% in the prevailing Exercise Price and no

adjustment shall be made in the number of Shares purchasable upon exercise of a Broker Warrant unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments which, except for the provisions of this paragraph 5(j) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

- (k) No adjustment in the number of Shares which may be purchased upon exercise of this Broker Warrant or in the Exercise Price will be made pursuant to this certificate if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Broker Warrant for Shares prior to the effective date or record date of such event.
  - (l) In the event of any question arising with respect to the adjustments provided in this Section 5, such question will conclusively be determined by a firm of chartered accountants appointed by the Company and acceptable to the Holder (who may be the Company's auditors). Such accountants will have access to all necessary records of the Company and such determination will be binding upon the Company and the Holder.
  - (m) As a condition precedent to the taking of any action which would require an adjustment in the subscription rights pursuant to this Broker Warrant, including the Exercise Price and the number(s) and class(es) of securities or other property which are to be received upon the exercise thereof, the Company will take the any corporate action which may, in the opinion of counsel, be necessary in order that the Company has unissued and reserved and there will remain unissued out of its authorized capital a sufficient number of Shares for issuance upon exercise of this Broker Warrant, and that the Company may validly and legally issue as fully paid and non-assessable all the shares of such classes or other securities or may validly and legally distribute the property which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.
  - (n) At least 14 days prior to the effective date or record date, as the case may be, of any event which requires an adjustment in the subscription rights pursuant to this certificate, including the Exercise Price and the number(s) and class(es) of securities or other property which are to be received upon the exercise thereof, the Company will give notice to the Holder of the particulars of such event and the required adjustment.
6. The Company will not be required to issue fractional Shares upon the exercise of this certificate and no cash or other consideration will be paid in lieu of fractional Shares. If any fractional interest in a Share would, except for the provisions of this Section 6, be deliverable upon the exercise of this certificate, such exercise will be deemed to be for the next smallest whole number of Shares.
7. For the purpose hereof, the "**Current Market Price**" per Share as at any date means the price per share (denominated in Canadian dollars based, if necessary, on the noon rate of exchange as reported by the Bank of Canada) equal to the volume weighted average price at which the Shares have traded:
- (a) on the CSE, or
  - (b) if the Shares are not traded on the CSE, on any other recognized stock exchange or over-the-counter market, or
  - (c) if the Shares are not traded on such recognized exchange or market, on the over-the-counter market during the 20 consecutive trading days (on each of which at least 500 Shares are traded in board lots) ending on the fifth trading day immediately prior to such date as reported by such market or exchange in which the Shares are then trading or quoted.

The volume weighted average price per Share shall be determined by dividing the aggregate sale price of all such shares sold on the CSE, the aforementioned over-the-counter market, recognized exchange or market, as the case may be, during the aforementioned 20 consecutive trading days by the total number of

such Shares so sold. If the Shares are not then traded on the CSE, in the over-the-counter market or on a recognized exchange or market, the Current Market Price of the Shares shall be the fair market value of the Shares as determined in good faith by the board of directors of the Company after consultation with a nationally or internationally recognized investment dealer or investment banker.

8. Any notice to be provided to the Holder hereof will be given to the Holder at the address set forth in the register of Broker Warrant holders maintained by the Company and, until otherwise notified in writing by the Holder, will be as provided by the Holder at the time of issuance hereof.
9. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this certificate, and if requested by the Company, upon delivery of a bond of indemnity satisfactory to the Company (or, in the case of mutilation, upon surrender of this certificate) the Company will issue to the Holder a replacement certificate (containing the same terms and conditions as this certificate).
10. This Broker Warrant is non-assignable and non-transferrable.
11. This certificate will be governed and construed in accordance with the laws of the Province of British Columbia.
12. Time will be of the essence hereof.
13. This Broker Warrant and the securities deliverable upon exercise thereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. This Broker Warrant may not be exercised in the United States or by or on behalf of, or for the account or benefit of a person in the United States or U.S. person unless this Broker Warrant and the securities issuable upon exercise of this Broker Warrant have been registered under the U.S. Securities Act and the applicable securities legislation of any such state or an exemption from such registration requirements is available. By taking receipt of this Broker Warrant, the Holder shall be deemed to represent and warrant to the Company that: (i) it is not, and is not acquiring the Broker Warrant on behalf of (as agent or otherwise), or for the account or benefit of, a person in the United States or a U.S. person; (ii) was not offered or sold the Broker Warrant in the United States; (iii) did not, nor did its authorized signatory, receive the Broker Warrant inside the United States; and (iv) it has not acquired the Broker Warrant as a result of any directed selling efforts (as such term is used in Regulation S) or any general solicitation or general advertising, as such terms are defined in Regulation D under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising. "United States" and "U.S. person" are as defined by Regulation S under the U.S. Securities Act.
14. This certificate is not valid for any purpose until it has been signed by the Company.

IN WITNESS WHEREOF the Company has caused this certificate to be executed by a duly authorized officer.

