



SUNNIVA INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

and

MANAGEMENT PROXY CIRCULAR

Meeting to be held on June 27, 2018

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SUNNIVA INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on June 27, 2018

NOTICE IS HEREBY GIVEN that an annual general and special meeting of the holders of common shares of Sunniva Inc. (“**Sunniva**” or the “**Corporation**”) will be held at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, B.C., V7X 1T2, on June 27, 2018 at 8:00 a.m. (Pacific Time) (the “**Meeting**”), for the following purposes:

A. MEETING MATTERS

1. to receive the financial statements and management’s discussion and analysis of the Corporation for the financial year ended December 31, 2017;
2. to fix the number of directors at eight (8) and to elect directors of the Corporation for the ensuing year;
3. to appoint MNP LLP as the Corporation’s auditors for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to consider and, if thought advisable, pass an ordinary resolution ratifying, confirming and approving the Corporation’s Advance Notice By-Law which is discussed under *Business of the Meeting – Special Business – Advance Notice By-Law* and the complete text of which is set out in Schedule A to the attached Circular (as defined below) for the Meeting; and
5. to consider and, if thought advisable, pass an ordinary resolution ratifying, confirming and approving the adoption of the Amended and Restated Stock Option Plan which is discussed under *Business of the Meeting – Special Business - Amended and Restated Stock Option Plan* and the complete text of which is set out in Schedule B to the attached Circular for the Meeting.

Accompanying this notice of meeting are: (i) a management proxy circular of the Corporation dated May 23, 2018 (the “**Circular**”); and (ii) a form of proxy. The Circular contains important information about what the Meeting will cover, who can vote and how to vote. Please read it carefully. A holder of common shares of the Corporation (a “**Shareholder**”) entitled to vote at the Meeting may attend the Meeting in person or be represented by proxy. If you are a Shareholder that is entitled to vote at the Meeting, but you are unable to attend the Meeting in person, you are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be completed, dated, signed and received:

- By the Corporation’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1- 866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- or use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder’s account number and the proxy access number;
- or log on to Computershare’s website at, www.investorvote.com. Registered shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder’s account number and the proxy access number.

In any case, such proxy must be received no later than 8:00 a.m. (Pacific Time) on June 25, 2018 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the adjourned Meeting.

A copy of the financial statements and management’s discussion and analysis of the Corporation for the financial year ended December 31, 2017 are being sent on the same date as this notice of meeting to each registered Shareholder entitled to receive notice of the Meeting.

The directors have fixed May 18, 2018 as the record date for the purposes of determining Shareholders entitled to receive notice of the Meeting and to vote thereat. Accordingly, Shareholders of record as at the close of business on May 18, 2018 will be entitled to attend and vote at the Meeting and any adjournment thereof.

DATED at Vancouver, British Columbia this 23rd day of May, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

Signed (Dr. Anthony Holler)

Dr. Anthony F. Holler
Chairman of the Board, Chief Executive Officer and
Director

Whether or not you expect to attend the Meeting in person, please complete, date, sign and return the accompanying form of proxy at your earliest convenience. The accompanying Circular provides further information respecting proxies and the matters to be considered at the Meeting and is deemed to form part of this notice of meeting.

SUNNIVA INC.

MANAGEMENT PROXY CIRCULAR

May 23, 2018

In this document, “**you**” and “**your**” refer to the shareholder. “**We**”, “**us**”, “**our**”, the “**Corporation**” and “**Sunniva**” refer to Sunniva Inc. Unless otherwise indicated, the information in this document is presented as at May 23, 2018.

This Management Proxy Circular (the “**Circular**”) is for the annual general and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Sunniva at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, B.C., V7X 1T2, on June 27, 2018, at 8:00 a.m. (Pacific Time), and at any adjournment thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting of Shareholders (the “**Notice of Meeting**”). All references to currency herein are to Canadian dollars, unless otherwise specified.

No person has been authorized to give any information or make any representation in connection with the matters set out in the Notice of Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

GENERAL PROXY MATTERS

Solicitation of Proxies

The Circular is furnished in connection with the solicitation of proxies by and on behalf of management of the Corporation. The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors of the Corporation. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following procedures to submit their Proxy:

- complete, date and sign the Proxy and return it to the Corporation’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1- 866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- or use a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll-free number, the Shareholder’s account number and the proxy access number;
- or log on to Computershare’s website at, www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed Proxy form for the Shareholder’s account number and the proxy access number.

In either case you must ensure the Proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof. Failure to complete or deposit a Proxy properly may result in its invalidation. Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted Proxy is revoked and that you personally will vote your Common Shares at the Meeting.

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name (non-registered Shareholders). Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the “**beneficial holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the beneficial holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial holders: Objecting Beneficial Owners (“**OBOs**”) object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners (“**NOBOs**”) who do not object to the issuers of the securities they own knowing who they are. The Corporation is taking advantage of the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit the Corporation to deliver Meeting materials directly to its NOBOs and indirectly through Intermediaries to the OBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

These Meeting materials are being sent to both registered and beneficial holders of securities of the Corporation. If you are a beneficial holder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

By choosing to send these Meeting materials to you directly, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting materials to each OBO, unless the OBO has waived the right to receive them. The Corporation does not intend to pay for an Intermediary to deliver Meeting materials to OBOs. Accordingly, OBOs will not receive the Meeting materials unless their Intermediary assumes the cost of delivery. Beneficial holders who are OBOs should follow the instructions of their Intermediary carefully to ensure that their Common Shares are voted at the Meeting.

Intermediaries often use service companies to forward the Meeting materials to beneficial holders. Generally, beneficial holders who have not waived the right to receive Meeting materials will either:

- be given a VIF which is not signed by the Intermediary and which, when properly completed and signed by the beneficial holder and returned to the Intermediary or its service company, will constitute voting instructions, which the Intermediary must follow. Typically, the VIF will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the Proxy to validly constitute a VIF, the beneficial holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the Proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the beneficial holder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the beneficial holder when submitting the Proxy. In this case, a beneficial holder who wishes to submit a Proxy should properly complete the Proxy and deposit it with Computershare by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof.

In either case, the purpose of these procedures is to permit beneficial holders to direct the voting of their Common Shares. Should a beneficial holder who receives either a VIF or a Proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the beneficial holder), the beneficial holder should strike out the names of the persons named in the Proxy and insert the beneficial holder's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the directions indicated on the form. In either case, beneficial holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the VIF or the Proxy is to be delivered.

All references to Shareholders in the Meeting materials are to registered Shareholders unless specifically stated otherwise.

Notice to Shareholders in the United States

This solicitation of proxies involves an issuer with its registered corporate office located in Canada, the securities of which are listed on a Canadian stock exchange, and therefore this solicitation of proxies is being effected in accordance with the corporate laws of Canada and the securities laws of the Provinces of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the Provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the Provinces of Canada differ from the disclosure requirements under United States securities laws.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, or to the Corporation's office at 1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver, British Columbia V7X 1T2, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or personally attending the Meeting and voting the registered Shareholder's Common Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

Voting of Proxies and Exercise of Discretion by Proxy Holders

Common Shares represented by Proxy at the Meeting will be voted by the proxyholder on a show of hands, except where the proxyholder has conflicting instructions from more than one Shareholder, in which case such proxyholder will not be entitled to vote on a show of hands. In addition, Common Shares represented by Proxies will be voted on any ballot properly brought at the Meeting. In either case, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Common Shares will be voted or withheld from voting in accordance with the specification so made. **If a choice is not so specified with respect to any such matter, and the persons named in the enclosed Proxy or VIF have been appointed as proxyholder, the Common Shares represented by such Proxy will be voted “for” each matter for which no choice has been specified by the Shareholder.**

The enclosed Proxy or VIF, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed as proxyholder thereunder to vote with respect to amendments of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any such amendments or variations are proposed to the matters described in the Notice of Meeting or if any other matters properly come before the Meeting, the proxyholder may vote the Common Shares as he or she considers best. The Board of Directors of the Corporation (the “**Board**”) is not aware of any amendments to the matters to be presented for action at the Meeting or of any other matters to be presented for action at the Meeting.

Record Date

The directors of the Corporation have fixed May 18, 2018 (the “**Record Date**”) as the record date for the purposes of determining Shareholders entitled to receive notice of the Meeting and to vote thereat. Accordingly, Shareholders of record as at the close of business on the Record Date will be entitled to attend and vote at the Meeting and any adjournment thereof.

Every Shareholder of record at the close of business on the Record Date who personally attends the Meeting will be entitled to vote at the Meeting or any adjournment(s) thereof, except to the extent that:

- (a) such Shareholder has transferred the ownership of any of his or her Common Shares after the Record Date in compliance with all applicable legal requirements; and
- (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included in the list of Shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Common Shares at the Meeting.

Voting Shares and Principal Holders

As of the Record Date, 31,805,747 Common Shares were issued and outstanding. Each Shareholder has one vote for each Common Share held at the close of business on the Record Date. The Corporation’s By-laws (the “**By-laws**”) do not provide for cumulative voting. Quorum for the Meeting is one or more Shareholders representing, in person or by proxy, not less than 25% of the outstanding Common Shares. To the knowledge of the directors and officers of the Corporation, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over Common Shares carrying more than 10% of the voting rights attached to all shares of the Corporation entitled to vote at the Meeting are:

Shareholder Name	Number of Common Shares ⁽¹⁾	Percentage of Common Shares
Leith Pedersen	4,678,251	14.7088%
Dr. Anthony F. Holler	2,882,612	9.06632%

Note:

- (1) This information is not within the knowledge of the management of the Corporation and has been extracted from insider reports filed by Leith Pedersen and Dr. Anthony F. Holler and available through the Internet at www.sedi.ca as of the Record Date.

Votes Required to Pass Resolutions

Unless otherwise indicated below, to be effective, all resolutions to be passed at the Meeting must be passed by a simple majority of the votes cast by Shareholders who vote on such resolutions.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, nor any person who has held such a position at any time since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, appointment of auditors and the amendment of the Corporation's stock option plan.

BUSINESS OF THE MEETING

Receive the Financial Statements

A copy of the audited financial statements for the financial year ended December 31, 2017 (the "**Financial Statements**") and the accompanying management's discussion and analysis are being sent, as of the date of this Circular, to each director of the Corporation and each registered Shareholder entitled to receive notice of the Meeting. The Financial Statements will be placed before Shareholders at the Meeting. Receipt at the Meeting of the Financial Statements will not constitute approval or disapproval of any matters referred to therein.

Number of Directors

At the Meeting, it is proposed to fix the number of directors elected to eight (8) directors to hold office until the next annual general meeting or until their successors are duly elected or appointed. This requires the approval of the Shareholders by an ordinary resolution, which approval will be sought at the Meeting.

The Board recommends that shareholders vote "for" the fixing of the number of directors of the Corporation at eight (8).

