

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): March 15, 2021

KNOW LABS, INC.

(Exact name of registrant as specified in its charter)

Nevada

000-30262

90-0273142

(State of other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

500 Union Street, Suite 810
Seattle, Washington 98101

(Address of principal executive office)

(206) 903-1351

(Registrant's telephone number, including area code)

not applicable

(Former name, former address and former fiscal year, if changed since last report)

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: None.

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

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 3.02 Unregistered Sales of Equity Securities.

On March 15, 2021, Know Labs, Inc. (the "Company") closed a private placement and received gross proceeds of \$14,279,000 in exchange for issuing Subordinated Convertible Notes (the "Convertible Notes") and Warrants (the "Warrants") in a private placement to 87 accredited investors, pursuant to a series of substantially identical Securities Purchase Agreements, Common Stock Warrants, and related documents.

The Convertible Notes have a principal amount of \$14,279,000 and bear annual interest of 8%. Both the principal amount of and the interest are payable on a payment-in-kind basis in shares of Common Stock of the Company (the "Common Stock"). They are due and payable (in Common Stock) on the earlier of (a) mandatory and automatic conversion of the Convertible Notes into a financing that yields gross proceeds of at least \$5,000,000 (a "Qualified Financing") or (b) on the one-year anniversary of the Convertible Notes (the "Maturity Date"). Investors will be required to convert their Convertible Notes into Common Stock in any Qualified Financing at a conversion price per share equal to the lower of (i) \$2.00 per share or (ii) a 25% discount to the price per share paid by investors in the Qualified Financing. If the Convertible Notes have not been paid or converted prior to the Maturity Date, the outstanding principal amount of the Convertible Notes will be automatically converted into shares of Common Stock at the lesser of (a) \$2.00 per share or (b) any adjusted price resulting from the application of a "most favored nations" provision, which requires the issuance of additional shares of Common Stock to investors if the Company issues certain securities at less than the then-current conversion price.

The Warrants were granted on a 1:0.5 basis (one-half Warrant for each full share of Common Stock into which the Convertible Notes are convertible). The Warrants have a five-year term and an exercise price equal to 120% of the per share conversion price of the Qualified Financing or other mandatory conversion.

The Convertible Notes are initially convertible into 7,139,500 shares of Common Stock, subject to certain adjustments, and the Warrants are initially exercisable for 3,569,750 shares of Common Stock at an exercise price of \$2.40 per share of Common Stock, also subject to certain adjustments.

In connection with the private placement, the placement agent for the Convertible Notes and the Warrants received a cash fee of \$661,720 and warrants to purchase 496,290 shares of the Company's common stock, all based on 4.63% of gross proceeds to the Company.

As part of the Purchase Agreement, the Company entered into a Registration Rights Agreement, which grants the investors "demand" and "piggyback" registration rights to register the shares of Common Stock issuable upon the conversion of the Convertible Notes and the exercise of the Warrants with the Securities and Exchange Commission for resale or other disposition. In addition, the Convertible Notes are subordinated to certain senior debt of the Company pursuant to a Subordination Agreement executed by the investors.

The Convertible Notes and Warrants were issued in transactions that were not registered under the Securities Act of 1933, as amended (the “Act”) in reliance upon applicable exemptions from registration under Section 4(a)(2) of the Act and/or Rule 506 of SEC Regulation D under the Act.

The Company has closed the Convertible Notes and Warrants offering.

The foregoing description of the financing is qualified in its entirety by reference to the complete terms and conditions of the forms of Securities Purchase Agreement, Subscription Agreement, Subordinated Convertible Note, Common Stock Purchase Warrant, Subordination Agreement, and Registration Rights Agreement, copies of which are attached to this Current Report on Form 8-K as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5 and 10.6, respectively, and which are incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits –

Exhibit No.	Description
<u>10.1</u>	Form of Securities Purchase Agreement (filed herewith)
<u>10.2</u>	Form of Subscription Agreement (filed herewith)
<u>10.3</u>	Form of 8% Subordinated Convertible Note (filed herewith)
<u>10.4</u>	Form of Common Stock Purchase Warrant (filed herewith)
<u>10.5</u>	Form of Subordination Agreement (filed herewith)
<u>10.6</u>	Form of Registration Rights Agreement (filed herewith)
<u>99.1</u>	Press Release dated March 15, 2021 related to the closing of Know Labs, Inc. funding.

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.

KNOW LABS, INC.

