

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): August 19, 2022

Lowell Farms Inc.

(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction
of incorporation)

000-56254
(Commission
file number)

N/A
(IRS Employer
Identification Number)

19 Quail Run Circle, Suite B Salinas, California 93907
(Address of principal executive offices)

(831) 998-8214
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth in Item 3.02 regarding the Private Placement is hereby incorporated by reference into this Item 1.01.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 3.02 regarding the Private Placement is hereby incorporated by reference into this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

On August 19, 2022, Lowell Farms Inc. (the "Company") and Indus Holdings Company ("Indus"), a wholly-owned subsidiary of the Company, completed a US \$4.2 million non-brokered private placement of convertible debentures and warrants (the "Private Placement").

Pursuant to the subscription agreements entered into in connection with the Private Placement (the "Subscription Agreements"), Indus sold senior secured convertible debentures, maturing on October 13, 2023 ("Debentures"), for aggregate gross proceeds of US \$4.2 million. The Debentures bear a fixed interest rate of 5.5% per annum and will mature on October 13, 2023. Each Debenture is convertible into non-voting common shares of Indus ("Indus Shares") at a conversion price of \$0.2313. Such Indus Shares are redeemable at the option of the holder for subordinate voting shares of the Company ("Shares") on a one-for-one basis. Each purchaser of a Debenture received, for no additional consideration, (i) a warrant for the purchase of a number of Shares equal to the number of Indus Shares into which the Debenture is convertible (the "Company Warrant") and (ii) a warrant for the purchase of a number of Indus Shares equal to 150% of the number of Indus Shares into which the Debenture is convertible (the "Indus Warrant," together with the Company Warrant, the "Warrants"). Each Warrant is exercisable at any time until February 19, 2026 at an exercise price of US \$0.2613 per share, subject to customary anti-dilution adjustments.

Investors will have the right to require the Company to repurchase their Indus Warrants and any Indus Warrant Shares issued following exercise of the Indus Warrants on a Share-equivalent basis (i) in connection with a sale of the Company or substantially all of its assets (a "Sale Transaction"), in the event the Indus Warrants and Indus Warrant Shares are not included in the Sale Transaction on terms that are economically equivalent to the treatment of the Shares, at a purchase price equal to the consideration per Share paid in the Sale Transaction and (ii) upon expiration of the Indus Warrants, at a purchase price per Share equal to the average closing price for the Shares over the 30 trading-day period ending three trading days prior to the last day of the Indus Warrant exercise period. The foregoing prices are payable in cash or, if legally permissible and the Company applies for and obtains all necessary regulatory approvals (including, without limitation, the approval of any stock exchange on which the Shares are listed), in Shares.

As further consideration for their investments in the Debentures, the expiration date applicable to previously issued warrants held by certain investors will be extended from October 13, 2023 to April 13, 2025 and, if applicable regulatory approvals are obtained, will be further extended to February 19, 2026.

The Debentures are part of the same series of convertible debentures issued in connection with the Company's and Indus's April 2020 financing ("2020 Debentures"). The amounts due under the Debentures and the 2020 Debentures are secured on a pari passu basis by substantially all assets of the Company (other than the Company's Monterey County processing facility).

Proceeds from the Private Placement are contemplated to be used for working capital purposes, automation investments and expansion into new markets.

Certain officers and directors of the Company purchased an aggregate of \$2,415,000 in Debentures and accompanying Warrants pursuant to the Private Placement on the same terms as the other participants in the Private Placement. Participation by such insiders of the Company in the Private Placement was considered a "related party transaction" under relevant U.S. and Canadian securities laws and was approved by the disinterested directors of the Company.

The Debentures, their components and underlying securities were offered and will be issued in reliance upon Rule 506(b) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), as a transaction not requiring registration under Section 5 of the Securities Act. Each investor represented that it is an accredited investor and that it is acquiring the securities for investment purposes only and not with a view to any resale, distribution or other disposition of such securities in violation of the United States federal securities laws. Securities issued in the Private Placement are "restricted securities" under the Securities Act and may not be transferred, sold or otherwise disposed of unless they are subsequently registered or an exemption is available under the Securities Act. Neither this Current Report on Form 8-K, nor the exhibits attached hereto, is an offer to sell or the solicitation of an offer to buy the securities described herein.

The foregoing summaries of the terms of the Subscription Agreements, Debentures and Warrants do not purport to be complete and are qualified in their entirety by reference to the complete text of the form of Subscription Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference, to the complete text of the form of Debenture, which is attached hereto as Exhibit 10.2 and is incorporated herein by reference, to the complete text of the form of Company Warrant, which is attached hereto as Exhibit 10.3 and is incorporated herein by reference, and to the complete text of the form of Indus Warrant, which is attached hereto as Exhibit 10.4 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Form of Subscription Agreement.
10.2	Form of Debenture.
10.3	Form of Company Warrant.
10.4	Form of Indus Warrant.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Lowell Farms Inc.

Date: August 19, 2022

By: /s/ Brian Shure

Name: Brian Shure

Title: Chief Financial Officer

Subscription Agreement

TO: Indus Holding Company (the “Company”); Lowell Farms Inc. (“Parent”)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby irrevocably subscribes for and agrees to purchase from the Company, for the purchase price set forth on the signature page hereto (the “Purchase Price”), (a) a New Debenture (such term and other capitalized terms used and not otherwise defined herein having the meanings set forth in the First Amendment to Debenture and Warrant Purchase Agreement attached hereto as Exhibit A (the “Purchase Agreement Amendment”) having an original principal amount equal to the Purchase Price, convertible into a number of Voting Shares equal to the Purchase Price divided by \$0.2313, (b) a New Warrant, exercisable at \$0.2613 per Voting Share for the number of Voting Shares into which the in the New Debenture purchased by the undersigned is convertible, and (c) an Indus Warrant, exercisable at \$0.2613 per Class D Indus Share, for a number of Class D Shares equal to 1.5 times the number of Voting Shares into which the in the New Debenture purchased by the undersigned is convertible, pursuant to the Company’s private placement of New Debentures, New Warrants and Indus Warrants (the “Private Placement”). The Purchaser understands that the Company intends to offer and sell up to U.S. \$10 million of New Debentures accompanied by New Warrants and Indus Warrants in the Private Placement, subject to increase at the Company’s discretion.

The Purchaser acknowledges that this subscription is subject to acceptance by the Company. The Company may also accept this subscription in part. The Purchaser agrees that if this subscription is not accepted in full, any funds related to the portion of this subscription not accepted will be returned to the Purchaser, without interest.

The Purchaser acknowledges, represents, warrants, covenants and agrees with the Company and Parent as follows:

- (a) Prior to the time of purchase of any New Debentures, New Warrants or Indus Warrants, it has reviewed the public filings of Parent available on EDGAR and SEDAR that it considered necessary in connection with its decision to invest in the New Debentures, New Warrants and Indus Warrants, including Parent’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 and Parent’s Annual Report on Form 10-K for the year ended December 31, 2021, and has been afforded the opportunity to ask such questions as it deemed necessary of, and to receive answers from, representatives of the Company and Parent concerning the terms and conditions of the offering of the New Debentures, New Warrants and Indus Warrants and to obtain such additional information that it considered necessary in connection with its decision to invest in the New Debentures, New Warrants and Indus Warrants.
 - (b) It is authorized to consummate the purchase of the New Debentures, New Warrants and Indus Warrants.
 - (c) It is an “accredited investor,” as such term is defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the “Securities Act”), and as set forth on Annex A hereto (hereinafter referred to as an “Accredited Investor”), has executed and delivered Annex A hereto, acknowledges that the offer and sale of the New Debentures, New Warrants and Indus Warrants to it is being made in reliance upon Rule 506(b) of Regulation D under the Securities Act, and is purchasing the New Debentures, New Warrants and Indus Warrants for its own account or for the account of one or more Accredited Investors with respect to which it exercises sole investment discretion, for investment purposes only and not with a view to any resale, distribution or other disposition of the New Debentures, the New Warrants, the Indus Warrants, the Voting Shares underlying the New Debentures (the “Conversion Shares”) or the New Warrants (the “Warrant Shares”) or the Class D Shares underlying the Indus Warrants (the “Indus Warrant Shares” and, together with the New Debentures, the Conversion Shares, the New Warrants and the Indus Warrants, collectively, the “Securities”) in violation of United States federal or state securities laws.
 - (d) It, alone or with the assistance of its professional advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Securities and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to bear the economic risks, and withstand a complete loss, of such investment.
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- (e) There is no government or other insurance scheme covering the Securities. There are risks associated with an investment in the Securities and, as a result, the Purchaser may lose its entire investment.
- (f) It confirms that neither the Company, Parent nor any of their representative directors, employees, officers, agents, representatives or affiliates, have made any representations (written or oral) to the Purchaser:
 - (i) regarding the future value of the Securities;
 - (ii) that any person will resell or repurchase the Securities;
 - (iii) that any of the Securities will be or continue to be listed on any stock exchange or traded on any market; or
 - (iv) that any person will refund the purchase price or exercise price, as applicable, of the Securities.
- (g) It is not acting jointly or in concert with any other person or company for the purposes of acquiring the Securities.
- (h) Except for this Subscription Agreement, the Purchaser has relied solely upon publicly available information relating to Parent and the Company and not upon any verbal or written representation as to fact or otherwise made by or on behalf of Parent or the Company, and acknowledges that Akerman LLP and Cassels Brock & Blackwell LLP, the Parent's and the Company's counsel, is acting as counsel to Parent and the Company and not as counsel to the Purchaser.
- (i) It understands and acknowledges that the Securities have not been registered under the Securities Act or any applicable state securities laws, are "restricted securities" within the meaning of Rule 144 under the Securities Act, and agrees on its own behalf and on behalf of any investor account for which it is purchasing the Securities that the Securities may not be offered, sold, pledged or otherwise transferred, directly or indirectly, except:
 - (i) to the Company;
 - (ii) pursuant to an effective registration statement under the Securities Act, including the Resale Registration Statement (as defined below); or
 - (iii) pursuant to an exemption from registration under the Securities Act, and that such exemptions from registration under the Securities Act are limited;

And in each case in compliance with applicable securities laws of any state of the United States.

(j) It understands that the Purchaser is solely responsible for (and the Company and Parent are not in any way responsible for) the Purchaser's compliance with applicable resale restrictions. The Purchaser covenants and agrees to comply with applicable securities legislation, orders and policies concerning the purchase, holding of, and resale of the Securities.