Unless contrary instructions are indicated on the Proxy or the VIF, the persons designated in the Proxy or VIF intend to vote "for" fixing the number of directors of the Corporation.

Election of Directors

The number of directors of the Corporation to be elected at the annual meeting of the Corporation has been determined by the Board to be eight directors. There are presently eight directors of the Corporation: Dr. Anthony F. Holler, Leith Pedersen, Ian Webb, Daniel Vass, Norm Mayr, Michael Barker, Luke Stanton and Todd Patrick. The term of office of each present director expires at the Meeting. The eight nominees named below will be presented for election as directors of the Corporation at the Meeting as management's nominees. Each director of the Corporation elected at the Meeting will hold office until the close of the next annual meeting of the Corporation unless he or she ceases to hold office prior to such time.

The Board recommends that shareholders vote "for" the approval of appointment of the nominee directors.

Unless contrary instructions are indicated on the Proxy or the VIF, the persons designated in the Proxy or VIF intend to vote “for” the appointment of nominee directors for the ensuing year.

Information on Director Nominees

The following table sets out, for each of the director nominees, the person’s name, province or state and country of residence, positions with the Corporation, principal occupation, business or employment during the five preceding years and the number of Common Shares beneficially owned by each nominee, directly or indirectly, or over which control or direction is exercised, as at May 23, 2018.

Name and Province or State and Country of Residence	Positions(s)/Title	Principal Occupation, Business or Employment For Past Five Years	No. of Common Shares Beneficially Owned, or Controlled or Directed⁽¹⁾
DR. ANTHONY F. HOLLER British Columbia, Canada	Chief Executive Officer, Chairman of the Board and Director since August 11, 2014	Dr. Holler was one of the founders of ID Biomedical Corporation (“ ID Biomedical ”) and held a number of executive positions with ID Biomedical including Chief Executive Officer and Director. Dr. Holler resigned from ID Biomedical upon the completion of ID Biomedical’s acquisition by GlaxoSmithKline, Inc. Prior to founding ID Biomedical, Dr. Holler served as an emergency physician at University Hospital at the University of British Columbia.	2,882,612
LEITH PEDERSEN British Columbia, Canada	President, Chief Strategy Officer and Director since August 11, 2014	Mr. Pedersen was an Investment Advisor at Canaccord Wealth Management, former owner and Chief Executive Officer of Vida Wealth Management Bahamas and former Partner and Director at an independent brokerage firm in Calgary, Alberta that managed capital in excess of \$3 billion for high net worth clients.	4,678,251
IAN WEBB ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada	Director since August 11, 2014	Mr. Webb has been retired since December 31, 2010. Prior to that, he was a partner of the law firm of Borden Ladner Gervais LLP. His practice focused on corporate and securities law with an emphasis on the legal requirements of public companies.	260,000
DANIEL VASS Alberta, Canada	Director since February 8, 2017	Mr. Vass is the President of Natural Health Services Ltd. (“ NHS ”), a wholly-owned subsidiary of the Corporation. Prior to that, he was the Vice President of Operations for Contract Land Staff LLC (a provider of land management & right of way services) and the President of Dayzon Energy Solutions Inc.	1,119,532
NORM MAYR ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada	Director since July 28, 2017	Mr. Mayr has been retired since October 2016. Prior to that he was an Audit Partner having spent 38 years in public practice with KPMG LLP (“ KPMG ”).	Nil

Name and Province or State and Country of Residence	Positions(s)/Title	Principal Occupation, Business or Employment For Past Five Years	No. of Common Shares Beneficially Owned, or Controlled or Directed ⁽¹⁾
MICHAEL BARKER California, USA	Director since July 28, 2017	Mr. Barker is the CEO of Barker Pacific Group, Inc., a real estate development company based in Los Angeles, California.	678,066
LUKE STANTON California, USA	Director since July 28, 2017	Mr. Stanton is the Founder, Executive Chairman and an attorney at law at Frontera Law Group (a cannabis business specialty law firm).	100
TODD R. PATRICK ⁽²⁾ ⁽³⁾ ⁽⁴⁾ Washington, USA	Director since July 28, 2017	Mr. Patrick is the President and CEO of C3J Therapeutics, Inc. (“C3J”) (a biotechnology company).	80,000

Notes:

- (1) The approximate number of Common Shares carrying the right to vote in all circumstances beneficially owned, or over which control or direction, directly or indirectly, is exercised by each proposed nominee as of May 23, 2018. This information is not within the knowledge of the management of the Corporation and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by Computershare or from insider reports filed by the individuals and available through the Internet at *www.sedi.ca*.
- (2) Member of the Compensation Committee (the “CC”).
- (3) Member of the Audit Committee (the “Audit Committee”).
- (4) Member of the Corporate Governance and Nominating Committee (the “CGNC”).

The Corporation is not aware that any of the above nominees will be unable or unwilling to serve; however, should the Corporation become aware of such an occurrence before the election of directors takes place at the Meeting, if one of the persons named in the enclosed Proxy is appointed as proxyholder, it is intended that the discretionary power granted under such Proxy will be used to vote for any substitute nominee or nominees whom the Corporation in its discretion may select. Each director elected will hold office until the next annual meeting of Shareholders or until that person’s successor is elected or appointed, unless such person’s office is earlier vacated in accordance with the By-laws, or in accordance with the provisions of the *Canada Business Corporations Act* (“CBCA”).

Majority Voting Policy

The Corporation has adopted a majority voting policy in director elections that will apply at any meeting of our shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation as a director to the Chairman of the Board promptly following the applicable Shareholders’ meeting. Following receipt of the resignation, the Board will consider whether or not to accept the offer of resignation. Within 90 days following the applicable Shareholders’ meeting, the Board shall publicly disclose their decision whether or not to accept the applicable director’s resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or the CGNC at which the resignation is considered.

The following are brief profiles of the director nominees, all of whom are nominated for election as a director of the Corporation for a term running until the next annual meeting of Shareholders.

Dr. Anthony F. Holler, Chief Executive Officer, Chairman of the Board and Director

Dr. Anthony Holler is a co-founder of Sunniva. Prior to this, Dr. Holler was the former CEO and founder of ID Biomedical which was acquired by GlaxoSmithKline Inc. in 2005 for \$1.7 billion and the former Chairman of Corriente Resources Inc. which was sold for approximately \$700 million to CRCC-Tongguan Investment Co. Dr. Holler is the current Chairman of CRH Medical Corporation (“CRH”) which is a public company trading on the Toronto Stock Exchange and the New York Stock Exchange. Dr. Holler invests and takes an active role in every company and his

expertise includes strategic planning, mergers and acquisitions and financing with a singular focus on increasing shareholder value.

Leith Pedersen, President, Chief Strategy Officer and Director

Mr. Leith Pedersen is a co-founder of Sunniva. Prior to this, Mr. Pedersen was the former owner and CEO of Vida Wealth Management Bahamas, a former Investment Advisor at Canaccord Wealth Management and a former Partner and Director at an independent brokerage firm in Calgary, Alberta that managed capital in excess of \$3 billion for high net worth clients. Mr. Pedersen's expertise is corporate strategy, financing and sourcing potential mergers and acquisitions.

Ian Webb, Director

Mr. Ian Webb is a Director of CRH and a former senior corporate law partner of Borden Ladner Gervais LLP, one of Canada's largest law firms. Mr. Webb's practice encompassed mergers and acquisitions, corporate and securities law with an emphasis on the legal requirements of public companies and their boards of directors. He also serves as the Chair of the Corporate Governance and Nominating Committee and as a member of the Audit Committee of CRH.

Daniel Vass, Director

Mr. Daniel Vass is a founder and the President of NHS, which is a subsidiary of Sunniva. NHS operates medical cannabis clinics across Canada. NHS' business also includes a three-tier education program using the internet, its in-house contact centre and bricks-and-mortar education facilities adjacent to its medical clinics. Prior to founding NHS, Mr. Vass was the VP Canadian Operations for Contract Land Staff LLC where he was responsible for Canadian operations for four years. He was also the co-founder and President of Dayzon Energy Solutions Inc. until it was sold in 2010.

Norm Mayr, Director

Mr. Norm Mayr is a retired (October 2016) Audit Partner having spent 38 years in public practice with KPMG. He was the Risk Management and Business Unit Professional Practice Partner for the Greater Vancouver Area practice of KPMG for the most recent 18 years of his career. In this role, Mr. Mayr was responsible for managing risk in the audit practice, and regularly consulted with engagement teams dealing with complex financial reporting, accounting, audit and securities issues in their clients. During his career, Mr. Mayr has had extensive experience in the mining, forestry, technology, retail and industrial markets sectors. He has served as lead engagement partner and engagement quality review partner on many of the KPMG's largest clients in these industries, including multinational reporting issuers. Mr. Mayr has lectured extensively on financial reporting matters. He was a founding member of the CICA Accounting Standards Board, and a member of the Canadian Advisory Group to the International Accounting Standards Committee. He currently serves as Chair of the Investigation Committee for the Chartered Professional Accountants of British Columbia.

Michael Barker, Director

Since founding Barker Pacific Group in 1983, Mr. Michael Barker has directed the development of over \$2.5 billion in commercial projects. He and his team focus on the acquisition, development, and management of residential and commercial projects in major markets. Over the past 43 years (since 1973), Mr. Barker has overseen the development of major projects in such cities as Los Angeles, San Francisco and the Bay Area, San Diego, San Jose, Phoenix, Houston, Miami, and Fort Lauderdale. Before starting Barker Pacific Group in 1983, Mr. Barker was an officer at Hines Interests, where he headed up development of over four million square feet of office space in Tulsa, Houston, and San Antonio. He also co-founded the asset management firm, First Houston Trust Company, in 1970. From 1968 to 1970, he served as a lending officer in the Energy Department of Citibank, New York. Mr. Barker is a former member of the board of Pepperdine University and currently serves as Chairman of the Board for the John Tracy Clinic, which serves hearing-impaired children. Mr. Barker is an active member of the Urban Land Institute and Lambda Alpha International. Mr. Barker holds an MBA from the University of Texas at Austin and a BBA from Abilene Christian University.

Luke Stanton, Director

Mr. Luke Stanton is the Founder and Partner of Frontera Law Group, a cannabis business specialty law firm. Mr. Stanton has expanded the Frontera network to include accounting, business advisory, entertainment and government affairs entities. Frontera has worked on projects in more than a dozen state markets across the country. Mr. Stanton is also a partner at Skytree Capital Partners, a Nevada-based private equity firm focused on the legal cannabis space. Mr. Stanton received his B.A. in Political Science from the University of Notre Dame before attending Pepperdine University's School of Law, as well as Pepperdine's Straus Institute for Dispute Resolution, earning his Juris Doctorate and Master's Degree in the same three years. Mr. Stanton has been featured in Financial Times Magazine, the National Marijuana News, mg Magazine, Cannabis Industry Journal, MJINews, LEFAIR Magazine and Merry Jane, and has made speaking appearances at numerous cannabis and investment conferences, summits and events across the country.