**SUNNIVA HOLDINGS CORP.**

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX I**  
**TO SCHEDULE "B"**  
**SUBSCRIPTION FORM**

TO: SUNNIVA HOLDINGS CORP.

The undersigned Holder of the within Broker Warrant certificate hereby irrevocably subscribes for the number of Shares at the Exercise Price referred to in such certificate and encloses herewith a certified cheque, bank draft or money order payable to the order of Sunniva Holdings Corp. in full payment of the subscription price of the Shares hereby subscribed for.

The undersigned represents and warrants that it: **[check one only]**

- A. is not in the United States or a U.S. person and is not exercising the Broker Warrant for the account or benefit of a U.S. person or a person in the United States, and did not execute or deliver this subscription form in the United States (for purposes hereof "United States" and "U.S. person" shall have the meanings given to such terms in Regulation S under the U.S. Securities Act); or
- B. is delivering a written opinion of U.S. counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that the Broker Warrant and the Shares to be delivered upon exercise hereof have been registered under the U.S. Securities Act and all applicable state securities laws or are exempt from registration thereunder.

The undersigned Holder understands that the certificates representing the Shares issued upon exercise of this Broker Warrant will not be registered or delivered to an address in the United States unless Box B above is checked and the requirements in connection therewith have been satisfied.

The undersigned Holder further understands that unless Box A above is checked, the certificates representing the Shares issued upon exercise of this Broker Warrant will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT, OR (C) IN ACCORDANCE RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR ANOTHER AVAILABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA".

provided, that if the corporation is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of sale, a new certificate, bearing no legend, may be obtained from the corporation's transfer agent upon delivery of this certificate and a duly executed declaration, in a form satisfactory to the transfer agent and the corporation, to the effect that the sale of the securities represented hereby is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act. The corporation's transfer agent may also require an opinion of counsel in connection with any offer, sale or transfer of the securities by the holder hereof.

The undersigned hereby directs that the said Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES
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(Please print. If securities are issued to a person other than the Holder, the Holder must pay all exigible taxes and the signature of the Holder must be guaranteed.)

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print full name

\_\_\_\_\_  
Address in full  
\_\_\_\_\_

SCHEDULE "C"

FORM OF BROKER WARRANT CERTIFICATE

BROKER WARRANT CERTIFICATE

Void after 4:00 p.m. (Vancouver time) on the Expiry Date.

SUNNIVA HOLDINGS CORP.

Broker Warrant to Subscribe for Shares

Certificate No.: •

[•], 2017

1. THIS IS TO CERTIFY THAT, for value received, [name of Agent] (the "Holder") is entitled (the "Broker Warrant") to subscribe for and purchase, subject to the terms hereof, up to • fully paid and non-assessable common shares (each a "Share"), as constituted on the date hereof, of Sunniva Holdings Corp. (the "Company") at an exercise price of C\$◆ per Share in lawful money of Canada (the "Exercise Price") at any time up to 4:00 p.m. Vancouver time (the "Time of Expiry") on [•], 201 ◆ (the "Expiry Date"), all subject to adjustment as hereinafter provided, by surrendering this certificate with the subscription form duly completed and executed together with payment of the Exercise Price therefor to the executive office of the Company.
2. The Holder may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this certificate prior to the Time of Expiry, the Company will issue a new certificate to the Holder in the same form as this certificate representing the balance of the Broker Warrants remaining unexercised.
3. Within three business days of receipt of this certificate with the subscription form attached as Schedule "A" hereto duly completed and executed (and including any additional documents contemplated thereby) together with payment for such subscribed Shares by certified cheque, bank draft, money order or wire transfer received by the Company in lawful money of Canada payable to or to the order of the Company, the Company will deliver or cause to be delivered to the Holder a certificate representing the Shares subscribed for and purchased by the Holder hereunder, and a replacement certificate representing the balance of the Broker Warrants remaining unexercised, if any.
4. Nothing contained in this certificate will be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Company or any other right or interest except as herein expressly provided.
5. From and after the date hereof, the Exercise Price and the number of Shares purchasable upon the exercise of this Broker Warrant will be subject to adjustment in the events and in the following manner:
  - (a) In case of any reclassification of the Shares or change of the Shares into other shares, or in case of the consolidation, merger, reorganization or amalgamation of the Company with or into any other corporation or entity which results in any reclassification of the Shares or a change of the Shares into other shares, or in case of any transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being hereinafter referred to as a "Reclassification of Shares"), at any time prior to the Time of Expiry, the options to purchase Shares held by the Holder which have not been exercised prior to the effective date of such Reclassification of Shares will, after the effective date of such Reclassification of Shares and upon the due exercise of the right to purchase Shares hereunder, will entitle the Holder to receive,



and the Holder will accept, in lieu of the number of Shares to which the Holder was theretofore entitled upon such exercise, the kind and amount of securities or other property which the Holder would have been entitled to receive as a result of such Reclassification of Shares if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled upon such exercise. If necessary, appropriate adjustments will be made in the application of the provisions set forth in this Section 5 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 5 will thereafter correspondingly be made applicable as nearly as may be reasonable in relation to any securities or other property thereafter deliverable upon the exercise of this Broker Warrant.

