


WHOLESALE AGREEMENT

This Agreement (as defined below) between Canopy Growth Corporation (the “**Company**”) and Sunniva Medical Inc. (the “**Wholesaler**”) (collectively, the “**Parties**” and individually a “**Party**”), is entered into on this 20th day of February, 2018 (the “**Effective Date**”).

WHEREAS the Company sells Product (as defined below), through its subsidiaries, which are Licensed Producers (as defined below) under the ACMPR (as defined below), and which intend to be licensed under any subsequent cannabis legislation, including the Act (as defined below);

AND WHEREAS the Wholesaler is based in British Columbia and has applied to become a Licensed Producer under the ACMPR;

AND WHEREAS the Wholesaler desires to sell Product to the Company and the Company desires to purchase Product from the Wholesaler in accordance with the terms and conditions of this Agreement and always in compliance with all applicable laws as they may exist during the Term (as defined below);

 [confidential business information]

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

1. Definitions:

- a. “**ACMPR**” means the *Access to Cannabis for Medical Purposes Regulations*, SOR/2016-230 as may be amended from time to time and includes any successor legislation;
- b. “**Act**” means the act presented as *Bill C-45: An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, Eliz. II: 64-65-66;
- c. “**Affiliate**” of any Person means, at the time such determination is being made, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, with “control” in such context meaning the ability to direct the management or policies of a Person through ownership of voting shares or other securities, pursuant to a written agreement or otherwise;
- d. “**Agreement**” means this cannabis wholesale agreement, including its recitals and schedules, as amended from time to time;
- e. “**Applicable Law**” means, in relation to any Person, agreement, property transaction event or other matter, all applicable laws, statutes, regulatory approvals, ordinances, decrees, rules, regulations, bylaws, legally enforceable policies, codes or guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, directives, rulings, subpoenas, or awards, and conditions of any grant or maintenance of any approval, permission, certification, consent, registration, authority or licence, any applicable federal or provincial pricing policies, and any other requirements of any Governmental Authority, by which such Person is bound or having application to the transaction or event in question, including the CDSA and the ACMPR, and following

coming into force, the Act, and any amendments or supplements to, or all replacements and substitutions of, any of the foregoing, including as a result of the coming into force of the Act and any regulations thereunder, including transfers of ACMPR licences and applications therefore, as described in s 158 of the Act as published in Bill C-45;

- f. **“Average Selling Price”** [REDACTED]
[REDACTED] [confidential pricing information]
- g. **“Business Day”** means a day other than a Saturday, Sunday or statutory holiday in the provinces of Ontario or British Columbia;
- h. **“Canopy Quality Standards”** means standards beyond the requirements of Applicable Law that Company applies to the Product and which are defined in **Appendix C** to this Agreement;
- i. **“cannabis”** has the meaning defined in subsection 1(1) of the ACMPR with reference to item 1 of schedule II of the CDSA, and shall have the definition applied by the Act and any related changes to Applicable Law after the Act comes into force;
- j. **“CBD”** means cannabidiol;
- k. **“CBDA”** means cannabidiolic acid;
- l. **“CDSA”** means the *Controlled Drugs and Substances Act*, SC 1996, c 19;
- m. **“Delivery Date”** means, in respect of a Shipment, the date the Company takes possession of a Shipment at its facility in accordance with the delivery terms set out in Section 12;
- n. **“Facility”** means the Wholesaler's cannabis production facility that is planned for construction in Oliver, British Columbia;
- o. **“Governmental Authority”** means any provincial, territorial or federal, and as applicable in the circumstances, any foreign: (i) government; (ii) court, arbitral or other tribunal or governmental or quasi-governmental authority of any nature (including any governmental agency, political subdivision, instrumentality, branch, department, official, or entity); (iii) body or other instrumentality exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature pertaining to government including Health Canada, the Office of Medical Cannabis, the Office of Controlled Substances and any office specific to cannabis created under the Act; (iv) any formulary body with responsibility for determining listability of Product on any applicable formulary or for determining the pricing of Product for reimbursement, with jurisdiction to review the pricing of and payment for Product under Applicable Law; (v) any provincial, territorial or federal government or review board with jurisdiction over pricing of patented products or with jurisdiction over competition aspects of pricing of products; or (vi) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange;

- p. **“Intellectual Property”** means any statutory or non-statutory intellectual property rights in any jurisdiction, including any issued, pending, registered, filed or unfiled application for any patent (including any utility, design or plant patent, and including any continuation, continuation-in-part, divisional, re-issue, re-examination, national phase entry or regional phase entry application), copyright, trademark, industrial design, plant breeder’s right, *Plant Varieties Protection Act* registration or other statutory intellectual property right, and any trade secret, know-how, goodwill, or other intellectual property or other proprietary right, and any written or unwritten title, interest, license, right to bring or participate in any proceeding for past infringement or any other actionable right under or relating to any intellectual property right, or any other rights to any of the foregoing, relating to any aspect of the business of a Party, including standard operating procedures, production processes, packaging processes, labeling processes, ingredients, technology, inventions, plant varieties, clonally propagated plant material, stable cultivars, business management processes, compilations of information, contracts, records, specifications, business procedures, label designs, branding, compliance documentation, files, records, documents, drawings, specifications, equipment and data (data includes all information whether written or in an electronic format), and including any suppliers, manufacturers, equipment, methodologies, customer lists or other relevant information, relating to any of the foregoing or otherwise pertaining to the business of a Party;
- q. **“Licensed Producer”** means the holder of a licence under s. 35 of the ACMPR, and shall include the holder of any corresponding licence under Applicable Law after the Act comes into force;
- r. **“Lot”** means a lot of Product from which any Product delivered to the Company as a Shipment pursuant to this Agreement was taken, derived, or obtained;
- s. **“Net Revenue”** means the revenue or other consideration from a Third Party, recognized by Company (or by Wholesaler in respect of section 27) when such Product is sold to the Third Party, excluding any applicable excise duty, excise tax, sales tax and other surcharges imposed by a Governmental Authority, and third-party retailer or dispensing fees, sold through all commercial channels available to the Company (or by Wholesaler in respect of section 27), whether through the Company’s online store or Third Party distribution channels, all in accordance with IFRS Generally Accepted Accounting Principles;
- t. **“Purchase Price”** means the Average Selling Price multiplied by the percentages defined in **Appendix D**;
- u. **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, association, unincorporated organization, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other juridical entity however designated or constituted;
- v. **“Sales Licence Date”** means the date that the Wholesaler receives its licence to sell cannabis pursuant to the terms of the ACMPR or any Applicable Law that allows the Wholesaler to sell cannabis;
- w. **“Shipment”** means Product delivered to the Company pursuant to this Agreement, including an entire Lot, a portion of a Lot, and regardless of the number of strains or Lots in the Shipment;

- x. “SOPs” means standard operating procedures;
- y. “strain”, including when used in a defined term, means any clonally propagated strain, variety, cultivar or other identifiable phenotype of cannabis plant, and includes the Initial Strains;
- z. “Strain Selection” [redacted]
[redacted] [confidential business information]
- aa. “THC” means delta-9-tetrahydrocannabinol;
- bb. “THCA” means delta-9-tetrahydrocannabinolic acid;
- cc. “Third Party” means any Person that is not an Affiliate of either Party;
- dd. “Total CBD” means the total amount of CBD account for conversation of CBDA, regardless of unit of measurement;
- ee. “Total Phytocannabinoids” means the sum total of the Total CBD and the Total THC; and
- ff. “Total THC” means the total amount of THC account for conversation of THCA, regardless of unit of measurement.