(k) It acknowledges that the Securities, and any securities issued in exchange or substitution for such securities, shall have attached to them, whether through an ownership statement issued under a direct registration system or other electronic book-based system, or on certificates that may be issued, as applicable, any legends setting out resale restrictions as may be prescribed under applicable securities laws or stock exchange rules.

- (l) It consents to the Company and Parent making notations on their records or giving instructions to any transfer agent for the Securities in order to implement the restrictions on transfer set forth and described herein.
- (m) It has not purchased the Securities as a result of any “general solicitation” or “general advertising” (as those terms are used in Regulation D under the Securities Act), including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
- (n) It understands that the New Warrants and the Indus Warrants may not be exercised by or on behalf of a person in the United States or a U.S. Person unless an exemption from registration is available under the Securities Act and any applicable state securities laws and Parent has received an opinion of counsel of recognized standing to such effect or other evidence of such exemptions in form and substance reasonably satisfactory to Parent.
- (o) It is aware that (i) purchasing, holding and disposing of the Securities may have tax consequences under the laws of both Canada and the United States and (ii) it is solely responsible for determining the tax consequences applicable to its particular circumstances and should consult its own tax advisors concerning investment in such Securities.
- (p) It has obtained its own independent tax, legal, accounting and other advice appropriate in connection with the purchase of the Securities.
- (q) Neither the execution and the delivery by the Purchaser of this subscription agreement nor the consummation of the transactions contemplated hereby on the part of the Purchaser will conflict with, or result in the breach of, any provision of the Purchaser’s charter documents, any contract to which the Purchaser is a party or by which the Purchaser or its properties or assets are bound or any law, regulation, judgement, ruling, decree or order of a governmental authority.
- (r) (i) The funds representing the Purchase Price which will be advanced by the Purchaser to the Company will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “**PATRIOT Act**”), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the “**PCMLTFA**”) or similar laws of any other jurisdiction, and the Purchaser acknowledges that the Company may in the future be required by law to disclose the Purchaser’s name and other information relating to this Subscription Agreement and the Purchaser’s subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, the PCMLTFA or similar laws of any other jurisdiction, and (ii) no portion of the Purchase Price to be provided by the Purchaser (a) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (b) is being tendered on behalf of a person or entity that has not been identified to or by the Purchaser; and the Purchaser shall promptly notify the Company if the Purchaser discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith.
- (s) It understands and acknowledges that no agency, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the SEC, any state securities commission, any securities commission or similar regulatory authority of any province or territory of Canada or the Canadian Securities Exchange (the “**CSE**”) has made any finding or determination as to the merit of investment in, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to, the Securities.
- (t) If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Company and Parent in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Securities.

- (u) It will complete a resale registration statement questionnaire provided for use in preparation of the Resale Registration Statement, and the answers thereto will be true and correct in all material respects as of the date made and as of the effective date of the Resale Registration Statement, and it will notify Parent immediately of any material change in any such information until such time as the Purchaser has sold all of its Conversion Shares and Warrant Shares or until the Company is no longer required to keep the Resale Registration Statement effective. All other written information furnished to the Company by or on behalf of the Purchaser expressly for inclusion in the Resale Registration Statement will be true and correct in all material respects as of the date such other written information is provided and will be true and correct as of the effective date of the Resale Registration Statement and the Purchaser will notify the Company immediately of any material change in any such other written information until such time as the Purchaser has sold all of its Conversion Shares and Warrant Shares or until Parent is no longer required to keep the Resale Registration Statement effective. It will promptly notify Parent of any changes in the information set forth in the Resale Registration Statement regarding the Purchaser or its plan of distribution.
- (v) If required by applicable securities Laws, the rules or policies of any applicable stock exchange, the Company or Parent, it will execute, deliver and file or assist, including by way of providing requisite information to, the Company or Parent in filing or in causing the filing of such disclosure documents, reports, undertakings and other documents with respect to or in connection with the issuance of the Securities and the completion of any associated transactions as may be required by any securities commission, stock exchange or other regulatory authority pursuant to applicable securities Laws or rule or policies or as they may otherwise require.
- (w) It understands and acknowledges that it is making the representations and warranties and agreements contained herein with the intent that they may be relied upon by the Company in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Securities.
- (x) The sale of additional Securities pursuant to the Private Placement may take place from time to time at additional Closings of the Private Placement until the Private Placement has been completed, as determined by the Company in its sole discretion, but there is no minimum amount required to be sold in order to conduct a Closing of the Private Placement and the proceeds from this subscription may be accessed by the Company at any time after the acceptance by the Company of this subscription, prior to any subsequent Closing. The Purchaser acknowledges that the Company and Parent may complete additional financings in the future in order to develop the business of the Company and parent and to fund ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such financings may have a dilutive effect on current shareholders, including the Purchaser.
- (y) This Subscription Agreement requires the Purchaser to provide certain personal information to the Company. Such information is being collected by the Company for the purposes of completing the Private Placement and complying with the Company's and Parent's regulatory requirements, which includes, without limitation, determining the Purchaser's eligibility to purchase the Securities under the Securities Act and other applicable securities laws and completing filings required by any stock exchange or securities regulatory authority or by any state, provincial, local or municipal regulatory authority. The Purchaser's personal information may be disclosed by the Company and Parent to: (i) stock exchanges or securities regulatory authorities, (ii) applicable taxing authorities, and (iii) any of the other parties involved in the Private Placement, including legal counsel to the Company and Parent and may be included in record books in connection with the Private Placement. By executing this Subscription Agreement, the Purchaser is deemed to be consenting to the foregoing collection, use and disclosure of the Purchaser's personal information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents described herein as may be required to be filed with any stock exchange or securities regulatory authority.
- (z) The Purchaser hereby provides consent to the disclosure of the Purchaser's information to the CSE pursuant to Form 9 – Notice of Issuance or Proposed Issuance of Listed Securities of the CSE or otherwise pursuant to such filing and the collection, use and disclosure of the Purchaser's information by the CSE in the manner and for the purposes described in Appendix A of such Form 9 or as otherwise identified by the CSE, from time to time..

- (aa) It shall be a condition to the Company's acceptance of this subscription agreement that the Purchaser shall have executed a counterpart signature page to the Purchase Agreement Amendment, and the Purchaser shall thereby become bound by the Purchase Agreement (as defined in the Purchase Agreement Amendment).

Upon the acceptance of this subscription by the Company, the Purchaser shall have the benefit of the following representations, warranties, covenants and agreements by the Company and Parent:

- (a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Parent is a corporation duly organized, validly existing and in good standing under the laws of British Columbia, Canada. The Company and Parent have all requisite corporate power and authority to own and operate their properties and assets, to execute and deliver this subscription agreement, to issue and sell the Securities subscribed for by the Purchaser, to carry out the provisions of this subscription agreement and to carry on its business as presently conducted and as presently proposed to be conducted. The Company and Parent are duly qualified to do business and are in good standing as foreign corporations in all jurisdictions in which the nature of their respective activities and of their respective properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or Parent, as applicable.
- (b) Neither the execution and the delivery by the Company or Parent of this subscription agreement nor the consummation of the transactions contemplated hereby on the part of the Company or Parent will conflict with, or result in the breach of, any provision of the Company's or Parent's charter documents, any contract to which the Company or Parent is a party or by which the Company or Parent or its properties or assets are bound or any law, regulation or order of a governmental authority.
- (c) At the applicable Closing, the Company will deliver to the Purchaser certificates for the New Debenture and the New Warrant to be purchased at such Closing by the Purchaser against payment of the purchase price therefor by wire transfer of immediately available funds in accordance with wire transfer instructions provided by the Company.
- (d) Upon issuance, the Securities will be duly authorized and validly issued, fully paid and non-assessable and will not have been issued in violation of applicable law, regulation or order of a governmental authority.
- (e) Parent shall prepare and file with the Securities and Exchange Commission (the "SEC") a registration statement (the "**Resale Registration Statement**") on Form S-1 (or any other available form) relating to the resale of the Conversion Shares and the Warrant Shares by the Purchaser. For the avoidance of doubt, the Indus Warrant Shares will not be included in the Resale Registration Statement. Parent shall file the Resale Registration Statement by the October 31, 2022 and shall use commercially reasonable efforts, subject to receipt of necessary information from the Purchaser, to cause the SEC to declare the Resale Registration Statement effective as promptly as is reasonably practicable. Parent shall promptly prepare and file with the SEC such amendments and supplements to the Resale Registration Statement and the prospectus used in connection therewith (the "**Prospectus**") as may be necessary to keep the Resale Registration Statement effective until October 31, 2023. Parent may amend the Resale Registration Statement on Form S-3 at any time it is eligible to do so.
- (f) For not more than 90 days in any 12-month period, Parent may suspend the use of any Prospectus included in the Resale Registration Statement in the event that Parent determines in good faith that such suspension is necessary to (A) delay the disclosure of material non-public information concerning Parent, the disclosure of which at the time is not, in the good faith opinion of Parent in the best interests of Parent or (B) amend or supplement the Resale Registration Statement or the related Prospectus so that the Resale Registration Statement or Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus in light of the circumstances under which they were made, not misleading (an "**Allowed Delay**"); provided, that Parent shall promptly (I) notify the Purchaser in writing of the commencement of an Allowed Delay, but shall not (without the prior written consent of the Purchaser) disclose to the Purchaser any material non-public information giving rise to an Allowed Delay, (II) advise the Purchaser in writing to cease all sales under the Resale Registration Statement until the end of the Allowed Delay, and (III) use commercially reasonable efforts to terminate an Allowed Delay as promptly as is reasonably practicable.