- (b) If and whenever at any time prior to the Time of Expiry the Company:
- (i) subdivides the Shares into a greater number of shares;
  - (ii) consolidates the Shares into a lesser number of shares; or
  - (iii) issues Shares, Participating Shares (as hereinafter defined) or Convertible Securities (as hereinafter defined) to all or substantially all of the holders of Shares by way of a stock dividend or other distribution on the Shares payable in Shares, Participating Shares or Convertible Securities;

(any such event being hereinafter referred to as a “**Capital Reorganization**”), and any such event results in an adjustment in the Exercise Price pursuant to paragraph 5(c) below, the number of Shares purchasable pursuant to this Broker Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares, theretofore purchasable on the exercise thereof by a fraction the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

- (c) If and whenever at any time prior to the Time of Expiry, the Company shall engage in a Capital Reorganization, the Exercise Price will, on the effective date, in the case of a subdivision or consolidation, or on the record date, in the case of a stock dividend or other distribution, be adjusted by multiplying the Exercise Price in effect on such effective date or record date by a fraction: (A) the numerator of which will be the number of Shares and Participating Shares, if applicable, outstanding before giving effect to such Capital Reorganization; and (B) the denominator of which will be the number of Shares and Participating Shares, if applicable, outstanding after giving effect to such Capital Reorganization (including after giving effect to the deemed conversion into or exchange for Shares or Participating Shares of any Convertible Securities distributed by way of stock dividend or other such distribution). Such adjustment will be made successively whenever any event referred to in this paragraph will occur.
- (d) To the extent that any adjustment to the Exercise Price or the number of Shares which the Holder is entitled to purchase occurs pursuant to paragraphs 5(b) and 5(c) as a result of the Company fixing a record date for the distribution of Convertible Securities and to the extent that any such Convertible Securities are not exchanged or converted prior to any applicable expiration of such exchange or conversion right, the Exercise Price and the number of Shares, respectively, which the Holder is entitled to purchase shall be readjusted, immediately after the expiration of such exchange or conversion right, to the Exercise Price and the number of Shares, respectively, which the Holder is entitled to purchase which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration.
- (e) If and whenever at any time prior to the Time of Expiry, the Company will fix a record date for the issuance of rights, options or warrants to all or substantially all of the holders of Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares, Participating Shares or Convertible Securities at a price per share (or having a

conversion or exchange price per share) of less than 95% of the Current Market Price (as hereinafter defined) of the Shares on the earlier of the date of the first public announcement of the proposed issuance of such rights, options or warrants and such record date (any such event being hereinafter referred to as a “**Rights Offering**”), the Exercise Price will be adjusted immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which will be the aggregate of: (A) the number of Shares outstanding on such record date; and (B) a number determined by dividing whichever of the following is applicable by the Current Market Price of the Shares on the record date: (1) the amount obtained by multiplying the number of Shares or Participating Shares which the holders of Shares are entitled to subscribe for or purchase by the subscription or purchase price; or (2) the amount obtained by multiplying the maximum number of Shares or Participating Shares which the holders of Shares are entitled to receive on the conversion or exchange of the Convertible Securities by the conversion or exchange price per share; and
- (ii) the denominator of which will be the aggregate of: (A) the number of Shares outstanding on such record date; and (B) whichever of the following is applicable: (1) the number of Shares or Participating Shares which the holders of Shares are entitled to subscribe for or purchase; or (2) the maximum number of Shares or Participating Shares which the holders of Shares are entitled to receive on the conversion or exchange of the Convertible Securities.

and if any such event results in an adjustment in the Exercise Price, the number of Shares purchasable pursuant to this Broker Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares theretofore purchasable on the exercise thereof by a fraction the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the subscription or conversion price, as applicable.

Any Shares owned by or held for the account of the Company will be deemed not to be outstanding for the purpose of such computation. Such adjustment will be made successively whenever such a record date is fixed.

To the extent that such Rights Offering is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price and the number of Shares purchasable pursuant to this Broker Warrant will then be readjusted to the Exercise Price and number of Shares purchasable which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued.