2. Sale of Product: During the Term and after the Sales Licence Date, the Wholesaler shall sell to the Company, and the Company shall purchase from the Wholesaler, wholesale dried cannabis produced by the Wholesaler (the “Product”). The Parties acknowledge this Agreement is contingent on the Wholesaler being granted approval as a Licensed Producer and receiving its Licence (the “Licence”) under the ACMPR or the Act. The Wholesaler shall use reasonable commercial efforts to produce such quantities of Product as detailed in **Appendix A** to this Agreement (the “Reserved Amounts”) beginning on the Sales Licence Date. The Company shall purchase all quantities of Product indicated in any Shipment Notice (defined below) up to the Reserved Amounts within each quarter. The Company shall have discretion to sell Product via its medical, adult use, or combined distribution channels. Subject to the terms of this Agreement, all Product shall be sold as dried cannabis, including in any dosage form of dried cannabis allowed by changes to Applicable Law.

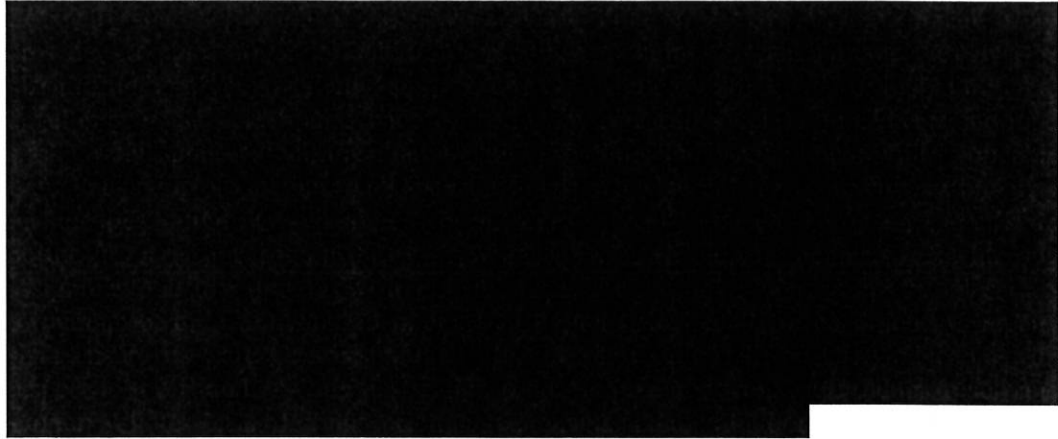
[redacted] [confidential pricing and production target information]

3. Licensing of Genetics: [redacted]

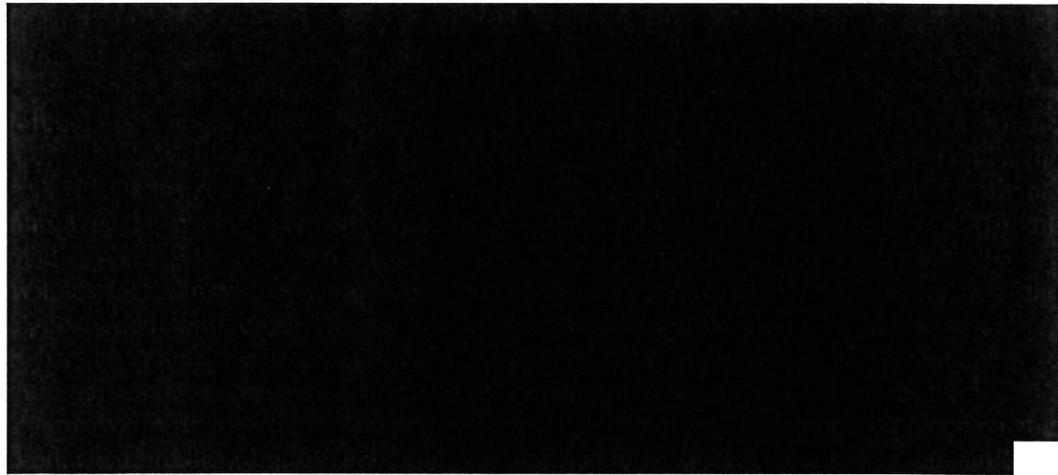
subject to the Cure Period defined in Section 25.b.

7. Branding:

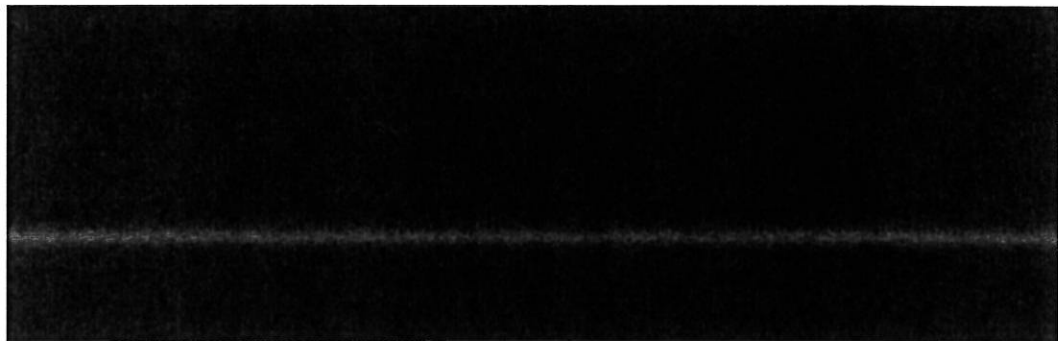
a.



b.



c.