Todd Patrick, Director

Mr. Todd Patrick is the President and CEO of C3J Therapeutics, a Los Angeles-based biotechnology company focused on infectious disease drug development. Since joining C3J, Mr. Patrick has raised over \$125 million in equity capital for the company. Prior to joining C3J, Mr. Patrick served as President and COO of ID Biomedical after the company elected in 1998 to exit its core diagnostic business to focus exclusively on vaccines. Mr. Patrick was the first employee of ID Biomedical's vaccine business ("**ID Vaccine**") in 1994 and remained at ID Biomedical until its acquisition by GlaxoSmithKline in 2005. Mr. Patrick is a member of the board of C3J, CRH and Vaxent Vaccines, LLC. He holds an MBA in finance and is a member of the Governance and Nominating Committee, Compensation Committee, and Chair of the Audit Committee of CRH.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the knowledge of management of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that,
 - (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation), that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or personal holding company of a proposed director.

- (d) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Dr. Holler and Mr. Patrick are former directors of Inviro Medical Inc. (“**Inviro**”). Inviro is a company incorporated under the laws of Canada which owns certain intangible assets including goodwill and customer relationships, and all of the issued and outstanding shares of Inviro Medical Devices, Inc. (the “**US Subsidiary**”). The US Subsidiary owns inventory manufactured in accordance with licences issued by the Department of Health of the Government of Canada and the United States Food and Drug Administration. On October 29, 2010, Inviro declared that it was no longer a going concern, and on or about that date, Inviro ceased to carry on business and all of its directors and officers, including Dr. Holler and Mr. Patrick, resigned. On February 10, 2011, the Supreme Court of British Columbia issued an order appointing Alvarez & Marsal Canada Inc. (the “**Receiver**”) as receiver and manager of all of the assets, undertakings and properties of Inviro. Pursuant to a further order pronounced by the Supreme Court of British Columbia on February 24, 2012, certain distributions to certain debenture holders of Inviro were authorized. The receivership process became complete in or around March 2013. On April 9, 2013, the Supreme Court of British Columbia issued an order discharging the Receiver.

Appointment and Remuneration of Auditors

MNP LLP (“**MNP**”) will be nominated at the Meeting for appointment as auditor of the Corporation to hold that position until the close of the next annual general meeting unless it ceases to hold such a position prior to such time at remuneration to be fixed by the directors. MNP was first appointed auditor of the Corporation on or about July 31, 2017.

The Board recommends that shareholders vote “for” the approval of the auditors.

Unless contrary instructions are indicated on the Proxy or the VIF, the persons designated in the accompanying Proxy or VIF intend to vote “for” the appointment of MNP as the Corporation’s auditors for the ensuing year and to permit the directors to fix their remuneration.

BUSINESS OF THE MEETING – SPECIAL BUSINESS

Advance Notice By-Law

Effective May 23, 2018, the Board adopted a new By-law which requires that advance notice be given to the Corporation in circumstances where nominations of persons for election as a director of the Corporation are made by Shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the CBCA; or (ii) a Shareholder proposal made pursuant to the provisions of the CBCA (the “**Advance Notice By-law**”).

Among other things, the Advance Notice By-law sets a deadline by which Shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of Shareholders where directors are to be elected and sets forth the information that a Shareholder must include in the notice for it to be valid.

In the case of an annual meeting of Shareholders, notice to the Corporation must be given no less than 30 days prior to the date of the annual meeting provided; however, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be given no later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be given no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice By-law will allow the Corporation to receive adequate prior notice of director nominations, as well as sufficient information on the nominees. The Corporation will thus be able to evaluate the proposed nominees' qualifications and suitability as directors and communicate its views to Shareholders in a timely way. It will also facilitate an orderly and efficient meeting process.

At the Meeting, Shareholders will be asked to review and, if deemed appropriate, to adopt the resolution of the Shareholders reproduced below to ratify the Advance Notice By-law. To be adopted, this resolution must be approved by the majority of the votes cast by holders of Common Shares.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE CORPORATION THAT:

1. the Advance Notice By-law adopted by the Board of Directors of the Corporation, the full text of which is reproduced in Schedule A to the Management Proxy Circular of the Corporation dated May 23, 2018 be ratified; and
2. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to do all acts and things, as such director or officer may determine necessary or advisable to give effect to this resolution.”

The Board recommends that shareholders vote “for” the approval of the ratification to adopt the Advance Notice By-law.

Unless contrary instructions are indicated on the Proxy or the VIF, the persons designated in the accompanying Proxy or VIF intend to vote “for” this resolution and the ratification of the Advance Notice By-law. In the event the resolution is not approved, the Advance Notice By-law will cease to be effective as of the date of the Meeting.

Amendment of Stock Option Plan

Effective April 13, 2017, the Board adopted a stock option plan for the Corporation, which was approved by the Shareholders of Corporation on July 27, 2017. On September 25, 2017, the Board approved an amendment and restatement of the stock option plan (the “**2017 Plan**”) to change the number of stock options available to be granted under the 2017 Plan from a fixed number to a maximum number of Common Shares which may be issued pursuant to options granted under the 2017 Plan at any point in time of 15% of the total issued and outstanding Common Shares on a fully-diluted basis, where the issued and outstanding number of Common Shares on a fully-diluted basis is determined without giving effect to outstanding and unexercised options.

As the date of this Circular there were options outstanding under the 2017 Plan to issue 3,745,000 Common Shares which represents 11.77% of the Corporation’s non-diluted share capital.

On May 23, 2018 the Board approved an amendment and restatement of the 2017 Plan (the “**Amended and Restated Stock Option Plan**”), subject to Shareholder approval and ratification, to change the vesting of options in connection with a Change of Control Transaction (as such term is defined in the Amended and Restated Stock Plan). In particular, the Amended and Restated Stock Option Plan provides that all unvested options shall be accelerated under a Change of Control Transaction. For further certainty, the Board intends that the amendments will apply to all previously granted, issued and outstanding options under the plan. The full text of the Amended and Restated Stock Option Plan is attached at Schedule B.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve the following resolutions with respect to the Amended and Restated Stock Option Plan:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE CORPORATION THAT:

1. The Amended and Restated Stock Option Plan of the Corporation dated May 23, 2018, as amended from time to time, the full text of which is reproduced in Schedule B to the Management Proxy Circular of the Corporation dated May 23, 2018 be ratified; and
2. any one director or officer of the Corporation is hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolution, including making all necessary filings with any applicable stock exchange.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by Proxy at the Meeting.

The Board recommends that shareholders vote “for” the approval of the ratification to adopt the Amended and Restated Stock Option Plan.

Unless contrary instructions are indicated on the Proxy or the VIF, the persons designated in the accompanying Proxy or VIF intend to vote “for” this resolution and the ratification of the Amended and Restated Stock Option Plan. In the event the resolution is not approved, the Amended and Restated Stock Plan will cease to be effective as of the date of the Meeting and the provisions of the 2017 Plan will continue to govern.

EXECUTIVE COMPENSATION

Introduction

The following discussion describes the significant elements of our executive compensation program, with emphasis on the process for determining compensation payable to the Corporation’s CEO and CFO and, other than the CEO and the CFO, the Corporation’s three most highly-compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (collectively, the “**Named Executive Officers**” or “**NEOs**”). The NEOs for the year ended December 31, 2017 were:

- Dr. Anthony F. Holler, Chairman and CEO
- R. Michael Steele, CFO and Executive Vice President Finance
- Leith Pedersen, President and Chief Strategy Officer
- Duncan Gordon, Chief Operating Officer
- Daniel Vass, President, NHS

Subsequent to year-end, David Negus replaced R. Michael Steele as CFO of the Corporation.

Overview

The Board on its own or through the CC makes decisions regarding all forms of compensation, including salaries, bonuses and equity incentive compensation for the CEO and the CFO, as well as approves corporate goals and objectives relevant to their compensation. The CC makes decisions in conjunction with feedback from the CEO and the CFO regarding the performance of the Corporation’s other executive officers. Finally, the CC, in tandem with the CEO and the CFO, also administers employee incentive compensation, including the 2017 Plan.

Compensation Discussion and Analysis

Compensation Objectives

The Corporation's compensation practices are designed to retain, motivate and reward our executive officers for their performance and contribution to the Corporation's long-term success. The Board seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Corporation's performance. The Corporation seeks to tie individual goals to the area of the senior executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. Corporation performance goals are based on the Corporation's financial performance during the applicable financial year.

In order to achieve our growth objectives, attracting and retaining the right team members is critical. A key part of this is a well-thought out compensation plan that attracts high performers and compensates them for continued achievements. Many of the Corporation's team members are currently participating in the 2017 Plan, driving retention and ownership. Communicating clear and concrete criteria and process for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

The Board has considered the implications of the risks associated with the Corporation's compensation policies and practices. The Board does not provide specific monitoring and oversight of compensation policies and practices, but does review, consider and adjust these matters annually. The Corporation does not use any specific practices to identify and mitigate compensation policies that could encourage a NEO or individual at a principal business unit or division to take inappropriate or excessive risks. These matters are dealt with on a case-by-case basis. The Corporation currently believes that none of its policies encourage its NEOs to take such risks. The Corporation has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

NEO's and directors may not purchase financial instruments designed to hedge or offset a decrease in market value of securities granted as compensation or held by the director or NEO.

Elements of Compensation Program

Our executive compensation consists primarily of three elements: (i) base salary, (ii) annual bonuses and (iii) long term equity incentives.

(i) Base Salary

Base salaries for executive officers (including Named Executive Officers) are established based on the scope of their responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and the overall market demand for such executive officers at the time of hire. The Corporation does not actively benchmark its compensation to other companies, but has reviewed the public disclosure available for other comparable medical cannabis companies to assist in determining the competitiveness of base salary, bonuses, benefits and stock options paid to the executive officers of the Corporation. An executive officer's base salary is determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy. Base salaries are reviewed annually and may be increased for merit reasons, based on the executive officer's success in meeting or exceeding individual objectives and/or for market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer's role or responsibilities, as well as for market competitiveness. Base salaries are fixed compensation and not subject to uncertainty or share price performance, which therefore does not encourage executive officers to focus exclusively on share price performance to the detriment of other critical business metrics.

(ii) Bonus Plans

Our compensation program includes eligibility for annual incentive cash bonuses. The range of potential bonuses is based on a percentage of base salary and is reviewed annually. Executive officer bonuses include corporate and financial

performance targets, as well as personal performance objectives that are determined by the Board upon recommendations by the CC, which may include the implementation of new strategic initiatives, the development of innovations, teambuilding, the ability to manage the costs of the business and other factors. The mix between corporate and financial performance targets and personal performance objectives and the resulting bonus entitlements vary for each executive officer. The executive officers receive target bonus payments, subject to the Board's discretion after considering all relevant factors.