- (f) If and whenever at any time prior to the Time of Expiry, the Company will fix a record date for the distribution to all or substantially all the holders of Shares of:
  - (i) shares of any class, whether of the Company or any other corporation;
  - (ii) rights, options or warrants;
  - (iii) evidences of indebtedness; or
  - (iv) other assets or property;

and if such distribution does not constitute a Dividend Paid in the Ordinary Course (as hereinafter defined), Capital Reorganization or a Rights Offering or does not consist of rights, options or

warrants entitling the holders of Shares to subscribe for or purchase Shares, Participating Shares or Convertible Securities for a period expiring not more than 45 days after such record date and at a price per share (or having a conversion or exchange price per share) of at least 95% of the Current Market Price of the Shares on the earlier of the date of the first public announcement of such distribution and such record date (any such non-excluded event being hereinafter referred to as a “**Special Distribution**”) the Exercise Price will be adjusted immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction: (A) the numerator of which will be the amount by which (1) the amount obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date, exceeds (2) the fair market value (as determined by the directors of the Company, which determination will be conclusive, subject to Canadian Stock Exchange (“CSE”) acceptance) to the holders of such Shares of such Special Distribution; and (B) the denominator of which will be the total number of Shares outstanding on such record date multiplied by such Current Market Price, and if any such event results in an adjustment in the Exercise Price, the number of Shares purchasable pursuant to this Broker Warrant shall be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Shares theretofore purchasable on the exercise thereof by a fraction the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment.

Any Shares owned by or held for the account of the Company will be deemed not to be outstanding for the purpose of any such computation. Such adjustment will be made successively whenever such a record date is fixed.

To the extent that such Special Distribution is not so made or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price and the number of Shares purchasable pursuant to this Broker Warrant shall then be readjusted to the Exercise Price and number of Shares which would then be in effect if such record date had not been fixed or if such expired rights, options or warrants had not been issued.

- (g) For the purpose of this Section 5: (i) “**Participating Share**” means a share (other than a Share) that carries the right to participate in earnings to an unlimited degree; and (ii) “**Convertible Security**” means a security convertible into or exchangeable for a Share or Participating Share or both.
- (h) For the purpose of this Section 5, “**Dividend Paid in the Ordinary Course**” means, during the time any options to purchase Shares hereunder remain outstanding and may be exercised, a dividend paid on the Shares in any fiscal year of the Company in cash, provided that the aggregate amount of such dividends does not in such fiscal year exceed 5% of the Exercise Price, and for such purpose the amount of any dividend paid in shares shall be the aggregate stated capital of such shares, and the amount of any dividend paid in other than cash or shares shall be the fair market value of such dividend as determined by a resolution passed by the board of directors of the Company, subject, if applicable, to the prior consent of any stock exchange or any other over-the-counter market on which the Shares are traded.
- (i) In any case in which this Section 5 will require that an adjustment will become effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing to the Holder, upon the exercise this Broker Warrant after such record date and before the occurrence of such event, the Shares issuable upon such exercise by reason of the adjustment required by such event; provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder’s right to receive such Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on the Shares comprising such Shares on and after such exercise.

- (j) The adjustments provided for in this Section 5 are cumulative and shall, in the case of adjustments to the Exercise Price be computed to the nearest one tenth of one cent and shall be made successively whenever an event referred to therein shall occur, subject to the following subsections of this Section 5. No adjustment of the Exercise Price shall be required unless such adjustment would result in a change of at least 5% in the prevailing Exercise Price and no adjustment shall be made in the number of Shares purchasable upon exercise of a Broker Warrant unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments which, except for the provisions of this paragraph 5(j) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.
  - (k) No adjustment in the number of Shares which may be purchased upon exercise of this Broker Warrant or in the Exercise Price will be made pursuant to this certificate if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Broker Warrant for Shares prior to the effective date or record date of such event.
  - (l) In the event of any question arising with respect to the adjustments provided in this Section 5, such question will conclusively be determined by a firm of chartered accountants appointed by the Company and acceptable to the Holder (who may be the Company's auditors). Such accountants will have access to all necessary records of the Company and such determination will be binding upon the Company and the Holder.
  - (m) As a condition precedent to the taking of any action which would require an adjustment in the subscription rights pursuant to this Broker Warrant, including the Exercise Price and the number(s) and class(es) of securities or other property which are to be received upon the exercise thereof, the Company will take the any corporate action which may, in the opinion of counsel, be necessary in order that the Company has unissued and reserved and there will remain unissued out of its authorized capital a sufficient number of Shares for issuance upon exercise of this Broker Warrant, and that the Company may validly and legally issue as fully paid and non-assessable all the shares of such classes or other securities or may validly and legally distribute the property which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.
  - (n) At least 14 days prior to the effective date or record date, as the case may be, of any event which requires an adjustment in the subscription rights pursuant to this certificate, including the Exercise Price and the number(s) and class(es) of securities or other property which are to be received upon the exercise thereof, the Company will give notice to the Holder of the particulars of such event and the required adjustment.
6. The Company will not be required to issue fractional Shares upon the exercise of this certificate and no cash or other consideration will be paid in lieu of fractional Shares. If any fractional interest in a Share would, except for the provisions of this Section 6, be deliverable upon the exercise of this certificate, such exercise will be deemed to be for the next smallest whole number of Shares.
7. For the purpose hereof, the "**Current Market Price**" per Share as at any date means the price per share (denominated in Canadian dollars based, if necessary, on the noon rate of exchange as reported by the Bank of Canada) equal to the volume weighted average price at which the Shares have traded:
- (a) on the CSE, or
  - (b) if the Shares are not traded on the CSE, on any other recognized stock exchange or over-the-counter market, or
  - (c) if the Shares are not traded on such recognized exchange or market, on the over-the counter market during the 20 consecutive trading days (on each of which at least 500 Shares are traded in

board lots) ending on the fifth trading day immediately prior to such date as reported by such market or exchange in which the Shares are then trading or quoted.