[confidential business information]

8. Wholesaler Quality Control: The Wholesaler may apply inhouse quality assurance testing as further specified herein for Product (the “**Wholesaler Testing**”), and the specifications, test results and data regarding the Product shall be provided by the Wholesaler to the Company in the Shipment Notice shall include the following information regarding the Product in the Shipment, each of which shall be supported by the Wholesaler Testing:

- a. a certificate of analysis including evidence of compliance with ss 64, 66 and 68 of the ACMPR, details of CBD, Total CBD, THC and Total THC, and compliance with the humidity requirements of the Canopy Quality Standards, for each strain and each Lot within each strain, in the Shipment;
 - b. certificate of manufacture and release documentation or equivalent;
 - c. photographs showing compliance with the visual aesthetic aspects of the Canopy Quality Standards; and
 - d. a list of deviations associated with each Lot in the Shipment.
9. Release of Product: Wholesaler shall use reasonable commercial efforts to produce large Lots of the Product from the Initial Strains, at a minimum of [REDACTED] per Lot, with the intention of creating a reliable supply of Product for the Company's customer base and distributors, and lowering the costs associated with release of each Lot. When Product is ready for release by the Wholesaler, the Wholesaler shall provide the Company written notice of a Shipment (a "**Shipment Notice**") at least [REDACTED] prior to the Delivery Date. The Shipment Notice shall include details demonstrated by the Wholesaler Testing. [confidential business information]
10. Compliance and Canopy Quality Standards: The Product shall comply with Applicable Law and meet the Canopy Quality Standards, which are detailed in **Appendix C**. Company shall provide reasonable access to personnel, relevant information and other reasonable support to Wholesaler to assist with meeting the Canopy Quality Standards. Any Shipment or portion thereof may be rejected by Company for failing to comply with Applicable Law or with the Canopy Quality Standards.
11. Pricing and Payment Terms:
 - a. Pricing terms for calculating the Purchase Price are included in **Appendix D**. Company shall pay a deposit of [REDACTED] (the "**Deposit**") prior to transfer and [REDACTED] of receiving the Shipment Notice.
 - b. Subject to approvals of any Governmental Authority required by Applicable Law, Wholesaler shall transfer the Shipment within [REDACTED] of receipt of the Deposit. Company shall complete the Company Testing and Quality Inspection on each Lot in the Shipment within [REDACTED] of receipt of the Shipment.
 - c. In the event a Lot fails the Company Testing or the Quality Inspection and is rejected by Company, the Deposit shall be immediately repayable, in respect of the portion of the Shipment including the Lot, to the Company upon notice to the Wholesaler of such failure.
 - d. Upon completion of the Company Testing and the Quality Inspection, Company shall pay the balance remaining based on the expected Purchase Price (as defined in **Appendix D**) within [REDACTED] following completion of the Company Testing and the Quality Inspection.
 - e. [REDACTED]

- [REDACTED]
- f. In the event that Company does not take possession of, and complete the Company Testing on Product in, a Shipment within [REDACTED] of receiving a Shipment Notice, then in addition to the Deposit, the Company shall pay the remaining amount owing based on a Purchase Price paid to Wholesaler for Product of the same strain over the Term. In the event that Company does not take possession of Product in a Shipment within [REDACTED] of receiving a Shipment Notice, then Wholesaler shall be entitled to apply the Product as Extraction Material and pay Company for the phytocannabinoids in accordance with Section 16.e (but retain the Purchase Price), and shall count the amount of the Shipment against the Reserved Amount for the current calendar year.
 - g. Company shall pay [REDACTED] per gram prior to the Delivery Date of Late Product. The Purchase Price for the Late Product shall be paid to Wholesaler on the same terms as the Deposit is paid on other Product. [confidential business information]

12. Delivery:


- a. Wholesaler shall ship Product to Company within ten (10) Business Days of receipt of the Deposit;
- b. Wholesaler shall provide, at its own cost, packaging materials and services in preparation for shipping the Shipment in a manner compliant with Applicable Law;
- c. Wholesaler shall arrange for freight services that are appropriate for the value of the Shipment, and shall be responsible for all transportation and insurance costs;
- d. the Delivery Date for each Shipment shall be reasonably agreed to by the Parties after the required approvals from any relevant Governmental Authority are obtained;
- e. Delivery shall occur on the Delivery Date at Company's facility, with Wholesaler responsible for loading the Shipment onto the freight service provider arranged by Wholesaler;
- f. the Wholesaler shall apply reasonable efforts to ensure the Shipment is in good condition when delivered onto the freight service providers arranged by the Company; and
- g. title to Product and risk of loss shall pass to Company once the Product is received at Company's facility by the freight service provider arranged by Wholesaler.

13. Conditions of Closing for each Shipment



- a. The sale by the Wholesaler and the purchase by the Company of a Shipment shall be subject to the following conditions, which are to be performed or complied with at or prior to each Delivery Date:
 - i. the representations and warranties of each of the Wholesaler and the Company set forth in Sections 19 and 20 shall be true and correct in all material respects in respect of the Shipment corresponding to the Delivery Date;
 - ii. the Wholesaler shall have complied with all obligations of this Agreement to be complied with by the Wholesaler as of the Delivery Date;

- iii. Wholesaler shall have provided to Company sufficient information related to the Wholesaler Testing of the Shipment, including the information described in Section 8, to support a reasonable assessment of compliance with Applicable Law and to support a reasonable expectation that the Shipment is satisfactory for delivery to Company and completion of the Company Testing; and
 - iv. both the Wholesaler and the Company shall have received any required approvals from any Governmental Authority pursuant to Applicable Law authorizing the Shipments.
- b. The conditions set out in Section 13.a.i (with respect to the Wholesaler's representations and warranties), 13.a.ii and 13.a.iii are for the benefit of the Company and may be waived by the Company at any time. By notice in writing prior to or on the scheduled Delivery Date, the Company may decide not to proceed with the purchase of Product if any condition in Section 13.a.i (with respect to the Wholesaler's representations and warranties), 13.a.ii or 13.a.iii has not been satisfied as at such Delivery Date the Company has not waived such condition on or before such respective Delivery Date
 - c. The conditions set out in Section 13.a.i (with respect to the Company's representations and warranties) are for the benefit of the Wholesaler and may be waived by the Wholesaler at any time. By notice in writing prior to or on a scheduled Delivery Date for any Shipment, the Wholesaler may decide not to proceed with the sale of Product if any condition in Section 13.a.i (with respect to the Company's representations and warranties) has not been satisfied as at such Delivery Date for the Product for that month and the Wholesaler has not waived such condition on or before such respective Delivery.
 - d. The condition set out in Section 13.a.iv may not be waived. Additionally, neither Party shall be required to proceed with the Shipment if the condition set out in Section 13.a.iv has not been met on or before the scheduled Delivery Date.
14. Loss: In the event that any portion of a Shipment is lost, destroyed, spoiled or otherwise rendered unsaleable after the Company takes possession, whether before or after the Company Testing has been completed or not, the Company shall purchase the unsaleable portion of the Shipment for the [REDACTED] of Product or [REDACTED], and in either case, including the Deposit that was already paid by the Company for the Shipment. For greater certainty, any failure by the Product to pass Company Testing or the Quality Inspection shall not be considered spoiled hereunder. [confidential pricing information]
15. Company Testing and Quality Inspection:
- a. Within fifteen (15) Business Days of receipt of a Shipment, the Company shall prepare samples of each strain and Lot in the Shipment, send a sample for testing (the "**Company Testing**") and retain an archive sample equivalent to the sample sent for testing. The Company Testing shall be in accordance with Applicable Law. The Company Testing shall be completed at the expense of Company and Company shall immediately share results of the Company Testing with Wholesaler.
 - b. Within fifteen (15) Business Days of receipt of a Shipment, the Company shall complete the Quality Inspection. The Quality Inspection shall be in accordance with the Canopy Quality Standards set out in **Appendix C**. The Quality Inspection shall be completed at the

expense of Company and Company shall immediately share results of the Quality Inspection with Wholesaler.