Target bonus levels for the Corporation's NEOs were as follows:

- Dr. Anthony F. Holler \$175,000 per annum
- R. Michael Steele \$75,000 per annum
- Leith Pedersen \$75,000 per annum
- Duncan Gordon \$75,000 per annum
- Daniel Vass \$75,000 per annum

(iii) Long Term Equity Incentives

The Corporation currently has in place the 2017 Plan, discussed in further detail below. Stock options may be awarded to align individual performance with the long-term performance of the Corporation and/or for recruitment and retention purposes. Furthermore, the Corporation believes that the 2017 Plan provides added incentive for executive officers to sustainably enhance shareholder value.

As of the date of the Circular, the Corporation currently has 3,745,000 options outstanding under the 2017 Plan. The 2017 Plan allows for the grant of incentive stock options to the Corporation's directors, officers and service providers (as defined in the 2017 Plan). The Board is responsible for administering the 2017 Plan, and the CC makes recommendations to the Board in respect of matters relating to the 2017 Plan.

Unless otherwise determined by the Board, options granted under the 2017 Plan generally vest in 16 equal tranches on each of the subsequent three-month anniversaries of the grant date until all such options have vested. The options expire on the date which is 10 years after the grant date. The 2017 Plan also provides that, unless otherwise determined by the Board, if the optionee ceases to be a director, officer or service provider of the Corporation, their options terminate within a period of time after the optionee actually ceases to be a director, officer or service provider of the Corporation. The exercise price for options granted under the 2017 Plan shall be the Market Price (as defined in the 2017 Plan) of the Common Shares on the grant date. Under the 2017 Plan, in the event of a Change of Control Transaction (as defined in the 2017 Plan), 50% of unvested options shall be accelerated under a Change of Control Transaction.

The 2017 Plan provides that if options granted under the 2017 Plan would otherwise expire during a trading black-out period or within 10 business days following the end of such period, the expiry date of such options are extended to the tenth business day following the end of the black-out period. Options granted under the 2017 Plan are not transferable, subject to limited exceptions. The Board has overall authority for interpreting, applying, amending and terminating the 2017 Plan.

For executive officers, previous grants are taken into account when considering new grants to determine aggregate performance-based option grants in subsequent years. The CC awarded non-executive directors with an initial grant of 100,000 stock options per director, with an annual grant of 25,000 stock options per year, without consideration of prior grants.

Equity Compensation Plan Information

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding stock options and weighted average exercise price of the outstanding stock options in connection with the 2017 Plan as at December 31, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,595,000	\$4.79	1,082,975
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,595,000		1,082,975

Compensation of Named Executive Officers

The following table sets out compensation information for the year ended December 31, 2017 paid to the NEOs, effective as of date hereof.

Name and Position	Year	Salary	Non-Equity Incentive Plan Compensation				Pension Value	All other Compensation ⁽⁵⁾	Total Compensation
			Share-Based awards	Option-Based Awards ⁽¹⁾	Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans			
Dr. Anthony F. Holler Chairman and Chief Executive Officer ⁽³⁾⁽⁴⁾	2017	\$0	Nil	\$665,000	Nil	Nil	Nil	\$665,000	
R. Michael Steele Chief Financial Officer and Executive Vice President Finance ⁽⁵⁾	2017	\$209,714	Nil	\$665,000	Nil	Nil	Nil	\$874,714	
Leith Pedersen President and Chief Strategy Officer ⁽⁴⁾⁽⁶⁾	2017	\$146,857	Nil	\$665,000	Nil	Nil	Nil	\$811,857	

**Non-Equity Incentive Plan
Compensation**

Name and Position	Year	Salary	Share-Based awards	Option-Based Awards ⁽¹⁾	Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans	Pension Value	All other Compensation ⁽⁵⁾	Total Compensation
Duncan Gordon Chief Operating Officer	2017	\$252,124	Nil	\$665,000	\$75,000	Nil	Nil	Nil	\$992,124
Daniel Vass President, NHS ⁽⁴⁾	2017	\$224,238	Nil	\$665,000	Nil	Nil	Nil	Nil	\$889,238

Notes:

- (1) Refers to options granted under the 2017 Plan based on the fair value of such stock options granted during the fiscal years ended December 31, 2017. The Black-Scholes option pricing model is used for calculating the value of option-based awards utilizing the same assumptions described in the enclosed financial statements of the Corporation.
- (2) Represents actual amounts earned pursuant to the Corporation's annual bonus program in the year ended December 31, 2017 but paid after year end.
- (3) Dr. Anthony F. Holler deferred salary compensation until the Corporation was listed on a stock exchange. The Common Shares of the Corporation were listed on the Canadian Securities Exchange on January 10, 2018. Dr. Holler's annual salary is \$350,000 per year.
- (4) Dr. Anthony F. Holler, Leith Pedersen and Daniel Vass are members of the Board and receive no additional compensation for their role as directors.
- (5) Mr. Steele's annual salary is \$250,000 for acting as CFO and \$200,000 for the period he was acting solely as the Executive Vice President Finance.
- (6) Mr. Pedersen's annual salary is \$250,000.
- (7) Mr. Vass' annual salary is \$250,000.

Outstanding Option-Based Awards

The following table sets out for each of the NEOs information concerning all option-based awards outstanding at December 31, 2017:

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options ⁽¹⁾	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽²⁾
Dr. Anthony F. Holler	250,000	\$3.40	April 13, 2027	\$665,000
R. Michael Steele	250,000	\$3.40	April 13, 2027	\$665,000
Leith Pedersen	250,000	\$3.40	April 13, 2027	\$665,000
Duncan Gordon	250,000	\$3.40	April 13, 2027	\$665,000
Daniel Vass	250,000	\$3.40	April 13, 2027	\$665,000

Notes:

- (1) The options vest 1/16 every three months from the date of grant.
- (2) The Black-Scholes option pricing model is used for calculating the value of option-based awards utilizing the same assumptions described in the enclosed financial statements of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value of option-based awards and share-based awards which vested during the year ended December 31, 2017:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-Based Awards	Non-equity incentive plan compensation pay-out during the year
Dr. Anthony F. Holler	\$83,125	Nil	Nil
R. Michael Steele	\$83,125	Nil	Nil
Leith Pedersen	\$83,125	Nil	Nil
Duncan Gordon	\$83,125	Nil	Nil
Daniel Vass	\$83,125	Nil	Nil

Note:

- (1) This amount is the aggregate dollar value that would have been realized if the options under option-based awards had been exercised on the vesting date. It is determined by the difference between the exercise price of the option and the market price on the date of vesting.

Employee Agreements, Termination and Change of Control Benefits

Each of the Named Executive Officers has entered into an employment agreement with the Corporation or a subsidiary. Those employment agreements include provisions regarding base salary, eligibility for annual bonuses, enrolment in benefits and participation in the 2017 Plan, among other things.

In connection with their employment agreements, each Named Executive Officer entered into a non-disclosure and confidentiality agreement (“**NDA**”). The NDA requires that all information, such as trade secrets, data or other proprietary information relating to products, procedures or formulas, that is disclosed to the NEO through the course of his or her employment is considered “confidential information” that is the exclusive right and property of the Corporation. Upon the termination of employment, the NDA provides that each NEO is prohibited for a specified period of time from developing, manufacturing and marketing products or engaging in consulting services which are competitive to the Corporation’s business.

Each of the NEO contracts includes a termination provision that includes a severance obligation on the part of the Corporation for termination without cause, death or disability of the NEO, or resulting from a change of control. Under the contracts, a change of control is triggered by one of:

1. the purchase or acquisition of any voting shares of the Corporation or securities convertible into voting shares of the Corporation (“**Convertible Securities**”) by a person which results in the person beneficially owning, or exercising control or direction over, voting shares of the Corporation or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the person, the person would beneficially own, or exercise control or direction over, voting shares of the Corporation carrying the right to cast more than 50% of the votes attaching to all voting shares, but

excluding any issue or sale of voting shares of the Corporation to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement;

2. the approval by the Shareholders of an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another entity which requires approval of the Shareholders pursuant to its statute of incorporation and pursuant to which the Shareholders immediately thereafter do not own shares of the successor or continuing entity, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation;
3. the election at a meeting of the Shareholders of that number of persons which would represent a majority of the Board, as directors of the Corporation who are not included in the slate for election as directors proposed to the Shareholders by the Corporation;
4. approval by the Shareholders of the liquidation, dissolution or winding-up of the Corporation;
5. approval by the Shareholders of the sale, lease or other disposition of all or substantially all of the assets of the Corporation;
6. the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections 1, 2, 3, 4 and 5 referred to above; or
7. a determination by the Board that there has been a change, whether by way of a change in the holding of the voting shares of the Corporation, in the ownership of the Corporation assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation.

The Corporation considers such provisions mitigating considerations in the event of a hostile takeover bid to acquire the Corporation.

For each of the NEOs, in the event that they are terminated without cause, the individual is entitled to 12 months salary, plus one-month salary for each consecutive year the executive has been employed by the Corporation plus any accrued but unpaid bonus, to a maximum including the initial 12 months, of 18 months payment, net of applicable deductions and remittances.

In the case of death or incapacity of the NEO, the executive is entitled to payment equal to the lesser of the number of months that the executive has been employed by the Corporation and six months salary plus any accrued but unpaid bonus.

In the event of a change of control (outlined above) if either the NEO is not offered continued employment, or the NEO chooses to terminate the employment agreement, each NEO is entitled to a sum equivalent to 24 months annual salary, plus an additional 4% of annual salary in lieu of benefits, and any annual bonus that is earned and payable as at the effective date of the executive's termination from the Corporation.

DIRECTOR COMPENSATION

Summary of Director Compensation

Each non-executive director of the Corporation receives an annual fee of \$32,000. In addition to the annual fee, each non-executive director receives an additional \$2,000 in respect of each quarterly Board meeting attended in person or by telephone and an additional \$2,000 per meeting in respect of each committee meeting attended in person or by telephone. Committee chairs and the Lead Director are also compensated with the following annual fees:

1. Lead Director - \$16,000

2. Audit Committee Chair - \$20,000
3. Compensation Committee Chair - \$10,000
4. Corporate Governance and Nominating Committee Chair - \$10,000

Each independent director receives an additional annual committee membership fee of \$6,000. All directors are reimbursed for their respective out of pocket expenses in relation to their attendance at Board meetings and committee meetings. Director compensation matters are dealt with by the CC.

The following table sets forth for each of the Corporation's directors, other than directors who are also NEOs, all amounts of compensation for the Corporation's most recently completed financial year ended December 31, 2017.