Date: March 15, 2021

By: /s/ Ronald P. Erickson

Ronald P. Erickson
Chairman of the Board

FORM OF SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (the “**Agreement**”) is dated as of and effective as of the date last written below (the “**Effective Date**”), by and between KNOW LABS, INC., a corporation incorporated under the laws of the State of Nevada (the “**Company**”), and the undersigned purchaser (“**Purchaser**”).

WHEREAS, the Company and Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Rule 506(b) of Regulation D (“**Regulation D**”) as promulgated by the United States Securities and Exchange Commission (the “**SEC**”) under the Securities Act.

WHEREAS, Purchaser desires to purchase from Company, and the Company desires to sell and issue to Purchaser, upon the terms and subject to the conditions contained herein, a subordinated convertible note (the “**Convertible Note**”), in the form attached hereto as Exhibit A, and warrants to purchase shares of Common Stock (the “**Warrants**”), in the form attached hereto as Exhibit B.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereinafter expressed and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, each intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, except as otherwise expressly provided or otherwise defined elsewhere in this Agreement, or unless the context otherwise requires, the capitalized terms in this Agreement shall have the meanings assigned to them in the Convertible Note or this Article as follows:

1.1 “**Action**” as to any Person, means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation pending or threatened in writing against or affecting such Person, any of such Person’s subsidiaries or any of such Person’s or such subsidiaries’ respective properties, before or by any governmental authority, arbitrator, regulatory authority (federal, state, county, local or foreign), stock market, stock exchange or trading facility.

1.2 “**Business Day**” shall mean any day other than a Saturday, Sunday, or a legal holiday on which federal banks are authorized or required to be closed for the conduct of commercial banking business.

1.3 “**Common Stock**” means the common stock of the Company, par value \$0.001 per share.

1.4 “**Convertible Note(s)**” shall have the meaning given to it in the preamble above.

1.5 “**Effective Date**” means the date so defined in the introductory paragraph of this Agreement.

1.6 “**Material Adverse Effect**” means any of (i) a material and adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material and adverse effect on the results of operations, assets, properties, business or condition (financial or otherwise) of the Company and the subsidiaries, taken as a whole, or (iii) a material and adverse impairment to the Company’s ability to perform on a timely basis its obligations under any Transaction Document, provided, however, that any effect(s) arising from or relating to any of the following shall not be deemed, either alone or in combination, to constitute, and shall not be taken into account in determining whether there has been or will be, a Material Adverse Effect: (A) conditions affecting the industries in which the business operates (which effect(s), in each case, do not disproportionately affect the Business relative to other companies conducting businesses similar to the business); (B) general economic, financial market or geopolitical conditions (which effect(s), in each case, do not disproportionately affect the business relative to other companies conducting businesses similar to the business); (C) any failure to meet any projections or forecasts for the business for any period ending (or for which revenues or earnings are released) on or after the date hereof (provided that the underlying causes of any such failure (subject to the other provisions of this definition) shall not be excluded); (D) any change in accounting rules (including generally accepted accounting principles in the United States), or the enforcement, implementation or interpretation thereof, after the date hereof; or (E) any effect caused by, relating to or resulting from the announcement or pendency of the transactions contemplated by this Agreement.

1.7 “**Person**” means any individual, sole proprietorship, joint venture, partnership, limited liability company, corporation, association, cooperation, trust, estate, governmental authority, or any other entity of any nature whatsoever.

1.8 “**Securities**” means, collectively, the Convertible Notes, the Warrants, and any additional shares of Common Stock issuable (i) in connection with a conversion of the Convertible Notes, (ii) upon exercise of the Warrants or (iii) in accordance with any of the terms or provisions of this Agreement or any other Transaction Documents.

1.9 “**Subordination Agreement**” means the Subordination Agreement dated the date hereof by and between Purchaser and Clayton Struve, the form of which is attached hereto as Exhibit C.

1.10 “**Subscription Agreement**” means the Subscription Agreement, Suitability Questionnaire, and Accredited Investor Status Certification executed by Purchaser, the form of which is attached hereto as Exhibit D.

1.11 “**Transaction Documents**” means this Agreement any and all documents or instruments executed or to be executed by the Company in connection with this Agreement, including the Subscription Agreement(s), the Convertible Note(s), the Warrant(s), and the Subordination Agreement(s), together with all modifications, amendments, extensions, future advances, renewals, and substitutions thereof.

1.12 “**Warrant(s)**” shall have the meaning given to it in the preamble above.