- (g) Parent shall use commercially reasonable efforts to effect the registration of the Conversion Shares and Warrant Shares in accordance with the terms hereof, and pursuant thereto Parent will, as expeditiously as possible:
- (i) prepare and file with the SEC such amendments and post-effective amendments to the Resale Registration Statement and the related Prospectus as may be necessary to keep the Resale Registration Statement effective for the period in which the Resale Registration Statement is required to be kept effective and to comply with the provisions of the Securities Act and the Securities Exchange Act of 1934 (the “**Exchange Act**”) with respect to the distribution of all of the Conversion Shares and Warrant Shares covered thereby;
 - (ii) furnish to the Purchaser such number of copies of a Prospectus and all amendments and supplements thereto and such other documents as the Selling Shareholder may reasonably request in order to facilitate the disposition of the Conversion Shares and Warrant Shares owned by the Purchaser;
 - (iv) use commercially reasonable efforts to (A) prevent the issuance of any stop order or other suspension of effectiveness and, (B) if such order is issued, obtain the withdrawal of any such order at the earliest practical moment;
 - (v) use commercially reasonable efforts to register or qualify or cooperate with the Purchaser and its counsel in connection with the registration or qualification of the Conversion Shares and Warrant Shares for offer and sale under the securities or blue sky laws of such jurisdictions requested by the Purchaser and do any and all other commercially reasonable acts or things necessary or advisable to enable the distribution in such jurisdictions of the Conversion Shares and Warrant Shares covered by the Resale Registration Statement; provided, however, that Parent shall not be required in connection therewith or as a condition thereto to (A) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this provision, (B) subject itself to general taxation in any jurisdiction where it would not otherwise be so subject, or (C) file a general consent to service of process in any such jurisdiction;
 - (vi) promptly notify the Purchaser, upon discovery that, or upon the happening of any event as a result of which, the Prospectus includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly prepare, file with the SEC and furnish to such holder a supplement to or an amendment of such Prospectus as may be necessary so that such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;
 - (vii) use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act in connection with the Resale Registration Statement; and
 - (viii) with a view to making available to the Purchaser the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the SEC that may at any time permit the Purchaser to sell the Conversion Shares and Warrant Shares to the public without registration, Parent covenants and agrees for so long as it remains registered under the Exchange Act, to (A) file with the SEC in a timely manner all reports and other documents required of Parent under the Exchange Act and (B) furnish to the Purchaser upon request, as long as such Purchaser owns any Conversion Shares and Warrant Shares, (I) a written statement by Parent that it has complied with the reporting requirements of the Exchange Act, (II) a copy of Parent’s most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, and (III) such other information as may be reasonably requested in order to avail such Purchaser of any rule or regulation of the SEC that permits the selling of any such Conversion Shares and Warrant Shares without registration.

- (h) In the event that the SEC for any reason limits the number of Conversion Shares and Warrant Shares that may be included and sold by the Purchaser and/or other purchasers in the Private Placement in the Resale Registration Statement, Parent shall reduce the number of Conversion Shares and Warrant Shares included in the Resale Registration Statement on behalf of the Purchaser and/or such other purchasers accordingly (such portion shall be allocated pro rata among the Purchaser and such other purchasers) (such excluded shares, the "**Reduction Securities**"). Parent shall not be liable for any losses in connection with the exclusion of such Reduction Securities or in connection with any delay in the effectiveness of the Resale Registration Statement arising from any interactions between Parent and the SEC with respect to the number of Conversion Shares and/or Warrant Shares that may be included and sold by the Purchaser and/or other purchasers in the Private Placement in the Resale Registration Statement. Parent shall use commercially reasonable efforts to register the Reduction Securities for resale as soon as is reasonably practicable pursuant to a new registration statement covering the Reduction Securities (or such portion thereof as the SEC will allow to be registered for resale at such time) for an offering to be made on a continuous basis pursuant to Rule 415.
- (i) Parent shall bear all expenses in connection with the registration of the Conversion Shares and Warrant Shares on behalf of the Purchaser pursuant to the Resale Registration Statement, other than fees and expenses, if any, of counsel or other advisers to the Purchaser or underwriting discounts, brokerage fees and commissions incurred by the Purchaser, if any in connection with the offering of the Conversion Shares and Warrant Shares on behalf of the Purchaser pursuant to the Resale Registration Statement or any new registration statement(s) covering the Reduction Securities.

No representation or warranty is made by any party hereunder with respect to The Federal Comprehensive Drug Abuse Prevention and Control Act of 1970, the Controlled Substances Act of 1910 (21 U.S.C. § 801 et seq.) or any other U.S. federal Law the violation of which is predicated upon a violation of the foregoing as it applies to marijuana.

The sale of the New Debentures, New Warrants and Indus Warrants subscribed for by the Purchaser will be completed at the office of the Company's counsel, Akerman LLP, 1251 Avenue of the Americas, 37th Floor, New York, New York 10020, on or about August 5, 2022, or such other date as the Company and the Purchaser may agree.

The contract arising out of the acceptance of this subscription by the Company shall be governed by and construed in accordance with the laws of the State of New York and represents the entire agreement of the parties hereto relating to the subject matter hereof.

Date: August __, 2022

(Full Name of Purchaser - please print)

(Authorized Signature)

(Name and Official Capacity - please print)

Subscription Particulars

BOX A:

Particulars of Purchase of Securities
Principal Amount of the New Debenture Subscribed For: U.S. \$
Total Purchase Price payable for New Debenture, New Warrants and Indus Warrants: same as above
Payment Instructions: Routing # Account #

BOX B:

Purchaser Information
Name of Purchaser:
Street Address:
Street Address (2):
City and State:
ZIP Code:
Contact Name:
Phone No.:
Email Address:

The Company hereby accepts the foregoing subscription by the Purchaser.

Indus Holding Company

Date: _____

(Authorized Signature)

Parent hereby enters into this subscription agreement in order to undertake its representations, warranties and covenants set forth herein.

Lowell Farms Inc.

Date: _____

(Authorized Signature)

[As further consideration for the Purchaser's subscription, upon acceptance of this subscription agreement by the Company and payment of the Purchase Price by the Purchaser, the exercise period applicable to the 2020 Warrants held by the Purchaser shall, without further act, be extended until the earlier to occur of (i) immediately prior to a Change of Control or (ii) the 42-month anniversary of the first Closing of the sale of the New Debentures, New Warrants and Indus Warrants pursuant to the Private Placement.]

Lowell Farms Inc.

Date: _____

(Authorized Signature)

ANNEX A

TO: Indus Holding Company (the “Company”)

In connection with the purchase of the Securities, the Purchaser hereby represents, warrants and certifies to the Company that the Purchaser satisfies one or more of the categories indicated below (please initial the appropriate line(s) below)

Category 1.	A bank, as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the “Securities Act”), whether acting in its individual or fiduciary capacity; or
Category 2.	A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; or
Category 3.	A broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934, as amended; or
Category 4.	Any investment adviser registered pursuant to Section 203 of the United States Investment Advisers Act of 1940, as amended or registered pursuant to the laws of a state; or
Category 5.	Any investment adviser relying on the exemption from registering with the Securities and Exchange Commission under Section 203(l) or (m) of the United States Investment Advisers Act of 1940, as amended; or
Category 6.	An insurance company as defined in Section 2(a)(13) of the Securities Act; or
Category 7.	An investment company registered under the United States Investment Company Act of 1940, as amended; or
Category 8.	A business development company as defined in Section 2(a)(48) of the United States Investment Company Act of 1940, as amended; or
Category 9.	A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958, as amended; or
Category 10.	Any Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act; or
Category 11.	A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees if such plan has total assets in excess of U.S.\$5,000,000; or
Category 12.	An employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of U.S.\$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are “accredited investors,” as such term is defined in Rule 501(a) of Regulation D under the Securities Act; or
Category 13.	A private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940, as amended; or
Category 14.	An organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, a corporation, Massachusetts or similar business trust, a limited liability company or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S.\$5,000,000; or
Category 15.	Any director or executive officer of the Company; or
Category 16.	A natural person whose individual net worth, or joint net worth with that person’s spouse or spousal equivalent exceeds U.S.\$1,000,000 (Note: For purposes of calculating “net worth” under this paragraph: (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.); or
Category 17.	A natural person who had an individual income in excess of U.S.\$200,000 in each of the two most recent years or joint income with that person’s spouse or spousal equivalent in excess of U.S.\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
Category 18.	A trust, with total assets in excess of U.S.\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act; or
Category 19.	Any entity in which all of the equity owners meet the requirements of at least one of the above categories; or

	Category 20.	Any entity, of a type not listed in Categories 1-14, 18 or 19, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of U.S.\$5,000,000; or
	Category 21.	Any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Securities and Exchange Commission has designated as qualifying an individual for accredited investor status; or
	Category 22.	Any natural person who is a “knowledgeable employee,” as defined in Rule 3c-5(a)(4) under the United States Investment Company Act of 1940, as amended (17 CFR 270.3c-5(a)(4)), of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in Section 3 of such Act, but for the exclusion provided by either Section 3(c)(1) or Section 3(c)(7) of such Act; or
	Category 23.	Any “family office,” as defined in Rule 202(a)(11)(G)-1 under the United States Investment Advisers Act of 1940, as amended (17 CFR 275.202(a)(11)(G)-1): (i) with assets under management in excess of U.S.\$5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
	Category 24.	Any “family client,” as defined in Rule 202(a)(11)(G)-1 under the United States Investment Advisers Act of 1940, as amended (17 CFR 275.202(a)(11)(G)-1), of a family office meeting the requirements in Category 23 of this section and whose prospective investment in the issuer is directed by such family office pursuant to subsection (iii) of Category 23.

Capitalized terms not defined herein shall have the meanings set forth in the subscription agreement to which this Annex A is attached.

Dated: _____

THIS NEW DEBENTURE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

INDUS HOLDING COMPANY

SENIOR SECURED CONVERTIBLE DEBENTURE

\$[•]

August [17], 2022

FOR VALUE RECEIVED, Indus Holding Company, a Delaware corporation (the "*Company*"), promises to pay to [name], [type of entity and jurisdiction], in lawful money of the United States of America the principal sum of \$[•], or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Senior Secured Convertible Debenture (this "*New Debenture*") on the unpaid principal balance at a rate equal to 5.5% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the earlier of (i) five business days following the demand of the Required Holders (as defined in Section 5 hereof) made at any date on or after the 42 month anniversary of the Initial Closing Date (such fifth business day, the "*Maturity Date*"), or (ii) when, upon the occurrence and during the continuance of an Event of Default (as defined in Section 3 hereof), such amounts are declared due and payable by the Required Holders or made automatically due and payable, in each case, in accordance with the terms hereof. This New Debenture is one of the New Debentures issued pursuant to that certain Debenture and Warrant Purchase Agreement, dated April 10, 2020 (as amended by that certain First Amendment to Debenture and Warrant Purchase Agreement, dated August [15], 2022 (the "*Purchase Agreement Amendment*", and as further amended from time to time, the "*Purchase Agreement*"), by and among the Company and the Purchasers listed on Schedule II of the First Amendment.