<u>Name</u>	<u>Fees Earned</u>	<u>Share-Based Awards</u>	<u>Option-based Awards ⁽¹⁾</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>Pension Value</u>	<u>All Other Compensation</u>	<u>Total</u>
Ian Webb	\$28,609	Nil	\$266,000	Nil	Nil	Nil	Nil
Norm Mayr	\$30,902	Nil	\$266,000	Nil	Nil	Nil	Nil
Michael Barker	\$15,739	Nil	\$266,000	Nil	Nil	Nil	Nil
Luke Stanton	\$15,739	Nil	\$266,000	Nil	Nil	Nil	Nil
Todd R. Patrick	\$34,478	Nil	\$266,000	Nil	Nil	Nil	Nil

Note:

- (1) Refers to options granted under the 2017 Plan based on the fair value of such stock options granted during the fiscal year ended December 31, 2017. The Black-Scholes option pricing model is used for calculating the value of option-based awards utilizing the same assumptions described in the enclosed financial statements of the Corporation.

Outstanding Option-Based Awards

The following table sets out for each of the Corporation's directors, other than directors who are also Named Executive Officers, information concerning all option-based awards outstanding at December 31, 2017.

<u>Name</u>	<u>Option-based Awards</u>			
	<u>Number of securities underlying unexercised options⁽¹⁾</u>	<u>Option exercise price</u>	<u>Option expiration date</u>	<u>Value of unexercised in-the-money-options ⁽³⁾</u>
Ian Webb	100,000	\$3.40	April 13, 2027	\$33,250
Norm Mayr	100,000	\$3.40	April 13, 2027	\$33,250
Michael Barker	100,000	\$3.40	April 13, 2027	\$33,250
Luke Stanton ⁽²⁾	100,000	\$3.40	April 13, 2027	\$33,250
Todd R. Patrick	100,000	\$3.40	June 15, 2027	\$33,250

Notes:

- (1) The options vest 1/16 every three months from the date of grant.

- (2) Luke Stanton was also granted 100,000 options with an exercise price of \$6.75, an expiration of October 23, 2027 in connection with his role as a consultant of U.S. subsidiaries of the Corporation.
- (3) The Black-Scholes option pricing model is used for calculating the value of option-based awards utilizing the same assumptions described in the enclosed financial statements of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out for each of the Corporation’s directors, other than directors who are also Named Executive Officers, particulars of the value of option-based awards and share-based awards which vested during the year ended December 31, 2017:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-Based Awards	Non-equity incentive plan compensation pay-out during the year
Ian Webb	\$33,250	Nil	Nil
Norm Mayr	\$33,250	Nil	Nil
Michael Barker	\$33,250	Nil	Nil
Luke Stanton	\$33,250	Nil	Nil
Todd R. Patrick	\$33,250	Nil	Nil

Note:

- (1) This amount is the aggregate dollar value that would have been realized if the options under option-based awards had been exercised on the vesting date. It is determined by the difference between the exercise price of the option and the market price on the date of vesting.

Indemnification and Insurance

The Corporation maintains director and officer liability insurance and errors and omissions insurance. The Corporation has also entered into indemnification agreements with its directors and officers.

Pursuant to section 7.2 of the By-laws, subject to the limitations of the CBCA, the Corporation will indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or another individual who acts or acted at the Corporation’s request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or another entity, provided the individual:

- a) acted honestly and in good faith with a view to the best interest of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation’s request; and
- b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual’s conduct was lawful.

CORPORATE GOVERNANCE

Board of Directors

Overview

The Board is responsible for supervising the management of our business and affairs. The Board has adopted a formal mandate setting out its stewardship responsibilities, including its responsibilities for the appointment of management, management of the Board, strategic and business planning, monitoring of financial performance, financial reporting, risk management and oversight of the Corporation's policies and procedures, communications and reporting and compliance.

The Board is currently comprised of eight (8) directors: Dr. Anthony F. Holler, Leith Pedersen, Ian Webb, Daniel Vass, Norm Mayr, Michael Barker, Luke Stanton and Todd R. Patrick.

The Board has established the Audit Committee, the CGNC and the CC (collectively, the "**Committees**") and has approved charters for each of these committees, which are described below. The Board has delegated to the applicable committee those duties and responsibilities set out in each Committee's charter. The mandate of the Board, as well as the charters of the Committees, set out in writing the responsibilities of each group.

Independence

As of the date of this Circular, the Board is comprised of eight (8) directors, three (3) of whom are independent. Under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's exercise of independent judgment. The Board has determined that Dr. Anthony F. Holler, Leith Pedersen and Daniel Vass as executive officers of the Corporation or its subsidiaries, are not considered independent. Further, due to their business interests in connection with the Corporation, each of Michael Barker and Luke Stanton are not considered independent. Each of Ian Webb, Norm Mayr and Todd R. Patrick are considered independent.

In addition to chairing all Board meetings, the Chairman of the Board's role is to, in consultation with the Lead Director facilitate and chair discussions among the Corporation's independent directors, facilitate communication between the independent directors and management, and, if and when necessary, act as a spokesperson on behalf of the Board in dealing with the press and members of the public. The Chair's responsibilities and duties are described in detail in a position description developed by the Board. Dr. Anthony F. Holler, the Chairman of the Board, is not independent as he is an executive officer of the Corporation.

The Board has appointed Todd R. Patrick as the Lead Director. The Lead Director's role is to ensure that the Board functions independent of management and to act as the principal liaison between the independent directors and the CEO. The responsibilities of the Lead Director include calling and presiding as chair over meetings of independent directors, reviewing and making recommendations with respect to the agenda for all of the meetings of the full Board, and providing the leadership necessary to provide greater assurance that the Board operates and functions independent of management and that Board functions are effectively carried out.

The Audit Committee, CGNC and CC are comprised entirely of independent directors: Ian Webb, Norm Mayr, and Todd R. Patrick. In addition, where potential conflicts arise during a director's tenure on the Board, such conflicts are expected to be immediately disclosed to the Board.

The Corporation has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. The Board holds regularly scheduled meetings as well as ad hoc meetings from time to time. In the course of meetings of the Board or the Committees, the independent directors hold in camera sessions at which neither non-independent directors nor officers of the Corporation are in attendance.

The Board has approved a written position description for the Chairman of the Board and Lead Director.

Other Directorships

The following directors of the Corporation are also directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction:

Name of Director	Name of Reporting Issuer and Exchange
Dr. Anthony F. Holler	CRH Medical Corporation – TSX: CRH
Ian Webb	CRH Medical Corporation – TSX: CRH
Todd R. Patrick	CRH Medical Corporation – TSX: CRH

Meeting Attendance

The following table sets out the attendance at meetings of the Board and committees of the Board for the year ended December 31, 2017.

Director	Board Meetings	Audit Committee Meetings	Compensation Committee Meetings	Corporate Governance and Nominating Committee Meetings
Dr. Anthony F. Holler	2 of 2	N/A	N/A	N/A
Leith Pedersen	2 of 2	N/A	N/A	N/A
Daniel Vass	2 of 2	N/A	N/A	N/A
Ian Webb	2 of 2	1 of 1	1 of 1	0 of 0
Todd R. Patrick	2 of 2	1 of 1	1 of 1	0 of 0
Norm Mayr	2 of 2	1 of 1	0 of 1	0 of 0
Luke Stanton	2 of 2	N/A	N/A	N/A
Michael Barker	2 of 2	N/A	N/A	N/A

Orientation and Continuing Education

New directors of the Corporation will participate in an initial information session on the Corporation in the presence of its senior executive officers to learn about, among other things, the business of the Corporation, its financial situation and its strategic planning. In addition, new directors will be furnished with appropriate documentation, providing them with information about, among other matters, the corporate governance practices of the Corporation, the structure of the Board and the Committees, the Corporation's history, its commercial activities, its corporate organization, the charters of the Board and the Committees, the By-laws, the Corporation's Code of Business Conduct and Ethics (the "Code") and other relevant corporate policies.

The Corporation will support all directors who wish to attend continuing education programs and intends to facilitate such continuing education of its directors where appropriate, including, from time to time, by hosting brief information sessions during Board meetings by invited external advisors. In addition, management will periodically make presentations to the directors on various topics, trends and issues related to the Corporation's activities during meetings of the Board or the Committees, which will be intended to help the directors to constantly improve their knowledge about the Corporation and its business.

Code of Conduct

The Board has adopted the Code which applies to directors, officers and employees of the Corporation and its subsidiaries. The objective of the Code is to provide guidelines for enhancing our reputation for honesty, integrity and the faithful performance of undertakings and obligations. The Code addresses conflicts of interest, use of company assets, inventions, use of company email and internet services, disclosure, corporate opportunities, confidentiality, fair dealing and compliance with laws. As part of our Code, any person subject to the Code is required to avoid any activity, interest (financial or otherwise) or relationship that would create or appear to create a conflict of interest.

Our directors are responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving changes to the Code from time to time.

Directors and executive officers are required by applicable law and our corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing or by requesting to have it entered in the minutes of meetings of directors or of meetings of Committees, and where required by applicable law, to abstain from voting with respect to such agreement or transaction.

A copy of the Code is available for review under our profile on the SEDAR website at www.sedar.com.

The Corporation has also adopted an Insider Trading Policy, a Disclosure Policy and a Whistleblower Policy, which complement the obligations of the directors, officers and employees under the Code.

Committees of the Board

Audit Committee

The Corporation is relying on the exemption in section 6.1 of NI 52-110 in order to provide the disclosure required under Form 52-110F2.

The Audit Committee consists of three (3) directors, all of whom are independent. They are also all financially literate in accordance with NI 52-110. The members of the Audit Committee are Norm Mayr (Chair), Ian Webb and Todd R. Patrick.

For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found under the heading "*Election of Directors*".

The Board has adopted a written mandate for the Audit Committee (the "**Audit Committee Mandate**"). The Audit Committee Mandate states that the Audit Committee is to assist the Board in fulfilling its financial oversight obligations, including the responsibility: (1) to identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation; (2) to monitor the integrity of our financial reporting process and our internal accounting controls regarding financial reporting and accounting compliance; (3) to oversee the qualifications and independence of our external auditor; (4) to oversee the work of our financial management and external auditor; and (5) to provide an open avenue of communication between the external auditors, the Board and management. A copy of the Audit Committee Mandate is attached as Schedule C to this Circular.

Under its mandate, the Audit Committee is required to pre-approve all audit and non-audit services to be performed by the external auditors in relation to us, together with approval of the engagement letter for all non-audit services and estimated fees thereof. The pre-approval process for non-audit services will also involve a consideration of the potential impact of such services on the independence of the external auditors.