ARTICLE II PURCHASE AND SALE OF CONVERTIBLE NOTES AND WARRANTS

2.1 Purchase and Sale. Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, Purchaser agrees to purchase, and Company agrees to sell and issue to Purchaser, the Convertible Notes and the Warrants in the amount of the Purchase Price, all as set forth on Schedule 1 attached hereto. The Purchase Price for each Convertible Note purchased shall be equal to its face value. The aggregate principal amount of Convertible Notes which may be purchased under this Agreement from time to time shall not exceed \$8,000,000; provided, that the Company may increase such aggregate principal amount of Convertible Notes in its sole discretion. The Company shall notify Purchaser of any such increase, but Purchaser shall have no right of first offer, preemptive right, or any similar right with respect to such additional Convertible Notes.

2.2 Closing Date. The purchase and sale of the Convertible Notes and Warrants to Purchaser shall take place on the Effective Date, or such later date as the Company and Purchaser may agree in writing, subject to satisfaction of the conditions set forth in this Agreement (the “**Closing Date**”). Additional closings with other purchasers of the Convertible Notes and Warrants may be held from time to time in the sole discretion of the Company.

2.3 Form of Payment. Subject to the satisfaction of the terms and conditions of this Agreement, on the Closing Date: (i) Purchaser shall deliver to the Company, to the account designated in the Subscription Agreement, the Purchase Price for the Convertible Note and Warrants and (ii) the Company shall deliver to Purchaser the Convertible Note(s) and Warrant(s) which Purchaser is purchasing hereunder, duly executed on behalf of the Company, together with any other documents required to be delivered pursuant to this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to the Company as follows:

3.1 Certifications in Subscription Agreement. The certifications of Purchaser contained in the Subscription Agreement are true and correct as of the Effective Date, and Purchaser hereby reaffirms the representations, warranties, agreements, acknowledgments, and understandings of Purchaser contained in the Subscription Agreement as of the Effective Date.

3.2 Additional Information. The Purchaser understands and agrees that the Purchaser may be asked or required to provide documentation (“**Documentation**”) to verify the Purchaser’s accredited investor status. Notwithstanding anything else contained herein or in other materials provided to Purchaser, this Documentation may be retained and reviewed by the Company and copies of the Documentation may be provided to affiliates of the Company and Boustead Securities, LLC, a member of FINRA and SIPC, who is acting as the Company’s exclusive placement agent in connection with this offering (the “**Placement Agent**”), and its affiliates. Purchaser understands that the Company may not accept Purchaser’s subscription if Purchaser is not able to provide Documentation acceptable to Company and the Placement Agent, or for any other reason.

3.3 Reliance on Exemptions. Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and Purchaser's compliance with, the representations, warranties, agreements, acknowledgments, and understandings of Purchaser set forth herein and in the Subscription Agreement to determine the availability of such exemptions and the eligibility of Purchaser to acquire the Securities.

3.4 Authorization, Enforcement. This Agreement has been duly and validly authorized, executed and delivered by, or on behalf of, Purchaser and is a valid and binding agreement of Purchaser, enforceable in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

3.5 Foreign Investors. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Subscription Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Securities. Purchaser's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Purchaser's jurisdiction.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser as follows:

4.1 Organization. The Company is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Nevada. The Company has the full corporate power and authority to: (i) enter into and execute this Agreement and the other Transaction Documents and to perform all of its obligations hereunder and thereunder; and (ii) own and to conduct and carry on its business as currently conducted. The Company is duly qualified to transact business and is in good standing as a foreign corporation in each jurisdiction where the character of its business or the ownership or use and operation of its assets or properties requires such qualification.

4.2 Authority and Approval of Agreement; Binding Effect. The execution and delivery by Company of this Agreement and the other Transaction Documents, and the performance by Company of all of its obligations hereunder and thereunder, including the issuance of the Securities, have been duly and validly authorized and approved by the Company and its board of directors pursuant to all applicable laws and no other action or consent on the part of Company, its board directors or any other Person is necessary or required by the Company to execute this Agreement and the other Transaction Documents, consummate the transactions contemplated herein and therein, perform all of Company's obligations hereunder and thereunder, or to issue the Securities. This Agreement and each of the other Transaction Documents have been duly and validly executed by Company (and the officer executing this Agreement and all such other Transaction Documents is duly authorized to act and execute same on behalf of Company) and constitute the valid and legally binding agreements of Company, enforceable against Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