- c. If Company determines, acting reasonably, that any Shipment or portion thereof does not comply with Applicable Law limiting or otherwise restricting microbial contaminants, chemical contaminants or pest control product residue, including ss 64, 66 and 68 of the ACMPR, or fails to meet the Canopy Quality Standards, then with respect to any Shipment or portion thereof, then Company may reject such Shipment or portion thereof. In the event of any such rejection Company shall immediately notify Wholesaler as to the results of the Company Testing or Quality Inspection, including reasons as to why Company believes any Product has not passed the Company Testing or Quality Inspection despite having passed the Wholesaler Testing.
- d. Company may return any rejected Shipment or portion thereof to the Wholesaler as soon as such delivery is approved by Health Canada and the shipping costs associated with such re-delivery shall be borne by Wholesaler, in which case title to any Product, as well as risk of loss, shall pass to Wholesaler once the Product is received at the Facility from a freight service provider arranged for by Company and approved by Wholesaler.
- e. At the Wholesaler's written request, the Company may, in its discretion, dispose of the Shipment or portion thereof at the Wholesaler's cost.
- f. 
[confidential business information]

16. Surplus Inventory, Trim, and Rejected Products:

- a. Wholesaler may from time to time determine that it has Product that is prepared from any Initial Strain surplus to the total Reserved Amounts ("**Surplus Inventory**") for a quarter, and surplus to any amount of Late Product accrued. At Wholesaler's discretion, Wholesaler shall send written notice to the Company (a "**Proposed Sale Notice**") of its desire to sell Surplus Inventory to Company on the same terms as Product within the Reserved Amounts. The Proposed Sale Notice shall set out information concerning the Surplus Inventory that would be set out in a Shipment Notice.
- b. Company shall have the right, exercisable within  of receipt of the Proposed Sale Notice, by written notice to Wholesaler (a "**Purchase Notice**") to purchase the full amount (but not less than the full amount) of the Surplus Inventory for the Purchase Price, and otherwise on the terms and conditions, set out in this Agreement. If Company delivers a Purchase Notice within such  period, Wholesaler shall sell the Surplus Inventory to Company on the terms and conditions set out in this Agreement.
- c. In course of preparing the Product, Wholesaler will collect trim or other extractable plant matter that could be used to prepare cannabis resin for formulating cannabis oil and other products regulated by Applicable Law. Collectively, any such trim or other extractable plant matter, any Surplus Product that was not purchased, any rejected Product that failed Quality Inspection only, or any rejected Product that can be made compliant, are

“Extraction Material”.

- d. Company may purchase Extraction Material, have the Extraction Material delivered in accordance with the terms of this Agreement applicable to delivery of the Product, and extract cannabis resin from the Extraction Material. Within ten (10) Business Days of the extraction being completed, Company shall pay [REDACTED]
- e. Any Extraction Material not purchased by Company may be extracted by Wholesaler, who shall, within ten (10) Business Days of the extraction being completed, pay to the Company [REDACTED]
- f. The price paid between the Parties under sections 16.d and 16.e per [REDACTED] shall be renegotiated with reference to prevailing market trends beginning no later than June 1, 2019 and becoming effective September 1, 2019. The Parties shall also agree by September 1, 2019 when to further renegotiate the [REDACTED]
- g. Any Extraction Material sold by Wholesaler as cannabis resin, cannabis oil or other classes of cannabis shall be sold blended with at least two varieties of cannabis that are not sourced from the Company. Company grants Wholesaler a non-exclusive, royalty-free, irrevocable license to any Intellectual Property rights held by Company that Wholesaler may require to sell and deliver such Extraction Material prepared from the Initial Strains in **Appendix B** to a Third Party.

[confidential business information]

17. Additional Costs: [REDACTED]

[confidential business information]

- 18. Disclaimer of Warranty/Limitation of Liability: In no event shall the Company or the Wholesaler be liable for any consequential, incidental, or special damages (including lost profits) relating to the purchase and sale of Product, including but not limited to lost profits or lost revenue, even if informed of the possibility of such damages. In no event shall the Company’s liability exceed \$1,000.00. In no event shall the Wholesaler’s liability exceed the amount that the Wholesaler was paid for a Shipment that resulted in liability.
- 19. Representations and Warranties of the Wholesaler: the Wholesaler represents and warrants to the Company, and confirms that such representations and warranties will be true as of each Delivery Date, that:
 - a. subject to the issuance of the Licence, the Wholesaler holds the required licences under all Applicable Law necessary to meet its obligations under this Agreement;

- b. the Wholesaler has produced and handled all Product in each Shipment in compliance with Applicable Law;
 - c. immediately prior to the time the Wholesaler transfers title of the Product, the Wholesaler shall be the owner of the Product with good title to the Product; and
 - d. each Shipment has undergone the Wholesaler Testing and the details of the Wholesaler Testing are accurately reflected in the Shipment Notice.
20. Representations and Warranties of the Company: the Company represents and warrants to the Wholesaler, and confirms that such representations and warranties will be true as of each Delivery Date, or each date that the Company ships Product to the Wholesaler in accordance with this Agreement, that:
- a. the Company holds all licenses necessary under Applicable Law to engage in the contemplated activity, including the purchase, commercial sale and transportation of the Product;
 - b. the Company accepts ownership and all risk of loss associated with the Product once the Product is loaded onto the freight service provider; and
 - c. at the time a particular strain is proposed to be included in **Appendix B**, and provided Company has such knowledge, the Company shall provide the vegetative time, the propagation time, the flowering time and the expected yield per grow cycle per square foot of greenhouse canopy for each strain of cannabis that is proposed to be included in **Appendix B** and cultivated by the Wholesaler at the Facility. For greater certainty, the Company is not representing or warranting as to any such information provided.
21. Indemnity by the Wholesaler: the Wholesaler shall at all times and without limitation, indemnify and save harmless the Company, its, directors, officers, employees, contractors, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which any of the Company, its directors, officers, employees, contractors, agents, insurers and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by Third Parties, with respect to any occurrence, event, incident or matter caused by, or arising as a direct or indirect result of:
- a. the misconduct, negligent action or negligent failure to act, as the case may be, of the Wholesaler or any of those persons for whom the Wholesaler is responsible at law (including any of its employees or contractors);
 - b. any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of the Wholesaler to be fulfilled, kept, observed or performed, as the case may be; or
 - c. any damages to Third Parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or negligent failure to act of the Wholesaler or any of those persons for whom the Wholesaler is responsible at law (including any of its employees or contractors).