In 2017, the Corporation undertook its first audit and was billed the following fees by its external auditor, KPMG:

	Year ended December 31, 2016
Audit Fees ⁽¹⁾	\$160,500
Audit Related Fees ⁽²⁾	\$0
Tax Fees ⁽³⁾	\$0
All Other Fees ⁽⁴⁾	\$0
All Fees Paid ⁽⁵⁾	\$160,500

Notes:

- (1) Fees for audit services.
- (2) Fees for assurance and related services not included in audit services above.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) All other fees not included above.
- (5) All audit fees for the year ended December 31, 2016, the year ended December 31, 2015 and for the period from the date of incorporation to December 31, 2014 were accrued in December 31, 2016.

Following the Corporation's Annual General Meeting held on July 27, 2017, KPMG resigned as auditor to the Corporation. Subsequently, the Board appointed MNP to act as the Corporation's auditor.

In 2017, the Corporation was billed the following fees by its external auditor, MNP:

	Year ended December 31, 2017
Audit Fees ⁽¹⁾	\$120,000
Audit Related Fees ⁽²⁾	\$55,000
Tax Fees ⁽³⁾	\$7,500
All Other Fees ⁽⁴⁾	\$60,008
All Fees Paid	\$242,508

Notes:

- (1) Fees for audit services.
- (2) Fees for assurance and related services not included in audit services above.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) All other fees not included above.

Corporate Governance and Nominating Committee

The Board has appointed the CGNC comprising of three (3) independent directors. The members of the CGNC are Ian Webb (Chair), Norm Mayr and Todd R. Patrick.

Pursuant to the charter of the CGNC, its mandate is to assist the Corporation's directors in carrying out the Board's oversight responsibility for (i) ensuring that the Corporation's strategic direction is reviewed annually, and (ii) ensuring that the Board and each of its Committees carry out their respective functions in accordance with an appropriate process.

The CGNC is responsible for overseeing and assessing the functioning of the Board, its Committees and individual directors, and for the development, recommendation to the Board, implementation and assessment of effective corporate governance principles. The CGNC is also responsible for identifying candidates for directorship and recommending that the Board select qualified director candidates for election to the Board. There is no formal assessment process. Rather, the CGNC is responsible for determining the appropriate assessment process.

The process by which the Board identifies new candidates for board nomination is set out in the CGNC Mandate.

Compensation Committee

The Board has appointed the CC comprising of three (3) independent directors. The members of the CC are Todd R. Patrick (Chair), Ian Webb and Norm Mayr.

Pursuant to the charter of the CC, its mandate is to assist the Corporation's directors in carrying out the Board's oversight responsibility for (i) overseeing the Corporation's human resources and compensation policies and processes, and (ii) demonstrating to the Corporation's shareholders that the compensation of the directors who are also employees of the Corporation is recommended by directors who have no personal interest in the outcome of decisions of the CC and who will have due regard to the interests of all of the Corporation's shareholders.

The primary responsibilities of the CC with respect to compensation are to make recommendations to the Board in respect of: (1) compensation policies and guidelines; (2) management incentive and perquisite plans and any non-standard remuneration plans; (3) senior management, executive and officer compensation; and (4) Board compensation matters. In carrying out these responsibilities, the CC will evaluate the performance of the Corporation's CEO and all other senior executives in consideration of the respective performance goals and objectives for each such individual and recommend to the Board the amount of regular and incentive compensation to be paid to the Corporation's CEO and all other senior executives; review and recommend to the Board the Corporation's CEO's performance evaluations and recommendations for compensation of our officers and key employees (other than our senior executives); review our compensation philosophy and make recommendations for changes, where appropriate; review and make recommendations to the Board with respect to incentive based compensation plans and equity based plans (including stock option plans); review and recommend to the Board the aggregate bonus pools to be made available under the Corporation's incentive compensation plans for senior management, executives and officers; prepare or review the report on executive compensation and compensation discussion and analysis required to be included in the Corporation's continuous disclosure documentation; and review and make periodic recommendations to the Board regarding the compensation of the Board. More information on the process by which compensation for the Corporation's directors and officers is determined as set forth under the headings "*Executive Compensation*" and "*Director Compensation*".

Ian Webb and Todd R. Patrick have direct experience relevant to executive compensation responsibilities and serve on the Compensation Committee of CRH.

Assessments

As described above, the CGNC is responsible for overseeing and assessing the functioning of the Board and the Committees. The CGNC must annually review and evaluate and make recommendations to the Board with regard to the size, composition and role of the Board and the Committees (including the type of committees to be established) and the methods and processes by which the Board, the Committees and individual directors fulfill their duties and responsibilities, including the methods and processes for evaluating Board, the Committees and individual director effectiveness.

Term Limits

The Corporation has not adopted term limits for directors of the Corporation. The Board believes that the need to have experienced directors who are familiar with the business of the Corporation must be balanced with the need for renewal, fresh perspectives and a healthy skepticism when assessing management and its recommendations. In addition, as mentioned above the Board undertakes an assessment process that evaluates its effectiveness.

While term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deeper knowledge and understanding of the Corporation over time. The Board believes that term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and thereby provide an increasing contribution to the Board as a whole.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

To the knowledge of management of the Corporation, no executive officer or director, no former executive officer, director of the Corporation or any of its subsidiaries, no proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing is currently, or was at any time during the financial year ended December 31, 2017, indebted to the Corporation or to any of its subsidiaries or to another entity where the indebtedness is, or was at any time during the financial year ended December 31, 2017, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries or affiliates.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out below, no informed person (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) of the Corporation, nor any proposed director of the Corporation nor any associate or affiliate of any such informed person or proposed director, had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

- The Corporation entered into a five-year lease agreement for an industrial/warehouse/office facility in Goleta, California. 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. Holler, a current director and a director nominee, has provided a personal guarantee for this lease.
- Michael Barker, a director of the Company, has a material interest in the Barker Pacific Group, Inc., which is a related party to Sunniva Production Campus, LLC ("SPCL"). On October 20, 2017, SPCL entered into build to suit lease agreement with CPL Logistics, LLC, a subsidiary of the Corporation, for the construction of a cannabis greenhouse production facility. Mr. Barker's interest in the transaction is approximately 10%.
- Luke Stanton, a director of the Corporation and a director and officer of Sun CA Holdings, Inc. (the Corporation's main U.S. subsidiary) is the Founder and Executive Chairman of Frontera Law Group, which provides legal services to the Corporation and its US subsidiaries and as such has an interest in transactions considered or conducted by the Corporation. In addition, Mr. Stanton is also a Partner of Skytree Capital Partners, LLC, a shareholder of the Corporation. Mr. Stanton is a shareholder in Skyfront Insurance, LLC, an insurance brokerage that provides services to the Company's U.S. subsidiaries. Mr. Stanton is also a shareholder of Composite Agency, LLC, a company that provides branding, marketing and content production services for the Company's U.S. cannabis greenhouse production facility. Mr. Stanton has been separately retained by the Corporation as a consultant to conduct business development and government relations services on behalf of the Corporation in the United States. Mr. Stanton is responsible for state licensing efforts, licensing applications plus supply contract negotiations with leading brands.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

At the date of this Circular, the management of the Corporation knows of no such amendments or other matters which may come before the Meeting other than those referred to in the accompanying Notice of Meeting. In the event that amendments to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed Proxy to vote in accordance with their best judgment on such matters or business.

MANAGEMENT CONTRACTS

No management functions of the Corporation or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Corporation or a subsidiary.

SHAREHOLDER PROPOSALS

Shareholders who comply with the applicable provisions of the CBCA are, subject to certain conditions in the CBCA, entitled to have the Corporation include in its information circular any matter that the person proposes to raise at an annual meeting. Any Shareholder who intends to make such a proposal to be considered by the Corporation for the next annual general meeting must have arranged for the Corporation to receive the proposal no later than February 23, 2019.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com. Securityholders may contact the Corporate Secretary of the Corporation at legal@sunniva.com to request copies of the Corporation's financial statements and management's discussion and analysis. Financial information for the Corporation is provided in the Corporation's comparative management's discussion and analysis for its most recently completed financial year.

APPROVAL OF THIS CIRCULAR

The contents and the provision of this Circular have been approved by the Board.

DATED at Vancouver, British Columbia this 23rd day of May, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Dr. Anthony Holler*"

Dr. Anthony F. Holler
Chairman of the Board, Chief Executive Officer and
Director

SCHEDULE A

ADVANCE NOTICE BY-LAW

PURPOSE

The purpose of this Advance Notice By-law (the “**By-law**”) is to establish the conditions and framework under which holders (“**Shareholders**”) of record of common shares of the Sunniva Inc. (the “**Corporation**”) may exercise their right to submit director nominations by fixing a deadline by which such nominations must be submitted by a Shareholder to the Corporation prior to any annual or special meeting of Shareholders, and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

NOMINATIONS OF DIRECTORS

1. **Nomination procedures** - Subject to the *Canada Business Corporations Act* (the “**Act**”) and the by-laws of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the “**Board**”) may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders, if one of the purposes for which the special meeting was called is the election of directors. Such nominations may be made in the following manner:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the Shareholders made in accordance with the provisions of the Act; or
 - (c) by any person (the “**Nominating Shareholder**”):
 - i. who, at the close of business on the date of the giving of the notice provided for below in this By-law and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - ii. who complies with the notice procedures set forth below in this By-law.
2. **Timely notice** - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.
3. **Manner of timely notice** - To be timely, a Nominating Shareholder’s notice to the Secretary of the Corporation must be made:
 - (a) in the case of an annual meeting of Shareholders, not less than 30 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

4. **Proper form of timely notice** - To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - i. the name, age, business address and residential address of the person;
 - ii. the principal occupation or employment of the person, both present and within the five years preceding the notice;
 - iii. whether the person is a resident of Canada within the meaning of the Act;
 - iv. the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
 - v. any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable Shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. **Eligibility for nomination as a director** - No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a Shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. **Terms** - For purposes of this By-law:
- (a) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. **Delivery of notice** - Notwithstanding any other provision of this By-law, notice given to the Secretary of the Corporation pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day in the Province of British Columbia or later than 5:00 p.m. (Pacific time) on a day which is a business day in the Province of British Columbia, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day in the Province of British Columbia.
8. **Board Discretion** - Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-law.
9. **Effective Date** - This By-law shall come into force when made by the Board in accordance with the Act.

ENACTED by the Board the 23rd day of May, 2018.

(Signed) "Dr. Anthony Holler"
Chairman and Chief Executive Officer

(Signed) "Benjamin Rootman"
Corporate Secretary

SCHEDULE B

AMENDED AND RESTATED STOCK OPTION PLAN

May 23, 2018

1. PURPOSE OF THE PLAN

Sunniva Inc. (the “Company”) hereby establishes a stock option plan for directors, officers and Service Providers (as defined below) of the Company and its subsidiaries, to be known as the “Amended and Restated Sunniva Inc. Stock Option Plan” (the “Plan”). The purpose of the Plan is to give to directors, officers and Service Providers (as defined herein), as additional compensation, the opportunity to participate in the progress of the Company by granting to such individuals options, exercisable over periods of up to ten years as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price on the date such options are granted.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

“Associate” means an associate as defined in the *Securities Act* (British Columbia).