4.3 SEC Reports. Other than as disclosed in the SEC Reports (with respect to a potential late filing of a Form 8-K on June 27, 2017, about which the Company is engaged in discussions with the SEC), the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it under the Securities Exchange Act of 1934 (the "**Exchange Act**"), including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "**SEC Reports**"), on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective filing dates, or to the extent corrected by a subsequent restatement, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, as amended from time to time, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. All material agreements to which the Company or any subsidiary is a party or to which the property or assets of the Company or any of its subsidiaries are subject are included as part of or specifically identified in the SEC Reports. The private placement memorandum (the "**PPM**") prepared in connection with the offering contemplated by this Agreement and delivered to the Purchaser does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports complies in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with U.S. generally accepted accounting principles, and fairly present in all material respects the financial position of the Company and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

4.4 Capitalization. The authorized capital stock of the Company is as set forth in the Company's latest Annual Report on Form 10-K or Quarterly Report on Form 10-Q (as applicable) as filed with the SEC. As of the Effective Date, and except as disclosed in the SEC Reports, (i) no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any claims or encumbrances suffered or permitted by the Company; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company, or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company; (iii) there are no outstanding debt securities, notes, credit agreements, credit facilities or other contracts or instruments evidencing indebtedness of the Company or any of its, or by which the Company is or may become bound; (iv) there are no outstanding registration statements with respect to the Company or any of its securities; (v) there are no agreements or arrangements under which the Company is obligated to register the sale of any of their securities under the Securities Act (except pursuant to this Agreement); (vi) there are no financing statements securing obligations filed in connection with the Company or any of its assets; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by this Agreement or any related agreement or the consummation of the transactions described herein or therein; and (viii) there are no outstanding securities or instruments of the Company which contain any redemption or similar provisions, and there are no contracts by which the Company is or may become bound to redeem a security of the Company. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities.

4.5 No Conflicts; Consents and Approvals. The execution, delivery, and performance of this Agreement and the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, including the issuance of any of the Securities, will not: (i) constitute a violation of or conflict with the Articles of Incorporation or Bylaws of the Company (the "**Organizational Documents**"); (ii) constitute a violation of, or a default or breach under (either immediately, upon notice, upon lapse of time, or both), or conflicts with, or gives to any other Person any rights of termination, amendment, acceleration or cancellation of, any provision of any material contract to which Company is a party or by which any of its assets or properties may be bound; or (iii) constitute a violation of, or conflict with, any law (including United States federal and state securities laws). The Company is not in violation of its Organizational Documents and the Company is not in default or breach (and no event has occurred which with notice or lapse of time or both could put the Company in default or breach) under, and the Company has not taken any action or failed to take any action that would give to any other Person any rights of termination, amendment, acceleration, or cancellation of, any material contract to which the Company is a party or by which any property or assets of the Company are bound or affected.

4.6 Issuance of Securities. The Securities are duly authorized and, upon issuance in accordance with the terms hereof, shall be duly issued, fully paid and non-assessable, and free from all encumbrances with respect to the issue thereof, and will be issued in compliance with all applicable United States federal and state securities laws.

4.7 Brokerage Fees. There is no Person acting on behalf of the Company who is entitled to or has any claim for any brokerage or finder's fee or commission in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby, except for Boustead Securities, LLC, which is acting as placement agent (the "**Placement Agent**") for the sale of the Securities.

4.8 No Material Adverse Changes. Since the date of the latest audited financial statements included within the SEC Reports and except as otherwise disclosed in the PPM, there has not been any adverse change in the business, financial condition, operations, results of operations, or future prospects of the Company.

4.9 Litigation. There is no Action which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) except as disclosed in the SEC Reports or the PPM, could, if there were an unfavorable decision, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any subsidiary, nor to the knowledge of the Company or any subsidiary, any director or officer thereof (in his or her capacity as such), is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty, except as disclosed in the SEC Reports or the PPM. There has not been, and to the knowledge of the Company, there is not pending or contemplated any investigation by the SEC involving the Company or any current or former director or officer of the Company (in his or her capacity as such). The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act.

4.10 No Undisclosed Material Liabilities. There are no liabilities of the Company or any subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, other than: (a) liabilities provided for in the audited consolidated balance sheet of the Company and the subsidiaries as of September 30, 2018 or disclosed in the notes thereto; and (b) other undisclosed liabilities which, individually or in the aggregate, have not resulted in or could reasonably be expected to result in a Material Adverse Effect.