The following is a statement of the rights of Holder (as defined in Section 5 hereof) and the conditions to which this New Debenture is subject, and to which Holder, by the acceptance of this New Debenture, agrees:

1. Payments.

(a) Interest. Accrued interest on this New Debenture shall be payable in arrears on a quarterly basis on the last day of each calendar quarter after the date hereof, with any remaining accrued but unpaid interest payable on the Maturity Date.

(b) Voluntary Prepayment. This New Debenture may be prepaid by the Company in whole at any time or in part from time to time without penalty or premium; *provided* that (i) any prepayment of this New Debenture may only be made in connection with the prepayment of all New Debentures on *pro rata* basis, based on the respective aggregate outstanding principal amounts of each such New Debenture, and (ii) any such prepayment shall be applied first to interest accrued on this New Debenture and second, if the amount of prepayment exceeds the amount of all such accrued interest, to the payment of principal of this New Debenture; *provided further* that no consent of the Required Holders shall be required for a prepayment (i) following the occurrence of an Event of Default if such Event of Default has not been waived by the Required Purchasers and the exercise of remedies with respect thereto is not subject to a written deferral by the Required Purchasers of at least 60 days from the date such Indebtedness is incurred or (ii) in connection with a Change of Control.

2. Conversion.

(a) Conversion into Class C Common Shares

(i) Conversion by Holder. At any time on or prior to the Maturity Date, upon the election of the Holder, in its sole discretion, all or any portion of the outstanding principal and accrued but unpaid interest hereon shall convert into a number of fully paid and nonassessable Class C Common Shares of the Company ("**Class C Common Shares**") determined pursuant to the formula set forth in Section 2(a)(iii).

(ii) Conversion by the Company. At any time, provided that (I) the closing price for the subordinate voting shares of Lowell Farms Inc. has been at least 3 times the Conversion Price (as defined below) on each trading day of the immediately preceding 30-trading day period and (II) the daily volume of the subordinate voting shares multiplied by the weighted average trading price of the subordinate voting shares has been at least \$150,000 on each trading day of such period, the Company may deliver a written notice to each Holder of a New Debenture requiring that this New Debenture be converted into Class C Common Shares. Effective as of the fifth business day following delivery of such Notice, this New Debenture shall be converted into a number of Class C Common Shares determined pursuant to the formula set forth in Section 2(a)(iii).

(iii) Conversion Formula. The total number of Class C Common Shares that Holder shall be entitled to receive upon conversion of this New Debenture pursuant to the this Section 2(a) shall be equal to the number obtained by dividing (A) all or such portion of the principal and accrued but unpaid interest under such New Debenture specified by the Holder by (B) \$0.2313 per share (the "**Conversion Price**"), subject to adjustment as set forth in Section 2(d) hereof.

(b) Conversion on Change of Control. If the Company consummates a Change of Control (as defined in Section 5 hereof) prior to the earlier to occur of the payment in full or conversion of this New Debenture and the Maturity Date, the Company shall provide written notice to the Holder of such Change of Control and a period of at least five (5) business days to permit Holder to exercise its conversion rights pursuant to Section 2(a)(i) hereof.

(c) Conversion Procedure.

(i) Conversion Mechanics. If this New Debenture is to be converted pursuant to this Section 2, Holder shall deliver to the Company written notice to the Company of the conversion to be effected, specifying the principal amount of the New Debenture to be converted, together with all accrued and unpaid interest, the date on which such conversion shall occur and surrendering this New Debenture to the Company. The Company shall, as soon as practicable thereafter, and in no event later than the date specified in such notice, issue and deliver to Holder a certificate or certificates for the number of shares to which Holder shall be entitled upon such conversion.

(ii) Fractional Shares. Notwithstanding anything herein contained, the Company shall in no case be required to issue fractional Class C Common Shares upon the conversion of this New Debenture. If any fractional interest in a Class C Common Share would, except for the provisions of this 2(c)(ii), be deliverable upon the conversion of this New Debenture, the aggregate number of Class C Common Shares to which such holder shall be entitled shall be rounded down to the nearest whole number if the fraction is less than 0.5 and rounded up to the nearest whole number if the fraction is 0.5 or greater.

(d) Adjustments to Conversion Price and Class C Common Shares. Subject to the requirements of the Canadian Securities Exchange (or such other exchange on which the Class C Common Shares are then listed), the Conversion Price and Class C Common Shares shall be subject to adjustment from time to time as follows:

(i) If and whenever at any time prior to the Maturity Date the outstanding Class C Common Shares shall be subdivided, redivided or changed into a greater or consolidated into a lesser number of Class C Common Shares or reclassified into different shares of capital stock of the Company (a "**Reclassification**"), or the Company shall issue additional Class C Common Shares (or securities convertible into additional Class C Common Shares or different shares of capital stock of the Company) to the holders of all or substantially all of its outstanding Class C Common Shares by way of a stock dividend or otherwise (other than an issue of additional Class C Common Shares to holders of Class C Common Shares who have elected to receive dividends in the form of Class C Common Shares in lieu of receiving cash dividends paid in the ordinary course) (a "**Stock Dividend**"), Holder shall be entitled to receive and shall accept, upon the exercise of such right at any time on the effective date of such Reclassification or Stock Dividend or thereafter, in lieu of the number of Class C Common Shares to which he was theretofore entitled upon conversion, the aggregate number of Class C Common Shares, different shares of capital stock of the Company and/or securities convertible into Class C Common Shares or different shares of capital stock of the Company that Holder would have held immediately following such Reclassification or Stock Dividend had he been the registered holder of the number of Class C Common Shares to which he was theretofore entitled upon conversion as of the applicable record date or effective date for such action.

(ii) If and whenever at any time prior to the Maturity Date the Company shall issue rights, options or warrants to all or substantially all the holders of its outstanding Class C Common Shares entitling them to subscribe for or purchase additional Class C Common Shares, different shares of capital stock of the Company or securities convertible into Class C Common Shares or different shares of capital stock of the Company, and if such issuance has or is reasonably likely to have a material adverse effect on the conversion privilege or right of Holder hereunder, then the conversion rights (including, as applicable, the Conversion Price) shall be adjusted appropriately as determined by the directors of the Company, acting reasonably. If all such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted based upon the number of additional Class C Common Shares, different shares of capital stock of the Company or securities convertible into Class C Common Shares or different shares of capital stock of the Company actually issued upon the exercise of such rights, options or warrants, as the case may be.

(iii) No adjustments of the Conversion Price shall be made pursuant to Section 2(d)(i) or Section 2(d)(ii) if the Holder is permitted to participate in such Reclassification or Stock Dividend or in the issue of such options, rights or warrants, as the case may be, as though and to the same effect as if it had converted the principal amount outstanding under this New Debenture into Class C Common Shares prior to the applicable record date or effective date for such Reclassification or Stock Dividend or the issue of such options, rights or warrants, as the case may be.

(iv) The adjustments provided for in this Section 2(d) are cumulative and shall be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs. Notwithstanding the foregoing, no adjustment of the Conversion Price shall be made in any case in which the resulting increase or decrease in the Conversion Price would be less than one percent of the then prevailing Conversion Price. Any adjustment that would otherwise have been required to be made, but for the minimum percentage threshold, shall be carried forward and made at the time of and together with the next subsequent adjustment to the Conversion Price which, together with any and all such adjustments so carried forward, shall result in an increase or decrease in the Conversion Price by not less than one percent.

(e) Notices of Record Date. In the event of:

(i) Any taking by the Company of a record of the holders of any class of securities of Company for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right; or

(ii) Any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any transfer of all or substantially all of the assets of the Company to any other Person or any consolidation or merger involving the Company; or

(iii) Any voluntary or involuntary dissolution, liquidation or winding-up of the Company,

the Company shall deliver to Holder at least 10 business days prior to the earliest date specified therein, a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and the amount and character of such dividend, distribution or right; and (B) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding-up is expected to become effective and the record date for determining stockholders entitled to vote thereon.

3. **Events of Default.** The occurrence of any of the following shall constitute an “*Event of Default*” under this New Debenture:

(a) Failure to Pay. The Company shall fail to pay (i) when due any principal payment on the Maturity Date therefor or (ii) any interest payment required under the terms of this New Debenture on the date due and such payment shall not have been made within five business days of the Company’s receipt of written notice by the Required Holders of such failure to pay; or

(b) Breaches of Covenants. The Company shall fail to observe or perform any other covenant, obligation, condition or agreement contained in this New Debenture (other than those specified in Section 3(a) hereof), the Purchase Agreement or any other Transaction Document (other than the Voting Agreement), including, without limitation, the negative covenants set forth in Section 6(a) of the Purchase Agreement and, in the event of such failure is susceptible to cure, such failure shall not have been cured by the Company within thirty (30) days after written notice to the Company by the Required Holders of such failure; or

(c) Voluntary Bankruptcy or Insolvency Proceedings. The Company shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in a writing approved by the Company’s board of directors its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its creditors, (iv) be dissolved or liquidated under any bankruptcy, insolvency or other similar law now or hereafter in effect, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) enter into any agreement (other than for the engagement of legal or financial advisors) for the purpose of effecting any of the foregoing; or

(d) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company, or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or any of its subsidiaries, if any, or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within 60 days of commencement.

4. **Rights of Holder upon Default.** Upon the occurrence of any Event of Default (other than an Event of Default described in Section 3(c) or Section 3(d)) hereof and at any time thereafter during the continuance of such Event of Default, the Required Holders may, by written notice to the Company, declare all outstanding obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. Upon the occurrence of any Event of Default described in Section 3(c) and Section 3(d) hereof, immediately and without notice, all principal and accrued and unpaid interest hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. In addition to the foregoing remedies, upon the occurrence and during the continuance of any Event of Default, the Required Holders may exercise any other right power or remedy permitted to the Holders by law, either by suit in equity or by action at law, or both.

5. **Definitions.** As used in this New Debenture, the following capitalized terms shall have the following meanings:

“**Change of Control**” means the occurrence of (i) any transaction or series of related transactions to which Parent, the Company or one of its Subsidiaries is a party that results in a “person” or “group” (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becoming the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of outstanding voting securities of Parent having the right to cast more than 50% of the votes for the election of members of the Board of Directors of Parent, (ii) any reorganization, merger or consolidation of Parent, other than a transaction or series of related transactions in which the holders of the voting securities of Parent outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of Parent or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of Parent and its Subsidiaries taken as a whole.