The volume weighted average price per Share shall be determined by dividing the aggregate sale price of all such shares sold on the CSE, the aforementioned over-the-counter market, recognized exchange or market, as the case may be, during the aforementioned 20 consecutive trading days by the total number of such Shares so sold. If the Shares are not then traded on the CSE, in the over-the-counter market or on a recognized exchange or market, the Current Market Price of the Shares shall be the fair market value of the Shares as determined in good faith by the board of directors of the Company after consultation with a nationally or internationally recognized investment dealer or investment banker.

8. Any notice to be provided to the Holder hereof will be given to the Holder at the address set forth in the register of Broker Warrant holders maintained by the Company and, until otherwise notified in writing by the Holder, will be as provided by the Holder at the time of issuance hereof.
9. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this certificate, and if requested by the Company, upon delivery of a bond of indemnity satisfactory to the Company (or, in the case of mutilation, upon surrender of this certificate) the Company will issue to the Holder a replacement certificate (containing the same terms and conditions as this certificate).
10. This Broker Warrant is non-assignable and non-transferrable.
11. This certificate will be governed and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
12. Time will be of the essence hereof.
13. This Broker Warrant and the securities deliverable upon exercise thereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. This Broker Warrant may not be exercised in the United States or by or on behalf of, or for the account or benefit of a person in the United States or U.S. person unless this Broker Warrant and the securities issuable upon exercise of this Broker Warrant have been registered under the U.S. Securities Act and the applicable securities legislation of any such state or an exemption from such registration requirements is available. By taking receipt of this Broker Warrant, the Holder shall be deemed to represent and warrant to the Company that: (i) it is not, and is not acquiring the Broker Warrant on behalf of (as agent or otherwise), or for the account or benefit of, a person in the United States or a U.S. person; (ii) was not offered or sold the Broker Warrant in the United States; (iii) did not, nor did its authorized signatory, receive the Broker Warrant inside the United States; and (iv) it has not acquired the Broker Warrant as a result of any directed selling efforts (as such term is used in Regulation S) or any general solicitation or general advertising, as such terms are defined in Regulation D under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising. "United States" and "U.S. person" are as defined by Regulation S under the U.S. Securities Act.

14. This certificate is not valid for any purpose until it has been signed by the Company.

IN WITNESS WHEREOF the Company has caused this certificate to be executed by a duly authorized officer.

**SUNNIVA HOLDINGS CORP.**

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX I**  
**TO SCHEDULE "C"**  
**SUBSCRIPTION FORM**

TO: SUNNIVA HOLDINGS CORP.

The undersigned Holder of the within Broker Warrant certificate hereby irrevocably subscribes for the number of Shares at the Exercise Price referred to in such certificate and encloses herewith a certified cheque, bank draft or money order payable to the order of Sunniva Holdings Corp. in full payment of the subscription price of the Shares hereby subscribed for.

The undersigned represents and warrants that it: **[check one only]**

- A. is not in the United States or a U.S. person and is not exercising the Broker Warrant for the account or benefit of a U.S. person or a person in the United States, and did not execute or deliver this subscription form in the United States (for purposes hereof "United States" and "U.S. person" shall have the meanings given to such terms in Regulation S under the U.S. Securities Act); or
  
- B. is delivering a written opinion of U.S. counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that the Broker Warrant and the Shares to be delivered upon exercise hereof have been registered under the U.S. Securities Act and all applicable state securities laws or are exempt from registration thereunder.

The undersigned Holder understands that the certificates representing the Shares issued upon exercise of this Broker Warrant will not be registered or delivered to an address in the United States unless Box B above is checked and the requirements in connection therewith have been satisfied.

The undersigned Holder further understands that unless Box A above is checked, the certificates representing the Shares issued upon exercise of this Broker Warrant will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT, OR (C) IN ACCORDANCE RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR ANOTHER AVAILABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA".

provided, that if the corporation is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of sale, a new certificate, bearing no legend, may be obtained from the corporation's transfer agent upon delivery of this certificate and a duly executed declaration, in a form satisfactory to the transfer agent and the corporation, to the effect that the sale of the securities represented hereby is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act. The corporation's transfer agent may also require an opinion of counsel in connection with any offer, sale or transfer of the securities by the holder hereof.

The undersigned hereby directs that the said Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES
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(Please print. If securities are issued to a person other than the Holder, the Holder must pay all exigible taxes and the signature of the Holder must be guaranteed.)