“Black-Out Period” means a time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any Optionee.

“Black-Out Expiration Term” means the period of time that commences with the end of a Black-Out Period and ends ten business days following the end of the Black-Out Period.

“Board” means the board of directors of the Company.

“Change of Control Transaction” has the meaning ascribed thereto in section 7.1 of this Plan.

“Company” means Sunniva Inc. and its successors.

“Disability” means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:

- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
- (b) acting as a director or officer of the Company or its subsidiaries.

“Disinterested Shareholder Approval” means disinterested shareholder approval as defined in the policies of the Exchange, if any.

“Exchange” means any stock exchange on which the Shares are listed from time to time.

“Expiry Date” means the date set by the Board under section 3.1 of this Plan, representing the last date on which an Option may be exercised.

“Grant Date” means the date specified in an Option Agreement as the date on which an Option is granted.

“Insider” means:

- (a) an insider as defined in the *Securities Act* (British Columbia), other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company; and
- (b) an Associate or Affiliate of any person who is an insider under subsection (a).

“Market Price” of Shares at any date means the closing price of the Shares on the Exchange on the trading day prior to such date. In the event the Shares are not listed on any stock exchange or securities market on a particular date, then the Market Price on such date shall be equal to the fair market value of the Shares on such date as determined by the Board.

“Option” means an option to purchase Shares granted pursuant to this Plan.

“Option Agreement” means an agreement, in substantially the form attached hereto as Schedule A, whereby the Company grants to an Optionee an Option.

“Option Price” means the purchase price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 6 of this Plan.

“Option Shares” means the aggregate number of Shares which an Optionee may purchase under an Option.

“Optionee” means each of the directors, officers and Service Providers granted an Option pursuant to this Plan and their heirs, executors and administrators.

“Plan” means this Amended and Restated Sunniva Inc. Stock Option Plan.

“Service Provider” means:

- (a) an employee of the Company or any of its subsidiaries;
- (b) any other person or company engaged to provide ongoing management or consulting services for the Company or for any entity controlled by the Company; and
- (c) any person who is providing ongoing management or consulting services to the Company or to any entity controlled by the Company indirectly through a company that is a Service Provider under subsection (b) above.

“Shares” means the common shares in the capital of the Company as constituted on the date of this Plan provided that, in the event of any adjustment pursuant to section 6 of this Plan, “Shares” shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

“Take-Over Bid” has the meaning ascribed thereto in section 7.1 of this Plan.

“Unissued Option Shares” means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 6 of this Plan, such adjustments to be cumulative.

3. **GRANT OF OPTIONS**

3.1 **Option Terms.** The Board may from time to time authorize the issue of Options to directors, officers and Service Providers of the Company and any of its subsidiaries. The Option Price under each Option shall be the Market

Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years from the Grant Date. Any Options which are terminated or expire will be available for re-granting under the Plan. Options shall be non-assignable and non-transferable, and subject to such vesting provisions as the Board in their sole discretion shall determine.

3.2 Black-Out Period. Notwithstanding section 3.1 of the Plan and except where not permitted by the Exchange, where an Option expires during a Black-Out Period or during the Black-Out Expiration Term, the term of such Option will be automatically extended to the end of the applicable Black-Out Expiration Term.

3.3 Limits on Shares Issuable on Exercise of Options. The maximum number of Shares which may be issued pursuant to Options granted under the Plan at any point in time is 15% of the total issued and outstanding Shares on a fully-diluted basis, where the issued and outstanding number of Shares on a fully-diluted basis is determined without giving effect to outstanding and unexercised Options.

In addition, in the event the Shares are listed on an Exchange, under no circumstances shall the number of Shares:

- (a) issued to Insiders within any one-year period; and
- (b) issuable to Insiders at any time,

under this Plan, or when combined with all of the Company's other security-based compensation arrangements, exceed 10% of the Company's total issued and outstanding Shares, in each case calculated in accordance with the rules and policies of the Exchange, if any.

3.4 Option Agreements. Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 Manner of Exercise for Vested Options. Subject to the vesting and other terms of this Plan and the Option Agreement governing any specific Options, an Option may be exercisable by the Optionee delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon the Company's receipt of such notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. In the Company's discretion, the Company may offer to the Optionee the opportunity to exercise the Options on a cashless basis on arrangements satisfactory to the Company.

4.2 General Rule. Subject to section 4.3 of this Plan and any vesting rules applicable to a particular Option, an Option may be exercised to purchase any number of Shares up to the number of Unissued Option Shares underlying such Option at any time after the Grant Date up to 5:00 p.m. PST on the Expiry Date by complying with the requirements of section 4.1. After 5:00 p.m. PST on the Expiry Date of any Option granted hereunder, such Option shall be void and of no further force or effect.

4.3 Termination of Affiliation. If an Optionee ceases to be a director, officer or Service Provider of the Company or its subsidiaries, each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option as follows:

- (a) Resignation or Ceasing to Hold Office. If the Optionee, or in the case of an Option granted to any Optionee who satisfies the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer, ceases to be employed or engaged by the Company and any of its subsidiaries (including by way of voluntary resignation or retirement as a director, officer or Service Provider), each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date which is 30 days after the Optionee actually ceases to be a director, officer or Service Provider (excluding any notice periods that might apply under employment or other similar laws);
- (b) Death. Notwithstanding subsection 4.3(a) of this Plan, if the Optionee ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries due to death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date which is 12 months after the date of death or Disability; and
- (c) For Cause. Notwithstanding subsection 4.3(a) of this Plan, if the Optionee, or, in the case of an Option granted to an Optionee who satisfies the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer:
- (i) ceases to be employed or engaged by the Company and any of its subsidiaries for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee or Optionee's employer is employed or engaged;
 - (ii) ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries by order of any securities commission, recognized stock exchange, or any regulatory body having jurisdiction to so order; or
 - (iii) ceases to be eligible to hold office as a director of the Company and any of its subsidiaries under the provisions of the applicable corporate statute,

each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date on which the Optionee actually ceases to be a director, officer or Service Provider.

4.4 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement. If the Optionee, or, in the case of an Option granted to an Optionee who falls under the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company and any of its subsidiaries, the loss of the right to purchase Shares pursuant to section 4 of this Plan shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatever in respect of such Optionee.

4.5 Amendment of Options by the Board. Notwithstanding subsections 4.3(a) and 4.3(c) of this Plan and in addition to section 5 below, the Board reserves the right to amend the terms of an Option granted to any Optionee, or, in the case of an Option granted to an Optionee who falls under the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer, if such party resigns or is terminated from employment or engagement with the Company

and any of its subsidiaries or such other circumstances as the Board sees fit. The Board shall be entitled, but in no way obligated, to amend the number of Option Shares which an Optionee may purchase under an Option, the Expiry Date of an Optionee's Option and the Option Price.

4.6 Amendment of Options of Insiders by the Board. Notwithstanding sections 4.5, 5.1, 5.2 and 5.3 and subject to section 8 of this Plan, the Board will not amend the terms of any option held by an Insider without first receiving any requisite shareholder or other regulatory approvals in accordance with the requirements of the Exchange, if applicable.

5. AMENDMENT PROCEDURE

5.1 Amendment Procedure

The Company retains the right to amend or terminate the terms and conditions of the Plan or Option Agreement, as applicable, by resolution of the Board (the "Amendment Procedure"). Any amendment to the Plan shall take effect only with respect to Options granted after the effective date of such amendment, provided that it may apply to any outstanding Options with the mutual consent of the Company and the Optionees to whom such Options have been granted. Without limiting the generality of the foregoing, the Board may use the Amendment Procedure without seeking shareholder approval when:

- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
- (b) accelerating the Expiry Date of Options;
- (c) amending the definitions contained within the Plan;
- (d) amending or modifying the mechanics of exercise of Options as set forth in section 4, provided however, payment in full of the Option Price for the Shares shall not be so amended or modified;
- (e) effecting amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan or any Option Agreement;
- (f) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
- (g) effecting amendments respecting the administration of the Plan;
- (h) effecting amendments necessary to suspend or terminate the Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations, and policies of the Exchange).

5.2 Shareholder Approval

If the Shares are listed on an Exchange and the rules and policies of such Exchange so require, shareholder approval will be required for the following types of amendments:

- (a) amendments that increase the number of Shares issuable under the Plan, except such increases by operation of section 6 of the Plan;
- (b) any reduction in the Option Price of an Option if the Optionee is not an Insider at the time of the proposed amendment; and

- (c) amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

5.3 Disinterested Shareholder Approval

If the Shares are listed on an Exchange and the rules and policies of such Exchange so require, Disinterested Shareholder Approval will be required for the following types of amendments:

- (a) amendments to the Plan that could result at any time in the number of Shares reserved for issuance under the Plan to Insiders exceeding 10% of the outstanding issue;
- (b) any reduction in the Option Price of an Option if the Optionee is an Insider at the time of the proposed amendment; and
- (c) any other amendments requiring Disinterested Shareholder Approval under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

6. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

6.1 Share Reorganization. Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a “Share Reorganization”) then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6.2 Special Distribution. Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “Special Distribution”), and effective immediately after the record date at

which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution.

6.3 Corporate Organization. Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 6.1 or 6.2 of this Plan;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "Corporate Reorganization") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares.

6.4 No Fractional Shares. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of a Share Reorganization or Corporate Reorganization, an Optionee would become entitled to a fractional Share, such Optionee shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

6.5 Option Exchange in Lieu of Adjustments. In the event that any adjustment to the terms of any outstanding Option under this Article 6 would result in the deduction otherwise available under section 110(1)(d) of the *Income Tax Act* (Canada) becoming unavailable then, in lieu of making any such adjustment, immediately prior to the exercise of such outstanding Option, such outstanding Option will be exchanged for a new Option in a manner which:

- (a) provides the Optionee, upon exercise, with the same direct economic benefit he or she would have realized had the required adjustment been made; and
- (b) complies in all respects with the option exchange rules contained in section 7(1.4) of the *Income Tax Act* (Canada).