4.11 Intellectual Property. The Company and its subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, licenses and other similar rights (collectively, the “**Intellectual Property Rights**”) that are necessary or material for use in connection with the business of the Company as described in the SEC Reports and which the failure to so have could, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect. Neither the

Company nor any subsidiary has received a written notice that the Intellectual Property Rights used by the Company or any subsidiary violates or infringes upon the rights of any Person. Except as set forth in the SEC Reports or the PPM, to the Company’s knowledge, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its subsidiaries have taken reasonable steps to protect the Company’s and its subsidiaries’ rights in their Intellectual Property Rights and confidential information (the “**Confidential Information**”). Each employee, consultant and contractor who has had access to Confidential Information which is necessary for the conduct of the business of the Company and its subsidiaries as currently conducted or as currently proposed to be conducted has executed an agreement to maintain the confidentiality of such Confidential Information and has executed appropriate agreements that are substantially consistent with the Company’s standard forms thereof. Except under confidentiality obligations, there has been no material disclosure of any of the Company’s or its subsidiaries’ Confidential Information to any third party.

4.12 Solvency. The Company has not (a) made a general assignment for the benefit of creditors; (b) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its creditors; (c) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets; (d) suffered the attachment or other judicial seizure of all, or substantially all, of its assets; (e) admitted in writing its inability to pay its debts as they come due; or (f) made an offer of settlement, extension or composition to its creditors generally.

4.13 Related Party Transactions. Except as set forth in the SEC Reports or the PPM: (a) none of the Company or any of its affiliates, officers, directors, stockholders or employees, or any affiliate of any of such Person, has any material interest in any property, real or personal, tangible or intangible, including the Company’s Intellectual Property used in or pertaining to the business of the Company, except for the normal rights of a stockholder, or, to the Company’s knowledge, any supplier, distributor or customer of the Company, (b) there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, employees, affiliates, or, to the Company’s knowledge, any affiliate thereof, (c) to the Company’s knowledge, no employee, officer or director of the Company or any of its Subsidiaries has any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation that competes with the Company; (d) to the Company’s knowledge, no member of the immediate family of any officer or director of the Company is directly or indirectly interested in any material contract of the Company filed as an exhibit to the Company’s SEC Reports, or (e) there are no amounts owed (cash and stock) to officers, directors and consultants (salary, bonuses or other forms of compensation).

4.14 Disclosure. Neither the Company nor any Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that constitutes or might constitute material, non-public information, other than the terms of the transactions contemplated hereby and other information that will be disclosed promptly following the execution of this Agreement. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company.

ARTICLE V
COVENANTS

5.1 Covenants.

(a) Corporate Existence. The Company shall at all times preserve and maintain its: (i) existence and good standing in the jurisdiction of its organization; and (ii) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary, and shall at all times continue as a going concern in the business which the Company is presently conducting.

(b) Notice of Default. The Company shall, promptly, but not more than five

(5) days after the commencement thereof, give notice to Purchaser in writing of the occurrence of any **'Event of Default'** (as such term is defined in any of the Transaction Documents) or of any event which, with the lapse of time, the giving of notice or both, would constitute an Event of Default hereunder or under any other Transaction Document.

(c) Reservation of Shares. So long as any Securities are owned beneficially and/or of record by any Purchaser or any transferee thereof, the Company covenants and agrees that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock sufficient for the sole purpose of issuance upon conversion of the Convertible Notes, payment of interest on the Convertible Note and exercise of the Warrants (and/or any transferee thereof), free from preemptive rights or any other actual contingent purchase rights of persons other than the applicable Purchaser (and any other holders of any Convertible Note and/or Warrants transferred from a Purchaser).

(d) Transferability; Certificate.

(i) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of the Securities other than pursuant to an effective registration statement, to the Company, to an affiliate of a Purchaser or in connection with a pledge as contemplated in Section 7.1(d)(ii), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act.

(ii) Certificates evidencing Securities will contain a standard legend referring to transfer restrictions under the Securities Act.

(iii) The Company acknowledges and agrees that a Purchaser may from time to time pledge, and/or grant a security interest in some or all of the Securities pursuant to a bona fide margin agreement in connection with a bona fide margin account and, if required under the terms of such agreement or account, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval or consent of the Company and no legal opinion of legal counsel to the pledgee, secured party or pledgor shall be required in connection with the pledge, but such legal opinion may be required in connection with a subsequent transfer following default by the Purchaser transferee of the pledge. No notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer thereof including the preparation and filing of any required prospectus supplement under Rule 424(b)(3) of the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder. Except as otherwise provided in Section 7.1(d)(iv), any Securities subject to a pledge or security interest as contemplated by this Section 7.1(d)(iii) shall continue to bear the legend set forth in this Section 7.1(d)(ii) and be subject to the restrictions on transfer set forth in Section 7.1(d)(i).