“**Debentures**” means each of the Debentures issued pursuant to the Purchase Agreement, including the New Debentures.

“**Event of Default**” has the meaning given in Section 3 hereof.

“**Holder**” or “**Holder of this New Debenture**” means the Person specified in the introductory paragraph of this New Debenture or any Person who at the time in question is the registered holder of this New Debenture and “**Holders**” means, at the time in question, collectively, the registered holders of the Debentures.

“**Person**” means an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

“**Required Holders**” means the Holders holding a majority of the aggregate outstanding principal due under the Debentures.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Subsidiary**” shall have the meaning assigned to such term in the Purchase Agreement.

6. Miscellaneous.

(a) Successors and Assigns; Transfer of this New Debenture or Securities Issuable on Conversion Hereof

(i) Subject to the restrictions on transfer described in this Section 6(a), the rights and obligations of the Company and Holder shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the Company and Holder.

(ii) With respect to any offer, sale or other disposition of this New Debenture or securities into which such New Debenture may be converted, Holder shall give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of Holder’s counsel or other evidence reasonably satisfactory to the Company, to the effect that such offer, sale or other distribution may be effected without registration or qualification (under any federal or state law then in effect). Upon receiving such written notice and reasonably satisfactory opinion or other evidence if so requested, the Company, as promptly as practicable, shall notify Holder that Holder may sell or otherwise dispose of this New Debenture or such securities, all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this Section 6(a) that the opinion of counsel for Holder, or other evidence, is not reasonably satisfactory to the Company, the Company shall so notify Holder promptly after such determination has been made. Each New Debenture thus transferred and each certificate representing the securities thus transferred shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Securities Act, unless in the opinion of counsel for the Company such legend is not required in order to ensure compliance with the Securities Act. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions. Subject to the foregoing, transfers of this New Debenture shall be registered upon registration books maintained for such purpose by or on behalf of the Company. Prior to presentation of this New Debenture for registration of transfer, the Company shall treat the registered holder hereof as the owner and holder of this New Debenture for the purpose of receiving all payments of principal and interest hereon and for all other purposes whatsoever, whether or not this New Debenture shall be overdue and the Company shall not be affected by notice to the contrary.

(iii) Neither this New Debenture nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of Holder, provided that the Company may assign this New Debenture without the consent of Holder to an acquiror of all or a substantial portion of the Company's business and assets (however structured).

(b) Waiver and Amendment. Any provision of this New Debenture may be amended, waived or modified only upon the written consent of the Company and the Required Holders. Any amendment or waiver effected in accordance with this paragraph shall be binding upon all holders of New Debentures.

(c) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be made in accordance with Section 7(g) of the Purchase Agreement.

(d) Pari Passu Debentures. Holder acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this New Debenture and all interest hereon shall be *pari passu* in right of payment and in all other respects to the other Debentures, and *is pari passu* in right of payment and in all other respects to other indebtedness of the Company. In the event Holder receives payments in excess of its pro rata share of the Company's payments to the Holders of all of the Debentures, then Holder shall hold in trust all such excess payments for the benefit of the Holders of the other Debentures and shall pay such amounts held in trust to such other holders upon demand by such holders.

(e) Payment. Unless converted into the Company's equity securities pursuant to the terms hereof, payment shall be made in United States dollars.

(f) Usury. In the event any interest is paid on this New Debenture which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this New Debenture.

(g) Governing Law and Venue.

(i) This New Debenture and all actions arising out of or in connection with this New Debenture shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its internal rules governing the conflict of laws.

(ii) Each of the Company and the Holder hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Delaware State court or Federal court of the United States of America sitting in Delaware, in Wilmington, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this New Debenture or the transactions contemplated hereby or for recognition or enforcement of any judgment relating hereto, and each of the Company and the Holder hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such courts; (c) waives any objection or defense which it may now or hereafter have based on personal jurisdiction; (d) waives any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such court; and (e) waives the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each of the Company and the Holder agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Company and the Holder irrevocably consents to service of process in the manner provided for notices in Section 7(g) of the Purchase Agreement.

(iii) EACH OF THE COMPANY AND THE HOLDER HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN THE COMPANY AND THE HOLDER (WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THIS NEW DEBENTURE, THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIPS ESTABLISHED BETWEEN THE COMPANY, THE HOLDER, ANY OTHER HOLDER(S) OF DEBENTURES AND/OR THE COLLATERAL AGENT HEREUNDER.

[Remainder of page intentionally left blank.]

The Company has caused this New Debenture to be issued as of the date first written above.

INDUS HOLDING COMPANY

By: _____
Name: Mark Ainsworth
Title: Chief Executive Officer

Signature page to Senior Secured Convertible Debenture

Accepted by:

PURCHASER:

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

Signature page to Senior Secured Convertible Debenture

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 18, 2022.

THIS NEW WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE “ACT”), AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

LOWELL FARMS INC.

WARRANT TO PURCHASE STOCK

No. W-[•]

August [17], 2022

For value received, this Warrant is issued to [name], a [type of entity and jurisdiction], located at [address of Holder] (“Holder”) and entitles Holder to subscribe for and purchase at the Exercise Price (as defined below) from Lowell Farms Inc., a British Columbia corporation (the “Company”), the Exercise Shares (as defined below) upon the terms and subject to the adjustments as provided herein. This New Warrant is one of a series of similar New Warrants (collectively, the “New Warrants”) issued pursuant to that certain Debenture and Warrant Purchase Agreement, dated as of April 10, 2020 (as amended by that certain First Amendment to Debenture and Warrant Purchase Agreement, dated as of August [17], 2022 (“Purchase Agreement Amendment”) and as further amended from time to time, (the “Purchase Agreement”) and executed by Holder and the Purchasers identified on Schedule II of the Purchase Agreement Amendment.

1. **Definitions.** As used herein, the following terms shall have the following respective meanings:

- (a) “**Change of Control**” has the meaning given such term in Section 5 of the Debentures.
 - (b) “**Conversion Price**” has the meaning set forth in the Debentures.
 - (c) “**Debentures**” means, collectively, each of the Debentures issued pursuant to the Purchase Agreement, including the New Debentures.
 - (d) “**Equivalent Amount**” means, in relation to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency, determined by reference to the applicable Exchange Rate at the time of such determination.
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(e) “**Exchange Rate**” means, on the date of determination of any amount of Canadian Dollars to be converted into another currency pursuant to this certificate for any reason, or vice-versa, the spot rate of exchange for converting Canadian Dollars into such other currency or vice-versa, as the case may be, established by Thomson Reuters pursuant to the WM/Reuters 12 noon ET FIX FX Benchmark at approximately 12:30 p.m. (Toronto time) on the date of such determination (or such other date as may be specified herein).

(f) “**Exercise Period**” means the time period commencing on the Initial 2022 Closing Date and ending on the 42 month anniversary of the Initial Closing Date.

(g) “**Exercise Price**” means \$0.2613 USD per share, subject to adjustment as provided in Section 3 hereof.

(h) “**Exercise Shares**” means [•] Warrant Shares, subject to adjustment as provided in Section 3 of this Warrant.

(i) “**Holder**” means (as the context requires) more than one of the holders of the New Warrants or all of the holders of the New Warrants collectively.

(j) “**Initial 2022 Closing Date**” means the initial Closing of the sale of the New Debentures, New Warrants and Indus Warrants pursuant to the Purchase Agreement.

(k) “**Required Holders**” means one or more Holders holding New Warrants exercisable for a majority of the total Exercise Shares issuable at the time.

(l) “**Warrants**” means, collectively, each of the Warrants issued pursuant to the Purchase Agreement, including the New Warrants.

(m) “**Warrant Shares**” means subordinate voting shares of the Company. Any capitalized term used but not defined herein shall have the meaning assigned to such term in or by reference in the Purchase Agreement.

2. Exercise of New Warrant.

1 Cash Exercise. The rights represented by this New Warrant may be exercised in whole or in part at any time during the Exercise Period, by delivery of the following to the Company at its address set forth above (or at such other address as the Company may designate in writing to the Holder):

(a) an executed Notice of Exercise in the form attached hereto as Exhibit A;

(b) payment equal to the Exercise Price multiplied by the number of Exercise Shares for which the New Warrant is being exercised, (i) in cash, by wire transfer or by check to the Company or (ii) by cancellation of indebtedness of the Company to the Holder; and

(c) this New Warrant.

Upon the exercise of the rights represented by this New Warrant, a certificate or certificates for the Exercise Shares so purchased, registered in the name of the Holder shall be issued and delivered to the Holder as soon as practicable after the rights represented by this New Warrant shall have been so exercised. The person in whose name any certificate or certificates for Exercise Shares are to be issued upon exercise of this New Warrant shall be deemed to have become the holder of record of such shares on the date on which this New Warrant was surrendered and payment of the Exercise Price was made, irrespective of the date of delivery of such certificate or certificates, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

Any certificates representing shares issued upon exercise of the New Warrants prior to the date that is four months and one day after the date of issue of the New Warrants, and any shares issued in exchange for such shares, will bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 18, 2022.”

2.2 Net Exercise. Notwithstanding any provisions herein to the contrary, if the fair market value of one share of the class and series of the Company’s capital stock to which the Exercise Shares belong (the “**Stock**”) is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this New Warrant by payment of cash or forgiveness of indebtedness pursuant to Section 2.1(b) above, the Holder may elect to receive shares equal to the value (as determined below) of this New Warrant (or the portion thereof being canceled) by surrender of this New Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise, in which event the Company shall issue to the Holder a number of shares of the applicable class and series of Stock computed using the following formula:

$$X = \frac{Y}{A} (A - B)$$

A

Where X = the number of shares of Stock to be issued to the Holder

Y = the number of shares of Stock then purchasable under the New Warrant

A = the fair market value of one share of the Stock as determined in accordance with Section 2.3 below (at the date of such calculation)

B = Exercise Price (as adjusted to the date of such calculation)

2.3 Determination of Fair Market Value. For purposes of this New Warrant, the fair market value of one share of the Stock shall be determined by the Company’s Board of Directors in good faith as of the date of such calculation; *provided, however*, that:

(a) (i) if the Stock is traded on a securities exchange or through the Nasdaq National Market or Canadian Securities Exchange, the fair market value per share shall be deemed to be the average of the closing prices of the Stock on such exchange or quotation system (or the Equivalent Amount in United States dollars if the closing prices are quoted in Canadian dollars) over the 10 trading-day period ending three trading days prior to the exercise of the New Warrant; (ii) if the Stock is actively traded over-the-counter, the fair market value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the 10 trading-day period ending three days prior to the exercise of the New Warrant; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined by the Company's Board of Directors in good faith; and in the event that this New Warrant is exercised pursuant to this Section 2.2 in connection with a Change of Control of the Company, the fair market value per share of Stock shall be the price paid for such share of Stock (in cash or in property, as determined by the Company's Board of Directors) in connection with the Change of Control.