7. SIGNIFICANT EVENTS AFFECTING THE COMPANY

7.1 Take-Over Bids and Merger Transactions

In the event of a bona fide third-party offer for Shares pursuant to which an offeror offers to purchase all or substantially all of the Shares of the Corporation (a "Take-Over Bid"), or a merger, consolidation, amalgamation or other transaction pursuant to which the Corporation is not the surviving entity (together with a Take-Over Bid, a "Change of Control Transaction"), and in the absence of the surviving entity's assumption of outstanding awards made under the Plan, the following rules shall apply:

- (a) all vested Options held by an Optionee as of the completion date will be exercisable by the Optionee until the time immediately prior to the completion of such Change of Control Transaction;
- (b) the vesting provisions governing all unvested Options held by an Optionee as of the completion date shall be accelerated and such Options will be Conditionally Exercisable by the Optionee for a period beginning on the date which is 21 days prior to the anticipated closing date of the Change of Control Transaction described above and ending immediately prior to the completion of such Change of Control Transaction. Option Shares issuable pursuant to Conditionally Exercisable Options will be issued immediately prior to the closing of the Change of Control Transaction; and
- (c) notwithstanding any other provisions hereof or the terms of any outstanding Options, all Options not exercised in accordance with the terms of this Plan (including this section 7.1) shall become null and void upon completion of the Change of Control Transaction described above.

For the purposes of this section 7 of the Plan, “Conditionally Exercisable” means that Options may be conditionally exercised with completion of such exercise and issuance of the applicable Option Shares being subject to completion of a Change of Control Transaction. In the event such Change of Control Transaction is not completed within 90 days of the proposed completion date for such transaction, the Optionee will be refunded the Option Price paid to exercise such Optionee’s Options (if any), such Options will be deemed to have remained outstanding throughout the conditional exercise process, and the purported exercise of such Options will be null and void *ab initio*.

8. MISCELLANEOUS

8.1 Form of Notice. A notice given to the Company shall be in writing, signed by the Optionee and delivered to the Secretary of the Company.

8.2 Right to Employment. Neither this Plan nor any of the provisions hereof shall affect in any way the Optionee’s right to continued employment with the Company or its subsidiaries or the Company’s right to terminate such employment.

8.3 Amendment and Waiver. Subject to pre-clearance with the Exchange and any other prior regulatory or shareholder approval required under the policies of the Exchange or applicable law, the Company may from time to time amend any provisions of the Plan, but no such amendment can impair any of the rights of any Optionee under any Option then outstanding without such Optionee’s written consent.

8.4 No Assignment. No Optionee may assign any of his rights under the Plan.

8.5 Conflict. In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

8.6 Time of Essence. Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

8.7 Entire Agreement. This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to an Option and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE A
SUNNIVA INC.
STOCK OPTION PLAN
OPTION AGREEMENT

This Option Agreement is entered into between Sunniva Inc. (the "Company") and the Optionee named below pursuant to the Amended and Restated Sunniva Inc. Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

- (a) on _____, _____ (the "Grant Date");
- (b) _____ (the "Optionee");
- (c) was granted the option to purchase _____ Common Shares (the "Option Shares") of the Company;
- (d) for the price (the "Option Price") of \$_____ per share;
- (e) which will become exercisable up to, but not after _____, _____ (the "Expiry Date"), as follows:
 - (i) _____ of the Options to purchase Option Shares shall vest on each of the subsequent _____ month anniversaries of the Grant Date until all such Options have vested.

all on terms and subject to the conditions set out in the Plan.

As a condition to the exercise by an Optionee of an Option and prior to such exercise, arrangements satisfactory to the Company shall be made to enable the Company to satisfy all withholding tax and other source deduction requirements and obligations arising in respect of the exercise of the Option or otherwise related to the Plan (the "Applicable Withholding Taxes"), and among other things, the Company shall be entitled to deduct any Applicable Withholding Taxes from any payment of any kind whatsoever due to an Optionee.

The Optionee acknowledges that the grant and the exercise of an Option and the sale of the shares issuable upon exercise thereof may have consequences under tax and securities laws.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands and agrees to the terms and conditions of the Plan and this Option Agreement and further acknowledges that it has been advised to obtain independent legal and tax advice in connection with this Option Agreement and exercise of an Option hereunder.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ____ day of _____, _____.

SUNNIVA INC.

Signature of Optionee

By: _____
Authorized Signatory

SCHEDULE C

AUDIT COMMITTEE MANDATE

A. PURPOSE

The audit committee (the “**Audit Committee**”) of Sunniva Inc. (the “**Corporation**”) is responsible for ensuring accounting integrity and solvency. The Audit Committee is also responsible for ensuring the appropriateness of insurance and investment of liquid funds. The Audit Committee will assist the board of directors of the Corporation (the “**Board**”) in fulfilling its oversight responsibilities by:

- reviewing the integrity of the consolidated financial statements of the Corporation;
- appointing (subject to shareholder ratification if required), determining funding for, and overseeing the external auditor and reviewing the external auditor’s qualifications and independence;
- reviewing the performance of the Corporation’s external auditors;
- reviewing the timely compliance by the Corporation with all legal and regulatory requirements for audit and related financial functions of the Corporation;
- reviewing, and if applicable, approving, financial information contained in public filings of the Corporation prior to filing;
- reviewing earnings announcements of the Corporation prior to release to the public;
- reviewing the Corporation’s systems of and compliance with internal financial controls;
- reviewing the Corporation’s auditing, accounting and financial reporting processes;
- dealing with all complaints regarding accounting, internal accounting controls and auditing matters; and
- dealing with any issues that result from the reviews set forth above.

In performing its functions, the Audit Committee must comply with the requirements of applicable rules and laws, including National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) and applicable exchange policies. Nothing herein is intended to expand, or shall result in the expansion of, applicable standards of liability under Canadian law for directors of a corporation.

B. MEMBERSHIP

1. The Audit Committee will have a minimum of three members.
2. The members of Audit Committee must include that number of independent individuals as is prescribed by applicable securities laws, regulations and policies. “Independent” shall have the meaning, given to it in NI 52-110, as may be amended from time to time.
3. At the time of his or her appointment to the Audit Committee, each member of the Audit Committee shall be financially literate. “Financial literacy” shall be determined by the Board in the exercise of its business judgment, and shall include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
4. Appointments and replacements to the Audit Committee will be made by the Board and will be reviewed on an annual basis. The Board will provide for continuity of membership, while at the same time allowing

fresh perspectives to be added. The Board may remove the members of the Committee, with or without cause.

5. The Chair of the Audit Committee will be appointed by the Board.

C. MEETINGS

1. The Audit Committee may meet, in person, telephonically or electronically, as many times per year as necessary to carry out its responsibilities, but must meet at least once every quarter. No business may be transacted at a meeting unless a quorum of the Audit Committee is present. Two members of the Audit Committee shall constitute a quorum.
2. The Audit Committee shall maintain minutes or other forms of records of the meetings and activities of the Audit Committee in sufficient detail to convey the substance of all discussions held, and shall report to the Board, within a reasonable time period, the proceedings of the Audit Committee and any recommendations made by the Audit Committee.
3. Meetings of the Audit Committee will be held at the request of any member of the Audit Committee or at the request of the Corporation's external auditors. The Corporation's external auditor is entitled to receive notice of every meeting of the Audit Committee and to attend and be heard at every meeting, at the expense of the Corporation and, if so requested by a member of the Audit Committee, shall attend every meeting of the committee held during the term of office of the auditor.
4. The Audit Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. Provision will be made to meet privately with external auditors.

D. FINANCIAL REVIEW

1. The Audit Committee will review the Corporation's financial statements, management discussion and analysis ("MD&A") and the related press releases before such documents are presented to the Board or disclosed publicly, as the case may be.
2. The Audit Committee will review the interim financial statements of the Corporation, the related MD&A, and the press release thereon. If advisable, the Audit Committee shall approve, on behalf of the Board, the interim financial statements and related MD&A for public disclosure.
3. The Audit Committee will review the annual audited financial statements of the Corporation, the auditor's report thereon, the related MD&A, and the press release thereon. If advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and related MD&A.
4. The Audit Committee will review other financial information and financial documents that require the approval of the Board. These will include statements in prospectuses and other offering memoranda, news release containing financial information, or other documents including financial outlooks or future oriented financial information and statements required by regulatory authorities. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval such financial information.
5. The Audit Committee will issue any necessary reports required of the Audit Committee to be included in the Corporation's annual proxy materials.
6. The Audit Committee will review and discuss with management and the external auditor any major issue as to the adequacy and effectiveness of internal controls over the accounting and financial reporting systems of the Corporation, either directly, or through the external auditors or other advisors and obtain and review a report from the external auditor, at least annually, regarding the same; and the Audit Committee will

review and discuss with management and the external auditor any special steps adopted in light of material internal control deficiencies and the adequacy of disclosures about changes in internal controls over financial reporting.

7. The Audit Committee will review, with the external auditors, the results of the external audit and any changes in accounting practices or policies, or in the financial statements as a result thereof. In addition, the Audit Committee will review any accruals, provisions, or estimates that have a significant effect upon the financial statements, as well as other sensitive matters such as disclosure of related party transactions.
8. The Audit Committee will discuss with management and the external auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's financial statements or accounting policies.

E. AUDITORS

1. The Audit Committee is responsible for overseeing the work of the external auditor and will communicate directly with the external auditors as required. The external auditor of the Corporation must report directly to the Audit Committee.
2. The Audit Committee will be responsible for resolving disagreements between the auditors and the Company's management.
3. The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees.
4. The Audit Committee will evaluate the qualifications, performance and independence of the external auditor and the senior audit partners having primary responsibility for the audit, including considering whether the auditor's quality controls are adequate.
5. The Audit Committee will receive from the external auditor a formal written statement delineating all relationships between the external auditor and the Corporation and will actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
6. The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor. Notwithstanding the foregoing, the Audit Committee: (a) may delegate to one or more independent members the authority to pre-approve any non-audit service to be provided by the external auditor, to the extent permitted by applicable law, provided that any pre-approvals granted pursuant to such delegation will be reported to the full Audit Committee at its next scheduled meeting; and (b) establish policies and procedures, from time to time, pre-approving certain non-audit services to be provided by the external auditor, provided (i) such pre-approval policies and procedures are detailed as to the particular service, (ii) the Audit Committee is informed of each non-audit service, and (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.
7. The Audit Committee will review and approve the Corporation's hiring policies regarding partners, employees, former partners and former employees of the present and former external auditor of the Corporation.
8. The Audit Committee has the authority, to the extent it deems necessary or appropriate, to retain independent counsel and any other advisors. The Corporation will provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and to any advisors employed by the Audit Committee.

F. MISCELLANEOUS

1. The Audit Committee will establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
2. The Audit Committee will review the policies and practices of the Corporation regarding the regular examination of officers' expenses and perquisites, including the use of the assets of the Corporation.
3. The Audit Committee will ensure and periodically assess that policies and procedures to maintain the integrity of the Corporation's public disclosure of financial information extracted or derived from its financial statements are in place and are effective.
4. The Corporation must provide appropriate funding, as determined by the Audit Committee, for payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
5. The Audit Committee will review and, if advisable, approve all related party transactions.
6. The Audit Committee will review and reassess the adequacy of this mandate as it deems appropriate.

Approved by the Board effective August 30, 2017