(iv) Certificates representing Securities shall be eligible for removal of the restrictive legend (including the legend set forth in Section 7.1(d)(ii)): (i) following any sale of such Securities pursuant to the plan of distribution in an effective registration statement (in compliance with any prospectus delivery requirements) or (ii) following a sale or transfer of such Securities pursuant to Rule 144 (assuming the transferee is not an affiliate of the Company), or (iii) while such Securities are eligible for sale by the selling Purchaser without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Securities and without volume or manner-of-sale restrictions. The Company agrees that following such time as legends are no longer required to be set forth on certificates representing Securities under this Section 7.1(d), it will, no longer than three trading days following the delivery by a Purchaser to the Company or the transfer agent of a certificate representing such Securities containing a restrictive legend, deliver or instruct the transfer agent to deliver to such Purchaser, Securities which are free of all restrictive and other legends. If the Company is then eligible, certificates for Securities subject to legend removal hereunder shall be transmitted by the transfer agent to a Purchaser by crediting the prime brokerage account of such Purchaser with the Depository Trust Company System as directed by such Purchaser.

(e) Furnishing of Information. As long as any Purchaser or any transferee owns any Securities, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. As long as any Purchaser owns Securities, if the Company is not required to file reports pursuant to such laws, it will prepare and furnish to the Purchasers and make publicly available in accordance with Rule 144(c) such information as is required for the Purchasers to sell the Securities under Rule 144. The Company further covenants that it will take such further action as any holder of Securities may reasonably request, all to the extent required from time to time to enable such Person to sell the Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

(f) Integration. The Company shall not, and shall use its best efforts to ensure that no affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Purchasers, or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any trading market on which the Common Stock of the Company then trades in a manner that would require stockholder approval of the sale of the Securities to the Purchasers.

(g) Securities Laws Disclosure; Publicity. By (i) 9:30 a.m. (New York time) on the trading day following the Closing Date, the Company shall issue a press release, disclosing the transactions contemplated by the Transaction Documents and the Closing and by (ii) 5:30

p.m. (New York time) on the fourth Trading Day following the Closing Date, the Company will file a Current Report on Form 8-K, disclosing the material terms of the Transaction Documents (and attach as exhibits thereto all existing Transaction Documents) and the Closing. The Company covenants that following such disclosure, the Purchasers shall no longer be in possession of any material, non-public information with respect to the Company or any subsidiary. In addition, the Company will make such other filings and notices in the manner and time required by the SEC and the trading market on which the Common Stock of the Company is quoted. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or trading market, without the prior written consent of such Purchaser, except to the extent such disclosure is required by law or trading market regulations.

(h) Indemnification of Purchasers. The Company will indemnify and hold the Purchasers and their respective directors, officers, shareholders, partners, members, affiliates, employees and agents (each, an **“Purchaser Party”**) harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys’ fees and costs of investigation in respect thereof (collectively, **“Losses”**) that any such Purchaser Party may suffer or incur as a result of or relating to any misrepresentation, breach or inaccuracy of any representation, warranty, covenant or agreement made by any of the Company in any Transaction Document or in any certificate or other instrument delivered by or on behalf of the Company. In addition to the indemnity contained herein, the Company will reimburse each Purchaser Party for its reasonable legal and other expenses (including the cost of any investigation, preparation and travel in connection therewith) incurred in connection therewith, as such expenses are incurred.

(i) Non-Public Information. The Company covenants and agrees that, except as specifically contemplated by the Transaction Documents, neither it nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Purchaser shall have executed a written agreement regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing representations in effecting transactions in securities of the Company.

ARTICLE VI CONDITIONS PRECEDENT TO THE COMPANY’S OBLIGATIONS TO SELL

The obligation of the Company hereunder to issue and sell the Securities to Purchaser is subject to the satisfaction, at or before the Closing Date, of each of the following conditions; provided, that these conditions are for the Company’s sole benefit and may be waived by the Company at any time in its sole discretion:

6.1 Purchaser shall have executed the Transaction Documents and delivered the Purchase Price to the Company.

6.2 The representations and warranties of Purchaser shall be true and correct in all material respects as of the Closing Date (except for representations and warranties that speak as of a specific date), and Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Purchaser at or prior to the Closing Date.