The provisions of this Section are in addition to and shall not prejudice any other rights of the Company at law or in equity.

22. Indemnity by the Company: the Company shall at all times and without limitation, indemnify and save harmless the Wholesaler, its, directors, officers, employees, contractors, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which any of the Wholesaler, its directors, officers, employees, contractors, agents, insurers and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by Third Parties, with respect to any occurrence, event, incident or matter caused by, or arising as a direct or indirect result of:
- a. the misconduct, negligent action or negligent failure to act, as the case may be, of the Wholesaler or any of those persons for whom the Company is responsible at law (including any of its employees or contractors);
 - b. any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of the Company to be fulfilled, kept, observed or performed, as the case may be; or
 - c. any damages to Third Parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or negligent failure to act of the Company or any of those persons for whom the Company is responsible at law (including any of its employees or contractors)

The provisions of this Section are in addition to and shall not prejudice any other rights of the Wholesaler at law or in equity.

23. Information and Recall: In the event that a Party (the “**Recalling Party**”), determines in good faith that it is required to initiate a recall as required by Applicable Law (each a “**Recall**”) with respect to a batch of Product (the “**Recalled Batch**”) that includes a Lot included in a Shipment, the Recalling Party shall immediately notify the other Party (the “**Other Party**”) of the Recall and:
- a. such notice shall be accompanied by a detailed explanation of why the Recalling Party has determined that it is required to initiate a Recall of the Recalled Batch, which shall include all of the information that must be provided to the Minister pursuant to section 77 of the ACMPR (the “**Recall Notice**”);
 - b. the Parties shall create a recall team (the “**Recall Team**”) consisting of, at a minimum, the quality assurance person, and at least one of the senior responsible person in charge, a responsible person in charge, or an alternative responsible person in charge, of each Party, and the Recall Team shall be of sufficient constitution to implement and manage the Recall pursuant to the requirements of Applicable Law and each Party’s SOPs with respect to recalls;
 - c. if the Wholesaler is the Recalling Party, in accordance with and subject to the Company’s SOPs:
 - i. the Company shall promptly cease to sell any Product from a Shipment that

included a Lot from the Recalled Batch, and shall use its commercially reasonable and good faith efforts to cooperate with and assist the Wholesaler with the Recall, including by providing the Wholesaler with commercially reasonable assistance in the preparation of a report including details of the Recall, the details at a minimum including information required by Applicable Law (a “**Recall Report**”);

- ii. the Company shall promptly determine whether, as a result of the Wholesaler initiating the Recall or otherwise, the Company will also recall any Lots from the Recalled Batch (a “**Concurrent Buyer Recall**”) and notify the Wholesaler in writing of such determination. If the Company does not notify the Wholesaler of its determination to initiate or not initiate a Concurrent Buyer Recall within five (5) Business Days of the Wholesaler notifying the Company of the Recall, the Company shall be deemed to have determined not to initiate a Concurrent Buyer Recall;
- iii. if the Company determines to initiate a Concurrent Buyer Recall:
 1. the Company shall promptly return any unsold Product of the Recalled Batch to the Wholesaler (the “**Recall Returned Product**”), and shall ship the Recall Returned Product, less any retained samples which must be kept by the Company as required by Applicable Law, to the Wholesaler in accordance with Applicable Law, with all shipping costs and applicable taxes to be borne exclusively by the Wholesaler, and the Company shall provide a statement confirming that the Recall Returned Product represents 100% of the unsold quantity of the Recalled Batch; and
 2. the Wholesaler shall promptly, and in no event later than fifteen (15) Business Days after its receipt of the Recall Returned Product, reimburse the Company for all amounts previously paid by the Company to the Wholesaler in connection with such Recalled Batch, including the purchase price that was paid to the Wholesaler for such Recalled Batch, the shipping costs and all applicable taxes on the foregoing, and any other out of pocket expenses, all as detailed in the invoice(s) relating to the Recalled Batch (collectively, the “**Buyer Recall Liabilities**”), provided however that the Parties may agree to set off the amount to be reimbursed by the Wholesaler to the Company pursuant to this Section against future payments owed by the Company to the Wholesaler;
- d. if the Company is the Recalling Party, in accordance with and subject to the Wholesaler’s SOPs:
 - i. the Wholesaler shall use its commercially reasonable efforts to cooperate with and assist the Company with such Recall including providing the Company with commercially reasonable assistance in the preparation of the Recall Report for such Recall;
 - ii. in the event that any portion of the Recalled Batch was sold to a Third Party, the Wholesaler shall promptly determine whether, as a result of the Company initiating the Recall or otherwise, the Wholesaler will also recall the Recalled Batch (a “**Concurrent Vendor Recall**”) and notify the Company in writing of such determination. If the Wholesaler does not notify the Company of a determination

to initiate or not initiate a Concurrent Recall within fifteen (15) Business Days of the Company notifying the Wholesaler of the Recall, the Wholesaler shall be deemed to have determined not to initiate a Concurrent Recall and the provisions of Section 23.e shall apply;

- iii. in the case of a recall or adverse event in respect of any Lot including both the Product and cannabis sourced other than from Wholesaler, Company shall reimburse Wholesaler for any costs resulting from any decision by Wholesaler to initiate a Concurrent Vendor Recall out of caution, but which is later shown to be unnecessary; and
 - iv. if Wholesaler determines to initiate a Concurrent Vendor Recall, the provisions of Section 23.c.iii shall apply; and
- e. if the Company is the Recalling Party and the Wholesaler has determined not to initiate a Concurrent Vendor Recall:
- i. the Recall Team shall promptly, and in no event later than ten (10) calendar days from the date of the Wholesaler's notification to the Company that it has determined not to initiate a Concurrent Vendor Recall, meet (in person or by telephone) to discuss the reasons for the Company's initiation of a Recall (a "**Recall Meeting**");
 - ii. if the Parties mutually agree that the reason(s) underlying the Company's need for a Recall were solely the result of an act or omission of the Company, the Wholesaler shall have no further obligation or liability with respect to the Recalled Batch or the Recall thereof;
 - iii. if the Parties mutually agree that the reason(s) underlying the Company's need for a Recall were solely the result of an act or omission of the Wholesaler, the provisions of Section 23.c.iii shall apply. Notwithstanding the foregoing, Wholesaler agrees that in such an event (considered a material breach hereunder), the Company may, in its sole discretion, either (a) allow Wholesaler a 60 day cure period to ensure no further Recalls on that same basis and in the event no such cure is completed, terminate the Agreement, or (b) immediately terminate the Agreement;
 - iv. if the Parties mutually agree that the reasons(s) underlying the Company's need for a Recall were the result of acts and omissions of both Parties, the Parties, acting reasonably, shall allocate a percentage of such fault to the Wholesaler (the "**Fault Percentage**") and the provisions of Paragraph 23.c.iii shall apply, but only to the extent of the Fault Percentage; for greater certainty by way of example, the Wholesaler's reimbursement obligation set out in Paragraph 23.c.iii may be limited to the portion of the Recall Returned Product equal to the Recall Returned Product multiplied by the Fault Percentage; and
 - v. if the Parties are unable to mutually agree as to the reason(s) underlying the Company's need for a Recall or the Fault Percentage, within ten (10) Business Days of the Recall Meeting (each a "**Recall Dispute**"), the Parties shall promptly refer the Recall Dispute for binding arbitration in accordance with Section 31.