DATED this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

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Signature

---

Print full name

---

Address in full

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## SCHEDULE "D"

### COMPLIANCE WITH UNITED STATES SECURITIES LAWS

As used in this Schedule "D", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the agency Agreement between the Company and the Agents thereto, dated June 27, 2017, to which this Schedule "D" is annexed and the following terms shall have the meanings indicated:

**"Business Day"** means any day, other than a Saturday or Sunday on which banking institutions in Vancouver, British Columbia are open for commercial banking business during normal banking hours;

**"Directed Selling Efforts"** means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "D", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Special Warrants and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Special Warrants;

**"Foreign Issuer"** means "foreign issuer" as defined in Rule 902(e) of Regulation S;

**"General Solicitation"** or **"General Advertising"** means "general solicitation" or "general advertising", as those terms are used under Rule 502(c) of Regulation D. Without limiting the foregoing, but for greater clarity, general solicitation or general advertising includes, but is not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or on the internet, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

**"Offshore Transaction"** means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

**"SEC"** means the United States Securities and Exchange Commission;

**"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

**"U.S. Affiliate"** means the United States registered broker or dealer affiliate of an Underwriter that makes offers or sales of the Special Warrants in the United States; and

**"U.S. Exchange Act"** means the United States Securities Exchange Act of 1934, as amended, including the rules and regulations adopted by the SEC thereunder.

#### A. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENTS

The Agents acknowledge that neither the Special Warrants nor the Underlying Shares have been and will be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Special Warrants may not be offered or sold within the United States, except in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each Agent, on behalf of itself and its U.S. Affiliate, on the date hereof and at the Closing Date, represents, warrants, covenants and agrees to and with the Company severally, but not jointly, that:

1. It has not offered or sold, and will not offer or sell, at any time any Special Warrants except (a) in Offshore Transactions in compliance with Rule 903 of Regulation S, or (b) to Qualified Institutional Buyers in the United States as provided herein. Accordingly, none of the Agents, its affiliates (including the U.S. Affiliate) or any person acting on any of their behalf, has made or will make (except as permitted herein): (i) any offer to sell, or any

solicitation of an offer to buy, any Special Warrants to any person in the United States, (ii) any sale of Special Warrants to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States, or the Agent, its affiliates (including the U.S. Affiliate) or any person acting on any of their behalf, reasonably believed that such Purchaser was outside the United States, or (iii) any Directed Selling Efforts.

2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Special Warrants except with its U.S. Affiliate, any selling group members or with the prior written consent of the Company. The Agent shall require its U.S. Affiliate to agree, and each selling group member to agree, for the benefit of the Company, to comply with, and shall ensure that its U.S. Affiliate, and shall use reasonable commercial efforts to ensure that each selling group member complies with, the same provisions of this Schedule "D" as apply to the Agent as if such provisions applied to its U.S. Affiliate and such selling group member.

3. All offers and sales of Special Warrants that have been or will be made by it in the United States, have been or will be made through its U.S. Affiliate in compliance with all applicable U.S. federal and state broker-dealer and other securities law requirements. On the date of each offer and sale of Special Warrants in the United States, the U.S. Affiliate is, was or will be duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales were or will be made (unless exempted from the respective state's broker-dealer registration requirements), and a member in good standing with the Financial Industry Regulatory Authority, Inc.

4. None of it, its affiliates (including the U.S. Affiliate), or any person acting on any of their behalf has utilized, and none of such persons will utilize, any form of General Solicitation or General Advertising in connection with the offer and sale of the Special Warrants in the United States, or has offered or will offer any Special Warrants in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act, or take any action that would result in the exemption from registration under Section 4(a)(2) of the U.S. Securities Act being inapplicable to the offer and sale of the Special Warrants.

5. The Agent, through the U.S. Affiliate, has offered and will offer the Special Warrants to offerees in the United States, with respect to which it has, had or will have reasonable grounds to believe and does, did and will believe that, immediately prior to soliciting any such offeree and at the time of the completion of any sale to any such U.S. Purchaser, each such offeree and each such U.S. Purchaser of Special Warrants was a Qualified Institutional Buyer.

6. All offerees of the Special Warrants in the United States solicited by it shall be informed that the Special Warrants have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Special Warrants are being offered and sold to such persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act.

7. It agrees to deliver, through the U.S. Affiliate, to each offeree in the United States a Subscription Agreement. No other written material will be used in connection with the offer or sale of the Special Warrants in the United States.

8. Prior to completion of any sale of Special Warrants in the United States, each such U.S. Purchaser thereof that is purchasing Special Warrants will be required to provide to the Agent, or the U.S. Affiliate offering and selling the Special Warrants in the United States, an executed Subscription Agreement and shall provide the Company with copies of all such completed and executed Subscription Agreements and appendices for acceptance by the Company.

9. At least one Business Day prior to the Closing Date, the Agents will provide the Company with a list of all U.S. Purchasers.