6.3 The Company shall have received such certificates, confirmations, resolutions, acknowledgements, or other documentation necessary or advisable from all applicable governmental authorities, including, but not limited to, those located in the State of Nevada, as the Company may require in order to evidence such governmental authorities' approval of this Agreement, the Transaction Documents and the purchase of the Securities contemplated hereby.

6.4 No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

ARTICLE VII
CONDITIONS PRECEDENT TO THE PURCHASER'S OBLIGATIONS TO PURCHASE

The obligation of Purchaser hereunder to purchase the Convertible Note is subject to the satisfaction, at or before the Closing Date, of each of the following conditions (in addition to any other conditions precedent elsewhere in this Agreement); provided, that these conditions are for Purchaser's sole benefit and may be waived by Purchaser at any time in its sole discretion:

7.1 The Company shall have executed and delivered the Transaction Documents to Purchaser.

7.2 The representations and warranties of the Company shall be true and correct in all material respects as of the Closing Date (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied, and complied in all material respects with the covenants, agreements, and conditions required by this Agreement to be performed, satisfied, or complied with by the Company at or prior to the Closing Date.

7.3 No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

7.4 No stop order or suspension of trading shall have been imposed by the SEC or any other governmental or regulatory body having jurisdiction over the Company or the market(s) where the Common Stock of the Company is listed or quoted with respect to public trading in the Common Stock of the Company.

7.5 The Company shall have executed such other agreements, certificates, confirmations or resolutions as Purchaser may require to consummate the transactions contemplated by this Agreement and the Transaction Documents, including a closing statement and joint disbursement instructions as may be required by Purchaser.

ARTICLE IX
MISCELLANEOUS

8.1 Notices. All notices of request, demand and other communications hereunder shall be addressed to the parties as follows:

If to the Company:	Know Labs, Inc. 500 Union Street, Suite 810 Seattle, WA, 98101 Attn: Ronald P. Erickson, Chairman E-mail: ron@knowlabs.co
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If to Purchaser:	To the address and other contact information specified in the Subscription Agreement.
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unless the address is changed by the party by like notice given to the other party. Notice shall be in writing and shall be deemed delivered: (i) if mailed by certified mail, return receipt requested, postage prepaid and properly addressed to the address below, then three (3) Business Days after deposit of same in a regularly maintained U.S. Mail receptacle; or (ii) if mailed by Federal Express, UPS, or other nationally recognized overnight courier service, next day delivery, then one (1) Business Day after deposit of same in a regularly maintained receptacle of such overnight courier; or (iii) if hand delivered or sent by email, then upon hand delivery or receipt thereof. Notwithstanding the foregoing, notice, consents, waivers, or other communications referred to in this Agreement sent by e-mail shall be deemed to have been delivered only when the sending party has confirmed (by reply e-mail or some other form of written confirmation from the receiving party) that the notice has been received by the other party.

8.2 Entire Agreement. This Agreement and the other Transaction Documents: (i) constitute the entire agreement between the parties and (ii) are the final expression of the intentions of the Company and Purchaser. No promises, either expressed or implied, exist between the Company and Purchaser, unless contained herein or in the Transaction Documents. This Agreement and the Transaction Documents supersede all negotiations, representations, warranties, commitments, offers, and contracts (of any kind or nature, whether oral or written) prior to the execution hereof.

8.3 Amendments; Waivers. No amendment, modification, or termination of any provision of this Agreement or of the Transaction Documents, or waiver or consent to any departure by either party therefrom, shall in any event be effective unless the same shall be in writing and signed by the other party, and any such waiver or consent shall be effective only for the specific purpose for which given.

8.4 Assignability. Purchaser may at any time assign Purchaser's rights in this Agreement, the Convertible Notes, any Transaction Document, or any part thereof, subject to applicable law, including federal and state securities laws. The Company may not sell or assign this Agreement, any Transaction Document, or any other agreement with Purchaser, or any portion thereof, either voluntarily or by operation of law, nor delegate any of its duties or obligations hereunder or thereunder, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. This Agreement shall be binding upon Purchaser and the Company and their respective legal representatives, successors and permitted assigns.

8.5 Governing Law. This Agreement shall be governed by and be construed in accordance with the laws of the State of Nevada without regard to the conflicts of law rules of such state. The parties hereby irrevocably and unconditionally submit, for themselves and their property, to the jurisdiction of the state or federal courts situated in Las Vegas, Nevada, in respect of actions brought against it in any action, suit, or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action, suit or proceeding may be heard and determined in such courts. Each of the parties hereto agrees that a final judgment in any such action, suit, 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.