2.4 **Conversion by the Company.** At any time (a) on or after the 12-month anniversary of the Initial 2022 Closing Date (as defined in the Purchase Agreement) and prior to the 18-month anniversary of the Initial 2022 Closing Date, and provided that the closing price for the Warrant Shares has been at least 6 times the Exercise Price on each trading day of the immediately preceding 30-trading day period, (b) on or after the 18-month anniversary of the Initial 2022 Closing Date and prior to the 24-month anniversary of the Initial 2022 Closing Date, and provided that the closing price for the Warrant Shares has been at least 4 times the Exercise Price on each trading day of the immediately preceding 30-trading day period, and (c) on or after the 24-month anniversary of the Initial 2022 Closing Date, and provided that the closing price for the Warrant Shares has been at least USD \$0.90 per share (adjusted on the same basis as provided in Section 3) on each trading day of the immediately preceding 30-trading day period, the Company may deliver a written notice to the Holder of this New Warrant requiring that this New Warrant be exercised for Exercise Shares. Effective as of the fifth business day following delivery of such Notice, this New Warrant shall be converted into a number of Exercise Shares determined pursuant to the formula set forth in Section 2.2.

3. **Adjustment of Exercise Price.** Subject to the requirements of the Canadian Securities Exchange (or such other exchange on which the Exercise Shares are then listed), the Exercise Price and Exercise Shares shall be subject to adjustment from time to time as follows:

3.1 If and whenever at any time prior to end of the Exercise Period the outstanding Stock shall be subdivided, redivided or changed into a greater or consolidated into a lesser number of Stock or reclassified into different shares of capital stock of the Company (a "**Reclassification**"), or the Company shall issue additional Stock (or securities convertible into additional Stock or different shares of capital stock of the Company) to the holders of all or substantially all of its outstanding Stock by way of a stock dividend or otherwise (other than an issue of additional Stock to holders of Stock who have elected to receive dividends in the form of Stock in lieu of receiving cash dividends paid in the ordinary course) (a "**Stock Dividend**"), Holder shall be entitled to receive and shall accept, upon the exercise of such right and payment of the aggregate Exercise Price at any time on the effective date of such Reclassification or Stock Dividend or thereafter, in lieu of the number of Stock to which he was theretofore entitled upon exercise, the aggregate number of Stock, different shares of capital stock of the Company and/or securities convertible into Stock or different shares of capital stock of the Company that Holder would have held immediately following such Reclassification or Stock Dividend had he been the registered holder of the number of Stock to which he was theretofore entitled upon exercise as of the applicable record date or effective date for such action.

3.2 If and whenever at any time prior to the end of the Exercise Period the Company shall issue rights, options or warrants to all or substantially all the holders of its outstanding Stock entitling them to subscribe for or purchase additional Stock, different shares of capital stock of the Company or securities convertible into Stock or different shares of capital stock of the Company, and if such issuance has or is reasonably likely to have a material adverse effect on rights of Holder hereunder, then the Exercise Price shall be adjusted appropriately as determined by the directors of the Company, acting reasonably. If all such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted based upon the number of additional Stock, different shares of capital stock of the Company or securities convertible into Stock or different shares of capital stock of the Company actually issued upon the exercise of such rights, options or warrants, as the case may be.

3.3 No adjustments of the Exercise Price shall be made pursuant to Section 3.1 or Section 3.2 if the Holder is permitted to participate in such Reclassification or Stock Dividend or in the issue of such options, rights or warrants, as the case may be, as though and to the same effect as if it had exercised this New Warrant into Exercise Shares prior to the applicable record date or effective date for such Reclassification or Stock Dividend or the issue of such options, rights or warrants, as the case may be.

3.4 The adjustments provided for in this Section 3 are cumulative and shall be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs. Notwithstanding the foregoing, no adjustment of the Exercise Price shall be made in any case in which the resulting increase or decrease in the Exercise Price would be less than one percent of the then prevailing Exercise Price. Any adjustment that would otherwise have been required to be made, but for the minimum percentage threshold, shall be carried forward and made at the time of and together with the next subsequent adjustment to the Exercise Price which, together with any and all such adjustments so carried forward, shall result in an increase or decrease in the Exercise Price by not less than one percent.

4. **Fractional Shares; Effect of Exercise.** Notwithstanding anything herein contained, the Company shall in no case be required to issue fractional Exercise Shares upon the exercise of this New Warrant. If any fractional interest in an Exercise Share would, except for the provisions of this 4, be deliverable upon the exercise of this New Warrant, the aggregate number of Exercise Shares to which such holder shall be entitled shall be rounded down to the nearest whole number if the fraction is less than 0.5 and rounded up to the nearest whole number if the fraction is 0.5 or greater.

5. **No Stockholder Rights.** This New Warrant shall not entitle the Holder to any right to receive dividends, voting rights or other rights as a stockholder of the Company.

6. **Lost, Stolen, Mutilated or Destroyed Warrant.** The Company covenants to the Holder hereof that, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this New Warrant or any stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation, upon surrender and cancellation of such New Warrant or stock certificate, the Company shall make and deliver a new New Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated New Warrant or stock certificate.

7. **Notices.** Any notice required or permitted under this New Warrant shall be given in accordance with Section 9(g) of the Purchase Agreement.

8. **Acceptance.** Receipt of this New Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

9. **Amendment and Waiver.** Any provision of this New Warrant may be amended or waived in a writing signed by both the Company and the Required Holders and such amendment or waiver shall be binding on all Holders.

10. Governing Law; Venue.

10.1 This New Warrant and all actions arising out of or in connection with this New Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its internal rules governing the conflict of laws.

10.2 Each of the Company and the Holder hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Delaware State court or Federal court of the United States of America sitting in Delaware, in Wilmington, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this New Warrant or the transactions contemplated hereby or for recognition or enforcement of any judgment relating hereto, and each of the Company and the Holder hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such courts; (c) waives any objection or defense which it may now or hereafter have based on personal jurisdiction; (d) waives any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such court; and (e) waives the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each of the Company and the Holder agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Company and the Holder irrevocably consents to service of process in the manner provided for notices in Section 9(g) of the Purchase Agreement.

10.3 EACH OF THE COMPANY AND THE HOLDER HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN THE COMPANY AND THE HOLDER (WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THIS NEW WARRANT, THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIPS ESTABLISHED BETWEEN THE COMPANY, THE HOLDER, ANY OTHER HOLDER(S) OF NEW WARRANTS.

(Signature page follows)

In Witness Whereof, the Company has caused this New Warrant to be executed by its duly authorized officer as of the date first above written.

COMPANY:

LOWELL FARMS INC.

By: _____
Mark Ainsworth
Executive Vice President
and Chief Operating Officer

Accepted:

If Purchaser is an entity:

PURCHASER:

[NAME OF ENTITY]

By: _____
Name: _____
Title: _____

If Purchaser is an individual:

PURCHASER:

[NAME OF INDIVIDUAL]

Signature Page to Warrant

NOTICE OF EXERCISE

TO: Lowell Farms Inc.

(1) The undersigned hereby elects to purchase ___ shares of Lowell Farms Inc. (the "Company") pursuant to the terms of the attached New Warrant, and tenders herewith payment of the Exercise Price in full, together with all applicable transfer taxes, if any by; Check all that apply:

- (a) payment of US\$ by wire transfer, federal reference number,
- (b) cancellation of indebtedness in the amount of US\$, represented by the note enclosed herewith; or

The undersigned hereby elects to purchase _____ shares of _____ the Company pursuant to the terms of the net exercise provisions set forth in Section 2.2 of the attached New Warrant, and shall tender payment of all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said shares of Stock in the name of the undersigned or in such other name as is specified below:

Holder

Address

(3) The undersigned represents that (i) the aforesaid shares of Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision regarding the undersigned's investment in the Company; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned's own interests; (iv) the undersigned understands that the shares of Stock issuable upon exercise of this New Warrant have not been registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (v) the undersigned is aware that the aforesaid shares of Stock may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held the shares for the number of years prescribed by Rule 144, that among the conditions for use of the Rule is the availability of current information to the public about the Company and the Company has not made such information available and has no present plans to do so; (vi) the undersigned is an "accredited investor" (as defined in Rule 501 promulgated pursuant to the Securities Act); and (vii) the undersigned agrees not to make any disposition of all or any part of the aforesaid shares of Stock unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

Date

(Signature)

(Print name)

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [DATE THAT IS FOUR MONTHS AND ONE DAY FOLLOWING ISSUANCE].

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

INDUS HOLDING COMPANY
WARRANT TO PURCHASE STOCK

No. IW-[]

[], 2022

For value received, this Warrant is issued to [], with an address at [] ("**Holder**") and entitles Holder to subscribe for and purchase at the Exercise Price (as defined below) from Indus Holding Company, a Delaware corporation (the "**Company**"), the Exercise Shares (as defined below) upon the terms and subject to the adjustments as provided herein. This Warrant is issued pursuant to that certain Debenture and Warrant Purchase Agreement, dated as of April 10, 2020, as amended as of August 15, 2022, and executed by Holder and the Purchasers identified on Schedules I and II thereto (the "**Purchase Agreement**"). This Warrant is one of the "Indus Warrants," as defined in the Purchase Agreement.

1. Definitions. As used herein, the following terms shall have the following respective meanings:

(a) "**Change of Control**" means a transaction described in the definition of "Change of Control" in Section 5 of the Debentures, whether or not Parent, the Company or any Subsidiary is a party thereto.

(b) "**Class D Shares**" means Class D Common Shares of the Company.

(c) "**Conversion Price**" has the meaning set forth in the Debentures.

(d) "**Debentures**" means, collectively, the Senior Secured Convertible Debentures issued pursuant to the Purchase Agreement.

(a) **“Equivalent Amount”** means, in relation to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency, determined by reference to the applicable Exchange Rate at the time of such determination.