24. Term: The term of this Agreement shall commence on the Effective Date, shall continue for a period of two (2) years commencing as of January 1, 2019 (the “**Initial Term**”) and shall be renewable for additional one (1) year periods by the Parties’ mutual agreement, which may be evidenced by a simple extension executed by the Parties, during the last ninety (90) days prior to the expiry of the then current Term (each a “**Renewal Term**” and together with the Initial Term the “**Term**”). This Agreement shall expire and terminate on the at the end of the Term.

25. Termination: This Agreement may be terminated:

- a. immediately by mutual written agreement of the Parties;
- b. by either Party if the other Party is in material breach of a material term of this Agreement, taken in the context of the Agreement as a whole provided that:
 - i. such Party has given written notice to the other Party setting out the relevant circumstances and stating an intention to terminate once the relevant circumstances have continued to exist for thirty (30) calendar days from the time such notice is given (the “**Cure Period**”), and
 - ii. such Party has given a further notice in writing to the other Party stating that the Agreement is terminated once the Cure Period has ended;
- c. subject to the Cure Period, this Agreement may be terminated by Wholesaler for material breaches including:
 - i. if the Company ceases to hold all required licenses under all Applicable Law necessary to complete its obligations under this Agreement, and
 - ii. for breach by Company of Section 6;
- d. subject to the Cure Period, this Agreement may be terminated by Company for material breaches including:
 - i. after January 1, 2019, in the event that the Wholesaler has not obtained the Licence by December 31, 2018, and
 - ii. if, after the Sales Licence Date, the Wholesaler ceases to hold all required licenses under all Applicable Law necessary to complete its obligations under this Agreement; and
- e. this Agreement may be terminated immediately by either Party if either Party becomes bankrupt, insolvent or unable to discharge its liabilities when due.

26. Survival:

- a. The following sections of this Agreement survive termination of this Agreement: 18 (Disclaimer of Warranty/Limitation of Liability), 21 (Indemnity by the Wholesaler), 22 (Indemnity by the Company), 23 (Information and Recall), 27 (Termination and Effect on Genetics), 28 (Confidentiality), 29 (Examination of Product and Records), 30 (Audit Rights), 31 (Arbitration Procedure), and 33.h (Choice of Law). The provisions of this Agreement in general survive Termination with respect to Late Products or remaining Product that is prepared from Initial Strains, which are purchased by the Company upon

termination of this Agreement or that have Delivery Dates following termination of this Agreement.

- b. The following sections of this Agreement survive termination of this Agreement in respect of any transactions pending, plants that are Company Branded Strains remaining in Wholesaler's possession, or Product remaining at the Facility: 3 (Intellectual Property Licence), 7 (Branding), 8 (Wholesaler Quality Control), 11 (Payment of Purchase Price), 12 (Delivery Terms), 13 (Conditions of Closing for each Shipment), 14 (Loss), 16 (Surplus Inventory and Non-Compliant Product), 15 (Company Testing), 19 (Company Representations and Warranties), and 20 (Wholesaler Representations and Warranties).

27. Termination and Effect on Genetics: Upon termination or expiration of this Agreement, all remaining Product that is prepared from Company Branded Strains shall be purchased by the Company or treated as Surplus Inventory. Upon termination or expiration of this Agreement, Wholesaler shall be obliged to destroy all propagating plant material relating to the Company Branded Strains and with respect to the Wholesaler Branded Strains, Wholesaler shall be obliged to pay a royalty rate [REDACTED] on the Average Selling Price of the strains for a period of [REDACTED] following the termination or expiration of the Term, and shall thereafter be unencumbered with respect to the Wholesaler Branded Strains. [confidential pricing information]

28. Confidentiality:

- a. Each Party acknowledges that it may in the course of performing its responsibilities under this Agreement, be exposed to or acquire information which is proprietary to or confidential to a disclosing Party, its Affiliates, clients or other Third Parties to whom the disclosing Party may owe a duty of confidentiality. Any and all non-public information of any form obtained by a receiving Party shall be deemed to be "**Confidential Information**". The receiving Party agrees to hold such Confidential Information in confidence and not to use or disclose the Confidential Information for any purpose whatsoever other than as contemplated by this Agreement.
- b. During the Term, and for a period of three (3) years following termination of this Agreement, each Party shall maintain in confidence and not use or disclose to any Third Party for any purpose whatsoever, except as expressly authorized herein and other than to those of its directors, officers, employees, agents, advisors or potential investors on a need to know basis to perform receiving the Party's obligations under this Agreement, any Confidential Information, including the terms of this Agreement and any information, documents or data that is confidential and proprietary to the disclosing Party, including information that is disclosed by the disclosing Party and that is identified by such disclosing Party as "Confidential Information" are Confidential.
- c. Confidentiality obligations shall not apply to the extent that it can be established by the receiving Party that the information that:
 - i. was already known to the receiving Party at the time of disclosure;
 - ii. was generally available to the public or otherwise part of the public domain at the time of its disclosure;