10. At the Closing, the Agent will, together with the U.S. Affiliate of the Agent, provide a certificate, substantially in the form of Exhibit I to this Schedule "D", relating to the manner of the offer and sale of the Special

Warrants, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Special Warrants in the United States.

11. None of it, any of its affiliates (including, the U.S. Affiliate) or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Special Warrants.

## **B. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY**

The Company, on the date hereof and at the Closing Date, represents, warrants, covenants and agrees that:

1. The Company is, and at the Closing Date will be, a Foreign Issuer with no Substantial U.S. Market Interest in its Common Shares.

2. The Company is not, and following the application of the proceeds from the sale of the Special Warrants will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.

3. The offer and sale of the Special Warrants in the United States by the Agents and their U.S. Affiliates are not prohibited pursuant to a court order issued pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.

4. Except with respect to sales to Qualified Institutional Buyers solicited by the Agents in reliance upon the exemption from registration available under Section 4(a)(2) of the U.S. Securities Act, none of the Company, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (a) any offer to sell, or any solicitation of an offer to buy, any Special Warrants to a person in the United States; or (b) any sale of Special Warrants unless, at the time the buy order was or will have been originated, (i) the Purchaser is outside the United States or (ii) the Company, its affiliates, and any person acting on any of their behalf reasonably believe that the Purchaser is outside the United States.

5. During the period in which Special Warrants are offered for sale, none of the Company, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has engaged in or will engage in any Directed Selling Efforts or has taken or will take any action that would cause the exemption afforded by Section 4(a)(2) of the U.S. Securities Act or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of Special Warrants in accordance with the Agency Agreement, including this Schedule "D".

6. None of the Company, its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Special Warrants in the United States by means of any form of General Solicitation or General Advertising or has taken or will take any action that would constitute a public offering of the Special Warrants in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

7. None of the Company or any of its affiliates or any persons acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates, or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or sold, or will offer or sell, (i) any of the Special Warrants in the United States, except for offers and sales made through the Agents and the U.S. Affiliates in reliance on the exemptions from registration under the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act; or (ii) any of the Special Warrants outside the United States, except for offers and sales made in Offshore Transactions in accordance with Rule 903 of Regulation S.

8. The Company has not offered or sold, for a period of six months prior to the commencement of the Offering, and will not offer or sell, any securities in a manner that would be integrated with the offer and sale of the Special Warrants that would cause the exemptions from registration provided by Section 4(a)(2) of the U.S. Securities Act or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of Special Warrants in accordance with the Agency Agreement, including this Schedule “D”.

9. None of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates, or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Special Warrants.

10. None of the Company or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

**Exhibit I to Schedule "D"**

**AGENT'S CERTIFICATE**

In connection with the private placement in the United States of Special Warrants of the Company pursuant to the Agency Agreement, the undersigned Agent and [●], its U.S. Affiliate, do hereby certify as follows:

- (a) the Special Warrants have been offered and sold by us in the United States only by the U.S. Affiliate, which was on the dates of such offers and sales, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act, and under the securities laws of each state in which such offers and sales were made (unless exempted from the respective state's broker-dealer registration requirements) and was and is a member in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) immediately prior to transmitting the Subscription Agreement to offerees in the United States, we had reasonable grounds to believe and did believe that each such person was a Qualified Institutional Buyer and we continue to believe that each U.S. Purchaser of Special Warrants that we have solicited is a Qualified Institutional Buyer on the date hereof;
- (c) all offers and sales of the Special Warrants by us in the United States have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (d) no form of General Solicitation or General Advertising was used by us in connection with the offer and sale of the Special Warrants in the United States;
- (e) prior to any sale of Special Warrants to a U.S. Purchaser, we caused such U.S. Purchaser to complete and execute a Subscription Agreement;
- (f) neither we, nor our affiliates or any person acting on any of our behalf have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Special Warrants; and
- (g) the offering of the Special Warrants has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "A" attached thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule "A" attached thereto) unless otherwise defined herein.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**[UNDERWRITER] [AGENT]**