(b) **“Exchange Rate”** means, on the date of determination of any amount of Canadian Dollars to be converted into another currency pursuant to this certificate for any reason, or vice-versa, the spot rate of exchange for converting Canadian Dollars into such other currency or vice-versa, as the case may be, established by Thomson Reuters pursuant to the WM/Reuters 12 noon ET FIX FX Benchmark at approximately 12:30 p.m. (Toronto time) on the date of such determination (or such other date as may be specified herein).

(c) **“Exercise Period”** means the time period commencing on the Initial 2022 Closing Date and ending on the 42 month anniversary of the Initial 2022 Closing Date.

(d) **“Exercise Price”** means \$0.2613 USD per share, subject to adjustment as provided in Section 3 hereof.

(e) **“Exercise Shares”** means [] Class D Shares, subject to adjustment as provided in Section 3 of this Warrant.

(f) **“Holders”** means (as the context requires) more than one of the holders of the Warrants or all of the holders of the Warrants collectively.

(g) **“Initial 2022 Closing Date”** means the initial Closing of the sale of the New Debentures, New Warrants and Indus Warrants pursuant to the Purchase Agreement.

(h) **“Required Holders”** means one or more Holders holding Warrants exercisable for a majority of the total Exercise Shares issuable at the time.

Any capitalized term used but not defined herein shall have the meaning assigned to such term in or by reference in the Purchase Agreement.

2. Exercise of Warrant.

2.1 Cash Exercise. The rights represented by this Warrant may be exercised in whole or in part at any time during the Exercise Period, by delivery of the following to the Company at its address set forth above (or at such other address as the Company may designate in writing to the Holder):

(a) an executed Notice of Exercise in the form attached hereto as Exhibit A;

(b) payment equal to the Exercise Price multiplied by the number of Exercise Shares for which the Warrant is being exercised, (i) in cash, by wire transfer or by check to the Company or (ii) by cancellation of indebtedness of the Company to the Holder; and

(c) this Warrant.

Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercise Shares so purchased, registered in the name of the Holder shall be issued and delivered to the Holder as soon as practicable after the rights represented by this Warrant shall have been so exercised. The person in whose name any certificate or certificates for Exercise Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and payment of the Exercise Price was made, irrespective of the date of delivery of such certificate or certificates, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

Any certificates representing shares issued upon exercise of the Warrants prior to the date that is four months and one day after the date of issue of the Warrants, and any shares issued in exchange for such shares, will bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [DATE THAT IS FOUR MONTHS AND ONE DAY FOLLOWING ISSUANCE].”

2.2 Net Exercise. Notwithstanding any provisions herein to the contrary, if the fair market value of one subordinate voting share of Parent (the **“Stock”**) is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this Warrant by payment of cash or forgiveness of indebtedness pursuant to Section 2.1(b) above, the Holder may elect to receive Class D Shares equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise, in which event the Company shall issue to the Holder a number of Class D Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where X = the number of shares of Class D Shares to be issued to the Holder

Y = the number of Class D Shares then purchasable under the Warrant

A = the fair market value of one share of the Stock as determined in accordance with Section 2.3 below (at the date of such calculation)

B = Exercise Price (as adjusted to the date of such calculation)

2.3 Determination of Fair Market Value. For purposes of this Warrant, the fair market value of one share of the Stock shall be determined by the Parent Board in good faith as of the date of such calculation; *provided, however*, that:

(a) (i) if the Stock is traded on a securities exchange or through the Nasdaq National Market or Canadian Securities Exchange, the fair market value per share shall be deemed to be the average of the closing prices of the Stock on such exchange or quotation system (or the Equivalent Amount in United States dollars if the closing prices are quoted in Canadian dollars) over the 10 trading-day period ending three trading days prior to the exercise of the Warrant; (ii) if the Stock is actively traded over-the-counter, the fair market value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the 10 trading-day period ending three days prior to the exercise of the Warrant; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined by the Parent Board in good faith; and

(b) in the event that this Warrant is exercised pursuant to this Section 2.3 in connection with a Change of Control, the fair market value per share of Stock shall be the price paid for such share of Stock (in cash or in property, as determined by the Parent Board) in connection with the Change of Control.

2.4 Additional Covenants.

(a) Parent will not, and will cause the Company and its Subsidiaries not to, enter into any transaction constituting a Change of Control (a “**Sale Transaction**”) unless provision is made for the purchase of this Warrant, or the portion hereof that remains outstanding, and any Exercise Shares then held by the Holder (or the payment of Sale Transaction proceeds to the Holder) in connection with the Sale Transaction on terms that are economically equivalent (as determined by the Parent Board (which for purposes of this Section 2.4 shall mean the Parent Board as constituted immediately prior to the closing of the Sale Transaction) in good faith) to the purchase of the Voting Shares (or the payment of Sale Transaction proceeds to the holders thereof) in the Sale Transaction (equitably adjusted by the Parent Board for (i) the Exercise Price, insofar as this Warrant, or the portion hereof that remains outstanding, is concerned, and (ii) stock splits, recombinations, reorganizations and other similar events after the date hereof and such other factors as the Parent Board may determine (but without duplication of the adjustments in Section 3)) (the “**Sale Transaction Price**”). Subject to the preceding sentence, the Holder agrees to sell this Warrant, or the portion hereof that remains outstanding, and any Exercise Shares then held by the Holder pursuant to the terms of such a Sale Transaction structured to include a sale of Indus Warrants and/or Indus Warrant Shares and, if required by Parent, to become a party to the transaction documents related to such Sale Transaction. If a Sale Transaction occurs (or the Parent Board determines that a Sale Transaction is likely to occur) and the terms do not provide for the purchase of the Indus Warrants and the Indus Warrant Shares in accordance with the second preceding sentence, the Holder will have the right (the “**Sale Transaction Put**”) to sell this Warrant, or the portion hereof that remains outstanding, and any Exercise Shares then held by the Holder to Parent at a purchase price per Exercise Share, as determined in good faith by the Parent Board, equal to Consideration Per Share paid in the Sale Transaction (equitably adjusted by the Parent Board for (i) the Exercise Price, insofar as this Warrant, or the portion hereof that remains outstanding, is concerned, and (ii) stock splits, recombinations, reorganizations and other similar events after the date hereof and such other factors as the Parent Board may determine (but without duplication of the adjustments in Section 3)) (the “**Sale Transaction Put Price**”). The Sale Transaction Put Price will be paid in cash or (if legally permissible and Parent applies for and obtains all necessary regulatory approvals (including, without limitation, the approval of any stock exchange on which the Voting Shares are listed)) Voting Shares, provided that such Voting Shares are purchased in the Sale Transaction (or are entitled to the payment of Sale Transaction proceeds) on the same terms as other Voting Shares purchased in the Sale Transaction (or entitled to the payment of Sale Transaction proceeds), with the number of any such Voting Shares issued to the Holder determined in good faith by the Parent Board to preserve the economic equivalence of the Exercise Shares and the Voting Shares (equitably adjusted by the Parent Board for (i) the Exercise Price, insofar as this Warrant, or the portion hereof that remains outstanding, is concerned, and (ii) stock splits, recombinations, reorganizations and other similar events after the date hereof and such other factors as the Parent Board may determine (but without duplication of the adjustments in Section 3)). If the terms of the Sale Transaction include any escrows, earn-outs or other terms affecting the amount or timing of sale proceeds distributed to holders of Voting Shares, the Parent Board shall implement such procedures as it may reasonably determine to provide the Holder with the proportionate economic benefits and to cause the Holders to bear the proportionate economic burdens of such provision. As used herein, “**Consideration Per Share**” means (i) in a Sale Transaction Structured as a purchase of Voting Shares, the price paid for one Voting Share, and (ii) in any other Sale Transaction, the quotient obtained by dividing (x) the fair market value of the aggregate consideration paid in such Sale Transaction by (y) the fully diluted number of Voting Shares outstanding immediately prior to the closing of the Sale Transaction (which, for the avoidance of doubt, shall include the Indus Warrants and Indus Warrant Shares on the same basis as if the Indus Warrants and Indus Warrant Shares had become exchangeable for New Warrants and Voting Shares, respectively, in accordance with Section 2.4(e), whether or not they are then exchangeable), equitably adjusted to account for the exercise price of outstanding options, warrants and other derivative securities outstanding immediately prior to the closing of the Sale Transaction. The Parent Board shall be entitled to engage, and Parent shall pay all expenses of, an independent financial advisor to determine the Sale Transaction Put Price and for any or all other purposes of this Section 2.4(a), and in such event the Parent Board shall be relieved of liability for the determination of the Sale Transaction Put Price and such other determinations in reliance on the advice of such independent financial advisor to the maximum extent permitted by law.

(b) If a Sale Transaction has not occurred prior to the end of the Exercise Period or if for any other reason this Warrant remains outstanding at such time, the Holder will have the right (the “**Expiration Put**”) to sell this Warrant, or the portion hereof that remains outstanding, and any Exercise Shares then held by the Holder to Parent at a purchase price per Exercise Share, as determined in good faith by the Parent Board, equal to the average closing price for the Voting Shares over the 30 trading-day period ending three trading days prior to the last day of the Exercise Period (equitably adjusted by the Parent Board for (i) the Exercise Price, insofar as this Warrant, or the portion hereof that remains outstanding, is concerned, and (ii) stock splits, recombinations, reorganizations and other similar events after the date hereof and such other factors as the Parent Board may determine (but without duplication of the adjustments in Section 3)) (the “**Expiration Put Price**”). The Expiration Put Price will be paid in cash or (if legally permissible and Parent applies for and obtains all necessary regulatory approvals (including, without limitation, the approval of any stock exchange on which the Voting Shares are listed)) will be exchanged for Voting Shares at the Expiration Put Price. The Parent Board shall be entitled to engage, and Parent shall pay all expenses of, an independent financial advisor to determine the Expiration Put Price, and in such event the Parent Board shall be relieved of liability for the determination of the Expiration Put Price in reliance on the advice of such independent financial advisor to the maximum extent permitted by law. For the avoidance of doubt, if a Sale Transaction is pending, or if the Parent Board determines that a Sale Transaction is likely to occur, at the end of the Exercise Period, the Sale Transaction Put will apply and the Expiration Put will only be exercisable if such Sale Transaction has not been consummated within 120 days after the end of the Exercise Period.