- iii. became generally available to the public or otherwise part of the public domain after its disclosure to the receiving Party through no act or omission of the receiving Party;
 - iv. was disclosed to the receiving Party by a Third Party who was not known to the receiving Party (after due inquiry) to have obligations restricting disclosure of such information; or
 - v. was independently developed by the receiving Party without any use of Confidential Information of the disclosing Party.
- d. Each Party agrees that it will take the same degree of care to protect the confidentiality of the other Party's Confidential Information as it takes to protect its own proprietary and confidential information. Each Party shall, and shall cause each of its directors, officers, employees, agents and advisors to, protect and keep confidential and shall not use, publish or otherwise disclose to any Third Party, except as permitted by this Agreement, or with the other Party's written consent, the other Party's Confidential Information.
- e. All Confidential Information supplied by one Party to the other to assist in carrying out the obligations hereunder shall remain the property of the disclosing Party and shall be returned to the disclosing Party or destroyed upon the termination of this Agreement.
- f. The Parties acknowledge that any breach of Confidential Information shall result in immediate and irreparable damage to owner of such Confidential Information. The Parties acknowledge and admit that there is not an adequate remedy at law for such failure, and agree that in the event of such breach, the disclosing Party shall be entitled to equitable relief by way of temporary and permanent injunction and such other and further relief as any court with jurisdiction may deem just and proper.
- g. Each Party may disclose Confidential Information to the extent such disclosure is reasonably necessary for prosecuting or defending litigation or complying with Applicable Law, provided that if a receiving Party is required by Applicable Law to make any such disclosure of the disclosing Party's Confidential Information, the receiving Party will advise the disclosing Party of the requirement to disclose and will furnish only that portion of the Confidential Information which is legally required and further, will exercise their best efforts to obtain reasonable assurances that confidential treatment will be accorded to such Confidential Information.
- h. Each Party may disclose the existence and material terms of this Agreement for purposes of complying with requirements of Applicable Law in respect of capital raising activities or any continuous disclosure obligations. If a public announcement is required by Applicable Law, including in relation to any financing or public listing obligations, the Party required to make the announcement shall (i) inform the other Party of the contents of the proposed announcement, (ii) afford the other Party reasonable opportunity to comment on the announcement in draft form and give reasonable consideration to any input received, and (iii) obtain the other Party's approval for the announcement. Notwithstanding the foregoing, both Parties shall agree on a press release to be issued following the execution of this Agreement, all other public communications about this Agreement will be subject to prior approval by both the Company and the Wholesaler. Neither Party will issue any press releases about any aspect of this Agreement without the consent of the other Party.

29. Examination of Product and Records:

- a. During the Term, each of the Wholesaler and the Company shall:
 - i. within two (2) Business Days of a request by a Party, make available to the other Party and its authorized representatives all documentation or data that has been requested from the requesting Party by Health Canada auditors, such as title documents, reports, studies, permits, licences and all other records in the other Party's possession or under its control relating to the Product, including documents relating to tracking, cloning, inventory, seed transfer and Lot records. This obligation will persist for a period of two (2) years after termination of this Agreement; and
 - ii. retain all records related to any Product for a period of two (2) years after the Delivery Date and comply with all its obligations under Applicable Law with respect to such records.
- b. During the Term, the Wholesaler shall:
 - i. allow the Company and its authorized representatives reasonable opportunity to have access to the Facility and inspect a Shipment during business hours on a Business Day with at least three (3) Business Days prior to a Delivery Date;
 - ii. allow the Company to review onsite any SOPs for quality assurance release for bulk sale, and any other data or information related to acquisition of the data described in subsection 8; and;
 - iii. engage in a Quality Agreement ("**Quality Agreement**") between the Parties that is representative of the legal responsibilities held between a cannabis wholesaler and distributor.

30. Audit Rights

- a. The Company shall establish and maintain a reasonable accounting system that includes information that enables the Company to readily identify and track, for each Shipment, the Product in the Shipment, the proceeds received by the Company from the sale of Product in the Shipment, the amount of each Lot included in the Shipment, the amount of each strain included in the Shipment, and the proceeds received by the Company for the sale of all similar and other products of the Company that are required to calculate any amount owing by the Company to the Wholesaler hereunder (the "**Accounting System**"). The Accounting System must require assignment of a distinct Company Lot number to each Lot of any given strain, each Shipment of any given strain, and to each different strain, and must prevent combining any Product in a single Company Lot number with cannabis cultivated, produced or otherwise sourced by the Company independently of the Wholesaler except in the case of Product which has been extracted.
- b. Beginning on the Sales License Date, the Wholesaler and its authorized representatives shall have the right, exercisable on reasonable notice, to audit, examine, and make copies of, or extracts from, all financial and related records (in whatever form they may be kept, whether written, electronic, or other):

- i. kept by or under the control of the Company, including but not limited to those kept by the Company, its Affiliates, employees, agents, assigns, successors, and subcontractors; and
 - ii. relating to or pertaining to this Agreement and any calculations required to be made hereunder, including the proceeds from the sale of Product.
- c. The purpose of any examination conducted under this Section 30 shall be for the Wholesaler to confirm that all information provided by the Company to the Wholesaler regarding sales of Products or other matters relating the calculations of amounts owing by the Company to the Wholesaler hereunder are true and correct in all respects. For greater certainty, any such examination shall be limited in scope to the one (1) year of historical data.
- d. In the event any audit examination reveal that the amounts paid by the Company to the Wholesaler hereunder were incorrect, the Wholesaler shall present its findings to the Company and the Company shall have thirty (30) calendar days to either agree that the adjustments identified by the Wholesaler are required to be made or to deliver a written notice of objection to the Wholesaler setting forth the Company's reasons for disagreeing with the Wholesaler's calculations. In the event no notice of objection is delivered within such thirty (30) calendar day period, the Company will be deemed to have accepted the Wholesaler's findings and payments shall be made to effect such adjustments immediately by the Party obligated to make such payments.
- e. In the event the Company objects to the Wholesaler's proposed adjustments and the Parties are unable to settle such dispute, the matter shall be referred for determination to a national accounting firm (acceptable to each Party, acting reasonably) which is not then engaged as auditor or advisor by either the Wholesaler or the Company, or any Affiliates of either Party. The determination of any required adjustments by such accounting firm shall be final and binding on both Parties and the costs associated with such determination shall be shared by the Parties equally. The Party obligated to make any payments to rectify the errors identified hereunder shall make such payments immediately upon receipt of such determination or otherwise as agreed by the Parties.

31. Arbitration Procedure:

- a. All disputes, controversies or claims arising out of, relating to, or in respect of this Agreement, including any issue regarding its existence, validity, enforceability, interpretation, breach or termination (each a "**Dispute**") other than in respect of any audit rights under Section 30 shall be resolved in accordance with the terms of this Agreement.
- b. Any Dispute that Parties are unable to amicably resolve or settle between themselves through negotiations between senior executives of Parties within fifteen (15) Business Days (or such longer period as the Parties may mutually agree to in writing) of a Party being provided notice of such Dispute or difference in accordance with the notice provisions of this Agreement (the "**Consultation Period**") may, at the request of one of the Parties be referred to and finally determined by final and binding arbitration. For clarity, if one Party requests to proceed with arbitration, the other Party shall be required to participate and the term of this Section 31 shall apply. The arbitration shall be confidential and shall be conducted by one independent and impartial arbitrator selected in accordance with the terms of this Agreement (the "**Arbitrator**").