**[U.S. AFFILIATE]**

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

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

## SCHEDULE "E"

### DISCLOSURE SCHEDULE

1. Membership Interest Purchase Agreement dated November 7, 2017 among James Kunevicius and Edlin Kim, the Members of CP Logistics, LLC and Sunniva Holdings Corp.
2. Secured Convertible Promissory Notes dated November 17, 2016 issued by the Company to James Kunevicius.
3. Secured Convertible Promissory Notes dated November 17, 2016 issued by the Company to Edlin Kim.
4. Secured Convertible Promissory Notes dated December 15, 2016 issued by the Company to James Kunevicius.
5. Secured Convertible Promissory Notes dated December 15, 2016 issued by the Company to Edlin Kim.
6. Share Pledge Agreement dated February 8, 2017, among Sunniva Holdings Corp., Daniel Vass, Stephanie Mason, Hubertus Van Gelderen, Matthew Koepp, James Free, Michael Weigal, Dustin Myles Hollman, James Kembrel, Crystal Dawn Engel, Barbara Anne Engel, Joel Ryan Taylor and Tamara Cassandra Taylor, Percy James Fader, Cheryl Doering, Jodie Cossette, Marie Pylarz, Christopher Foord, Amy Lafleche, Lynne Lafleche, Amy Hayes, Basil James Kelly, Hart Steinfeld, Zoe Callaghan, Ashleigh Frances Spelay, Brad Leslie Hardy, VLP Holdings Ltd., Robert Ferrari Professional Corporation, John Brandenburg, Natural Health Services Ltd., and Carscallen LLP.
7. Share Pledge Agreement dated February 8, 2017, among Steven Olyarnyk, Sunniva Holdings Corp. and Borden Ladner Gervais LLP.
8. Guaranty Agreement dated as of February 10, 2017 between the Company and Edward Wong.
9. Control Agreement dated February 10, 2017 among Full Scale Distributors, LLC, Edward Wong and Sunniva Full-Scale Distributors Corporation.
10. The share purchase agreement among Natural Health Services Ltd., the shareholders of Natural Health Services Ltd. and Sunniva Holdings Corp. dated February 8, 2017.
11. the Company owes Daniel Vass, a director, \$451,070.78 under a secured promissory note dated February 8, 2017 in relation to the share purchase agreement between the Company, NHS and each of the former shareholders of NHS (including Daniel Vass). The amount owing to Daniel Vass represents a portion of the purchase price under such share purchase agreement.
12. the Company entered into a five-year lease agreement with Richard Doolittle and Constance Doolittle. The lease term commenced March 1, 2016 and monthly payments of rent and estimated lessor's operating costs are US\$30,000 per month in the first year with base rent increasing by 3% per annum. Dr. Anthony Holler, a director of the Company, has provided a personal guarantee for this lease.
13. 100,000 Warrants issued May 1, 2016 by the Company to Edward Wright.
14. 100,000 Warrants issued December 29, 2016 by the Company to Robert Mills.
15. 300,000 Warrants issued December 29, 2016 by the Company to Robert Mills.
16. 38,941 Warrants issued December 20, 2016 by the Company to GMP Securities L.P.

17. 7,000 Warrants issued December 29, 2016 by the Company to Haywood Securities Inc.
18. 282,298 Warrants issued December 29, 2016 by the Company to Canaccord Genuity Corp.
19. 2,947 Warrants issued February 7, 2017 by the Company to GMP Securities L.P.
20. 11,578 Warrants issued February 7, 2017 by the Company to Canaccord Genuity Corp.
21. 3,850 Warrants issued February 8, 2017 by the Company to Haywood Securities Inc.
22. 100,000 Warrants issued June 22, 2017 by the Company to Bloom Burton Securities Inc.
23. Convertible Secured Promissory Note in the amount of US\$5,250,000 issued by the Company December 15, 2016.
24. Convertible Secured Promissory Note in the amount of US\$1,750,000 issued by the Company December 15, 2016.
25. 2,750,000 Employee Stock Options issued by the Company at an exercise price of C\$3.40.
26. Certain background searches and other investigations relating to approval of certain licenses and permits by Cathedral City, California or certain instrumentalities thereof, which the Company believes are in the ordinary course, are in progress.
27. The sublease between CP Logistics LLC and First Western Holdings LLC and the lease between Vista Cathedral City Plaza and First Western Holdings, LLC in respect of Suite B require amendments prior to the commencement of manufacturing operations at the leased premises. Amendments include the elimination of references to federal law and landlord compliance with state law for site visits. Similar amendments will be required for the leases that relate to Suite A and Suite F in the event those transactions are completed. Such amendments are in progress and the Company believes that they are in the ordinary course.

## SCHEDULE "F"

### OUTSTANDING AUTHORIZATIONS

**Ramon Rd (Cathedral City site):**

All Authorization related or connected to the:

1. Issuance of the conditional use permit by Cathedral City
2. Issuance of a building permit
3. The closing on the purchase of Parcel 5
4. Cathedral City local license
5. Architectural Review Board approval

**Oliver (Canadian site):**

All Authorization related or connected to the:

1. Submission of a reinvigorated application to Health Canada
2. Issuance of a Pre-license Inspection (PLI) letter by Health Canada
3. The relocation of the roadway

**Perez Rd, Suites A, B and F (Cathedral City):**

All Authorization related or connected to the:

1. Closing of purchase agreement on Suites A and F
2. Issuance of conditional use permit by Cathedral City on Suite A
3. Revision of conditional use permit on Suite B to include Suite A
4. Issuance of building permit on Suite F and on the merged Suites A and B
5. Issuance of two manufacturing licenses for Suites A/B and for Suite F
6. Contracts with architect to design merged Suites A/B and all MEP plans necessary for construction permit
7. Cathedral City local license