(c) The Holder may exercise the Sale Transaction Put or the Expiration Put by notice to Parent at the address for the Company set forth in, and otherwise in accordance with, Section 9(g) of the Purchase Agreement, or in any other manner reasonably calculated to provide actual notice to Parent. Notice of exercise of the Sale Transaction Put must be given within 120 days following the later of (i) the closing of the applicable Sale Transaction and (ii) written notice to the Holder from Parent and the acquiring party in the Sale Transaction of the Sale Transaction Put Price. Notice of exercise of the Expiration Put must be given within 120 days following the end of the Exercise Period or, if the Expiration Put is not exercisable at such time due to the pending of a Sale Transaction (or a Parent Board determination that a Sale Transaction is likely to occur), within 120 days following written notice to the Holder from Parent that the Sale Transaction Put will not apply.

(d) Parent and the Company shall have the right, at any time following the expiration of the notice period for the Expiration Put, and so long as a Sale Transaction is not pending and has not been determined by the Parent Board to be likely to occur, to purchase any or all outstanding Exercise Shares for cash for a price equal to the 30 trading-day period ending three trading days prior to Parent’s or the Company’s determination to exercise such right. Upon such determination, prompt notice of the repurchase of such Exercise Shares shall be given to the Holder in accordance with Section 9(g) of the Purchase Agreement or in any other manner reasonably calculated to provide actual notice to the Holder.

(e) Provided that Parent has applied for and obtained all necessary regulatory approvals (including, without limitation, the approval of any stock exchange on which the Voting Shares are listed), (a) the Holder will be entitled to exchange this Warrant for a New Warrant on a one-for-one basis (equitably adjusted by the Parent Board to take into account stock splits, recombinations, reorganizations and other similar events after the date hereof and such other factors as the Parent Board may determine (but without duplication of the adjustments in Section 3)) and (b) the Holder will be entitled to exchange any outstanding Exercise Shares for Voting Shares on a one-for-one basis (equitably adjusted by the Parent Board to take into account stock splits, recombinations, reorganizations and other similar events after the date hereof and such other factors as the Parent Board may reasonably determine (but without duplication of the adjustments in Section 3)).

3. Adjustment of Exercise Price. Subject to the requirements of the Canadian Securities Exchange (or such other exchange on which Stock is then listed), the Exercise Price and Exercise Shares shall be subject to adjustment from time to time as follows:

3.1 If and whenever at any time prior to end of the Exercise Period the Company's outstanding common shares shall be subdivided, redivided or changed into a greater or consolidated into a lesser number of common shares or reclassified into different shares of capital stock of the Company (a "**Reclassification**"), or the Company shall issue additional common shares, or securities convertible into additional common shares or different shares of capital stock of the Company to the holders of all or substantially all of its outstanding common shares by way of a stock dividend or otherwise (other than an issue of additional common shares to holders of common shares who have elected to receive dividends in the form of common shares in lieu of receiving cash dividends paid in the ordinary course) (a "**Common Share Dividend**"), Holder shall be entitled to receive and shall accept, upon the exercise of such right and payment of the aggregate Exercise Price at any time on the effective date of such Reclassification or Common Share Dividend or thereafter, in lieu of the number of Class D Shares to which he was theretofore entitled upon exercise, the aggregate number of Class D Shares, different shares of capital stock of the Company and/or securities convertible into Class D Shares or different shares of capital stock of the Company that Holder would have held immediately following such Reclassification or Common Share Dividend had he been the registered holder of the number of Class D Shares to which he was theretofore entitled upon exercise as of the applicable record date or effective date for such action. If only a portion of the Company's outstanding common shares shall be subject to a Recombination or Common Stock Dividend, the foregoing adjustment shall be modified by the Company's board of directors in good faith to address such partial Recombination or Common Stock Dividend.

3.2 If and whenever at any time prior to end of the Exercise Period the outstanding Stock shall be subdivided, redivided or changed into a greater or consolidated into a lesser number of Stock (a "**Parent Reclassification**"), or Parent shall issue additional Stock (or securities convertible into additional Stock) to the holders of all or substantially all of its outstanding Stock by way of a stock dividend or otherwise (other than an issue of additional Stock to holders of Stock who have elected to receive dividends in the form of Stock in lieu of receiving cash dividends paid in the ordinary course) (a "**Parent Stock Dividend**"), upon the exercise of this Warrant and payment of the aggregate Exercise Price at any time on the effective date of such Parent Reclassification or Parent Stock Dividend or thereafter, the Holder shall be entitled to receive and shall accept, in lieu of the aggregate number of Class D Shares to which he was theretofore entitled upon exercise, a number of Class D Shares reflecting a proportionate increased or decreased, as the case may be, of such aggregate number of Class D Shares so as to preserve the fully diluted percentage of the outstanding Stock (calculated, for the avoidance of doubt, by including the Indus Warrants and Indus Warrant Shares on the same basis as if the Indus Warrants and Indus Warrant Shares and become exchangeable for New Warrants and Voting Shares, respectively, in accordance with Section 2.4(e), whether or not they are then exchangeable) represented by such aggregate number of Class D Shares immediately prior to the Parent Reclassification or Parent Stock Dividend.

3.3 If and whenever at any time prior to the end of the Exercise Period Parent shall issue rights, options or warrants to all or substantially all the holders of its outstanding Stock entitling them to subscribe for or purchase additional Stock, different shares of capital stock of Parent or securities convertible into Stock or different shares of capital stock of Parent, and if such issuance has or is reasonably likely to have a material adverse effect on rights of Holder hereunder, then the Exercise Price shall be adjusted appropriately as determined by the Parent Board, acting reasonably. If all such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted based upon the number of additional Stock, different shares of capital stock of Parent or securities convertible into Stock or different shares of capital stock of Parent actually issued upon the exercise of such rights, options or warrants, as the case may be.

3.4 The adjustments provided for in this Section 3 are cumulative and shall be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs. Notwithstanding the foregoing, no adjustment of the Exercise Price shall be made in any case in which the resulting increase or decrease in the Exercise Price would be less than one percent of the then prevailing Exercise Price. Any adjustment that would otherwise have been required to be made, but for the minimum percentage threshold, shall be carried forward and made at the time of and together with the next subsequent adjustment to the Exercise Price which, together with any and all such adjustments so carried forward, shall result in an increase or decrease in the Exercise Price by not less than one percent.

4. Fractional Shares; Effect of Exercise. Notwithstanding anything herein contained, the Company shall in no case be required to issue fractional Exercise Shares upon the exercise of this Warrant. If any fractional interest in an Exercise Share would, except for the provisions of this 4, be deliverable upon the exercise of this Warrant, the aggregate number of Exercise Shares to which such holder shall be entitled shall be rounded down to the nearest whole number if the fraction is less than 0.5 and rounded up to the nearest whole number if the fraction is 0.5 or greater.

5. No Stockholder Rights. This Warrant shall not entitle the Holder to any right to receive dividends, voting rights or other rights as a stockholder of the Company.

6. Lost, Stolen, Mutilated or Destroyed Warrant. The Company covenants to the Holder hereof that, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation, upon surrender and cancellation of such Warrant or stock certificate, the Company shall make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

7. Notices. Except as otherwise provided for herein, any notice required or permitted under this Warrant shall be given in accordance with Section 9(g) of the Purchase Agreement.

8. Acceptance. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

9. Amendment and Waiver. Any provision of this Warrant may be amended or waived in a writing signed by both the Company and the holders of Indus Warrants representing a majority of the Class D Shares then subject to outstanding Indus Warrants and such amendment or waiver shall be binding on all holders of Indus Warrants and Indus Warrant Shares.

10. Governing Law; Venue.

10.1 This Warrant and all actions arising out of or in connection with this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its internal rules governing the conflict of laws.

10.2 Each of the Company, the Holder and Parent hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Delaware State court or Federal court of the United States of America sitting in Delaware, in Wilmington, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Warrant or the transactions contemplated hereby or for recognition or enforcement of any judgment relating hereto, and each of the Company, the Holder and Parent hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such courts; (c) waives any objection or defense which it may now or hereafter have based on personal jurisdiction; (d) waives any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such court; and (e) waives the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each of the Company, the Holder and Parent agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Company, the Holder and Parent irrevocably consents to service of process in the manner provided for notices in Section 9(g) of the Purchase Agreement.

10.3 Each of the Company, the Holder AND PARENT hereby irrevocably waives all rights to trial by jury in any proceeding brought to resolve any dispute between the Company, the Holder AND/OR PARENT (whether arising in contract, tort or otherwise) arising out of, connected with, related to or incidental to this Warrant, the transactions contemplated hereby or the relationships established between the Company, the Holder, any other holder(s) of Warrants AND/OR PARENT.

(Signature page follows)

In Witness Whereof, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first above written.

COMPANY:

INDUS HOLDING COMPANY

By: _____
Name: Mark Ainsworth
Title: Chief Executive Officer

Accepted by:

PURCHASER:

[]

By: _____
Name:
Title:

Confirmed:

PARENT:

LOWELL FARMS INC.

By: _____
Name: Mark Ainsworth
Title: Chief Executive Officer

Signature Page to Warrant

NOTICE OF EXERCISE

TO: Lowell Farms Inc.

(1) The undersigned hereby elects to purchase ___ shares of _____ of Lowell Farms Inc. (the 'Company') pursuant to the terms of the attached Warrant, and tenders herewith payment of the Exercise Price in full, together with all applicable transfer taxes, if any by; Check all that apply:

- (a) payment of US\$ _____ by wire transfer, federal reference number _____,
- (b) cancellation of indebtedness in the amount of US\$ _____, represented by the note enclosed herewith; or

The undersigned hereby elects to purchase _____ shares of _____ of the Company pursuant to the terms of the net exercise provisions set forth in Section 2.2 of the attached Warrant, and shall tender payment of all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said shares of Stock in the name of the undersigned or in such other name as is specified below:

Holder

Address

(3) The undersigned represents that (i) the aforesaid shares of Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision regarding the undersigned's investment in the Company; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned's own interests; (iv) the undersigned understands that the shares of Stock issuable upon exercise of this Warrant have not been registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (v) the undersigned is aware that the aforesaid shares of Stock may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held the shares for the number of years prescribed by Rule 144, that among the conditions for use of the Rule is the availability of current information to the public about the Company and the Company has not made such information available and has no present plans to do so; (vi) the undersigned is an "accredited investor" (as defined in Rule 501 promulgated pursuant to the Securities Act); and (vii) the undersigned agrees not to make any disposition of all or any part of the aforesaid shares of Stock unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

Date

(Signature)

(Print name)