- c. The arbitration shall be governed by the *Arbitration Act* (British Columbia) to the extent that such rules do not conflict with the terms of this Section 31.
- d. The arbitration shall be seated in the City of Vancouver and the arbitration agreement set forth in this Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- e. Within fifteen (15) Business Days of the expiry of the Consultation Period, the Parties agree to jointly select the Arbitrator. The Arbitrator shall be impartial and independent of the Parties and shall be experienced and knowledgeable about the subject matter of the Dispute (generally and not as to the express facts concerning the Dispute). If the Parties are unable to agree upon the Arbitrator, either Party may apply to the court to select the Arbitrator.
- f. The Arbitrator shall have jurisdiction: (i) to apply all Applicable Law (including the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims); and (ii) to make an award or awards in respect of interest and the payment of the costs of the arbitration (including arbitrators' fees and the legal costs of the Parties). The Arbitrator also may, where requested by a Party, determine the nature and extent of production of documents and oral depositions.
- g. The award of the Arbitrator shall be reduced to writing and be final and binding on the Parties and not subject to any appeal (a "**Final Determination**"). Any monetary award shall be made and payable, free of any taxes or other deduction, and shall bear interest from the date of any breach or other violation of this Agreement to the date on which the award is paid, at a rate determined by the Arbitrator.
- h. Judgment upon the award(s) rendered by the Arbitrator may be entered and execution had in any court of competent jurisdiction, or application may be made to such court for a judicial acceptance of the award and order of enforcement.
- i. Subject to Section 31.f, each Party shall bear its own expenses of preparing for and participating in connection with the arbitration, including legal fees but the Party against whom judgment is rendered shall bear all legal fees of the Arbitrator.
- j. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies in aid of arbitration as may be available under the jurisdiction of a legal court, the Arbitrator shall have full authority to grant provisional remedies, statutory remedies and to award damages for the failure of the Parties to respect the Arbitrator's orders to that effect.
- k. Nothing in this Agreement shall restrict or prohibit a Party from commencing arbitration at any time, including prior the expiry of a Consultation Period, in order to protect its rights under this Agreement or in relation to a dispute or disagreement.
- l. Except as expressly provided for in this Agreement or where otherwise reasonably prevented by the nature of the Dispute, the Parties shall continue to perform their respective duties, obligations and responsibilities under this Agreement while the Dispute is being resolved in accordance with this Section 31 unless and until such obligations are lawfully terminated or expire in accordance with the provisions thereof.

- m. All dispute resolution and arbitration proceedings (including all related information, communications, documents, materials, and evidence) shall be strictly confidential, and each Party shall have a fiduciary obligation to the other Party to protect, preserve and maintain the integrity of such confidentiality.
32. Force Majeure: Each Party will be excused from the performance of its obligations under this Agreement to the extent that such performance is directly delayed or prevented by conditions caused by occurrences completely beyond the reasonable control of the Party affected (other than by reason of such Party failing to comply with Applicable Law or failing to use commercially reasonable efforts to follow standard industry practices), including an act of God, omission or delay in acting by any Governmental Authority or the other party, war, an act of war, terrorism, insurrection, riot, civil commotion, epidemic, failure or default of public utilities or common carriers, embargo, fire, earthquake, flood, storm or like catastrophe (each a “**Force Majeure Event**”), provided that the non-performing Party promptly provides written notice to the other Party of such delay or inability and of the period for which such delay or inability is expected to continue. Such excused performance will be continued so long as the condition constituting a Force Majeure Event continues and the non-performing Party takes reasonable efforts to remove the condition. Notwithstanding the foregoing, nothing in this Section 32 will excuse or suspend the obligation of either Party to make any payment due under this Agreement in the manner and at the time provided. If, and to the extent that a Party is delayed or prevented from performing its obligations under this Agreement, such Party shall nonetheless use its commercially reasonable efforts to mitigate, avoid or end such failure in performance to the extent and as soon as reasonably practicable and shall discuss with the other Party in good faith any such actions to be taken.
33. General:
- a. This Agreement is binding on the Parties. It is not assignable or transferable, by operation of law or otherwise without the prior written consent of the both Parties, but shall enure to the benefit of and be binding upon the successors and permitted assigns of each of the Parties.
 - b. Each of the Company and the Wholesaler will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
 - c. This Agreement sets forth the entire understanding of the Parties, and supersedes all prior agreements and undertakings, both written and oral, between the Parties, with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.
 - d. No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
 - e. This Agreement may not be assigned by the Company or the Wholesaler without the written consent of the other Party. Notwithstanding the foregoing, the Company and the Wholesaler may assign this Agreement to their respective Affiliates, provided that the

representations and warranties of such Party hereunder are true in all respects with regard to such Affiliate.

- f. Subject to additional notice requirements required by Applicable Law in the event of a Recall, any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To Company:

Attention: Phil Shaer, General Counsel
Address: 1 Hershey Drive
Smiths Falls, Ontario
K7A 0A8

Email: [REDACTED]
Phone: [REDACTED] [personal information]

To Wholesaler:

Attention: Leith Pedersen
Cc: Benjamin Rootman
Address: 1200 Waterfront Centre
200 Burrard Street, PO Box 48600
Vancouver, British Columbia
V7X 1T2

Email: [REDACTED]
Phone: [REDACTED] [personal information]

Email: [REDACTED]
Phone: [REDACTED] [personal information]

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

- g. The rights and remedies of the Parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single exercise, partial exercise or failure to exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.
- h. This Agreement shall be construed and governed by the laws of the Province of Ontario and the laws of Canada applicable therein and in the event of a dispute the Parties shall attorn to the courts of Ontario.

- i. This Agreement may be executed electronically and in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- j. Time shall be of the essence of this Agreement.
- k. This Agreement shall be interpreted according to its fair construction and shall not be construed as against either Party. In this Agreement, **(a)** headings are for reference purposes only and do not limit the scope or extent of such section; **(b)** words importing the singular number only also include the plural, and vice versa; **(c)** “**person**” includes an individual, corporation and any other legal entity; **(d)** “**include**”, “**includes**”, “**included**” and “**including**” means including or includes (as applicable) without limitation or restriction; and **(e)** “**discretion**” mean a Person’s sole, absolute and unfettered discretion.

[the remainder of this page intentionally left blank]

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

CANOPY GROWTH CORPORATION

(Signed) "*Phil Shaer*"
Per: _____

Phil Shaer, General Counsel

SUNNIVA MEDICAL INC.

(Signed) "*Leith Pedersen*"
Per: _____

Leith Pedersen, Director

APPENDIX A

The Parties mutually agree to the following schedule for the sale and purchase of 45,000 kg of Product annually, the Product being produced in the following amounts as between Company Branded Strains and Wholesaler Branded Strains, per calendar year quarter:

[REDACTED]

[confidential business information]

APPENDIX B

Wholesaler Branded Strains and Company Branded Strains

Strain Selection Requirements

The specific criteria are:

Criterion	Threshold
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Strain Selection Chart (agreed to prior to [REDACTED])

Strain	Vegetation time (wks)	Flowering time (wks)	Yield per square foot per harvest (g)*	Expected sale price** (CAD/g)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

[REDACTED]

[REDACTED]

[confidential business information]

APPENDIX C

Quality Statement for Product

Quality Statement for Dried Product:

[REDACTED]

[confidential business information]

APPENDIX D

Pricing Terms

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[confidential pricing information]