8.6 Enforceability; Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by, unenforceable or invalid under any jurisdiction, such provision shall as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

8.7 Interpretation. If any provision in this Agreement requires judicial or similar interpretation, the judicial or other such body interpreting or construing such provision shall not apply the assumption that the terms hereof shall be more strictly construed against one party because of the rule that an instrument must be construed more strictly against the party which itself or through its agents prepared the same. The parties hereby agree that all parties and their agents have participated in the preparation hereof equally.

8.8 Execution. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed and considered one and the same Agreement, and same shall become effective when counterparts have been signed by each party and each party has delivered its signed counterpart to the other party. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format file or other similar format file, such signature shall be deemed an original for all purposes and shall create a valid and binding obligation of the party executing same with the same force and effect as if such facsimile or ".pdf" signature page was an original thereof.

8.9 Headings. The article and section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of the Agreement.

8.10 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

8.11 Fees and Expenses. Each party shall be responsible for paying its own fees and expenses in connection with this Agreement, the other Transaction Agreements, and the transactions contemplated hereby and thereby. Notwithstanding the foregoing, the Company shall be directly responsible for the payment the fees or commissions payable to the Placement Agent.

8.12 Survival. The representations, warranties, agreements and covenants contained herein shall survive the Closing and the delivery of the Securities for 18 months following the Closing Date.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year last written below.

PURCHASER:

By:
Title (if applicable):

Name:

[Signature page to Know Labs, Inc. Securities Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year last written below.

COMPANY:

KNOW LABS, INC.

By:

Name: Ronald P. Erickson Title: Chairman

Date:

By:

Name: Phillip A. Bosua

Title: Chief Executive Officer Date:

[Signature page to Know Labs, Inc. Securities Purchase Agreement]

SCHEDULE 1

PURCHASE PRICE; SECURITIES PURCHASED

Name of purchaser	Purchase Price and Principal Amount of Convertible Note Being Purchased	Number of Shares issuable upon exercise of Warrant Purchased
	\$	

EXHIBIT A

FORM OF CONVERTIBLE NOTE

EXHIBIT B

FORM OF WARRANT

EXHIBIT C

FORM OF SUBORDINATION AGREEMENT

EXHIBIT D

FORM OF SUBSCRIPTION AGREEMENT

FORM OF KNOW LABS, INC.
(the "Company")

**INSTRUCTIONS FOR COMPLETION OF
INVESTOR REPRESENTATION
AND SUITABILITY QUESTIONNAIRE**

- Item I: Name and address information must be provided. Securities will be issued in the name(s) set forth in this Item and delivered to the address set forth in this Item. If two people are subscribing jointly, both people must provide their names and social security numbers. A telephone number must also be provided.
- Item II: If the securities are to be held in a different name than the investor and sent to a different address (i.e., an IRA or other account held at a brokerage firm), this Item must be completed. If the securities are to be issued and delivered directly to the entity listed in Item I, this Item need not be completed.
- Item III: This Item needs to be read by the investor, but nothing needs to be written here. The Securities are suitable for investment only by prospective investors who are "Accredited Investors."
- Item IV: A. Only complete this Item by checking the appropriate line if you are an individual investor.
B. Only complete this Item if you are an entity investor.
C. Only complete this Item if you are a trust investor.
- Item V: This Item needs to be read by the investor, but nothing needs to be written here.
- Item VI: The USA Freedom Act requires us to collect information on the sources of funds. Please complete section 1, add the documents requested in section 2 only if funds did not come from an approved country (U.S. is approved), and complete section 3.
- Suitability Questionnaire: You must thoroughly complete the Suitability Questionnaire, in order for the Company and the Managing Dealer to make a determination whether this is a suitable investment for you.
- Item IX: You and must sign and date here.
- Item X: The Managing Dealer must complete this item and sign to verify that this is a suitable investment for you, as well as for record keeping purposes.
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**INVESTOR REPRESENTATION AND SUITABILITY QUESTIONNAIRE
KNOW LABS, INC. (THE "COMPANY")**

Please read all instructions of this Investor Representation and Suitability Questionnaire (this "Questionnaire") carefully before filling out this Questionnaire. This is a legally binding document. If you need assistance, please call Brinson Lingenfelter at 949-375-6879 or by email at brinson@boustead1828.com.

- When the Questionnaire is complete, mail it and your investment to: 6 Venture, Suite 395, Irvine, CA 92618
Email: brinson@boustead1828.com

_____ Check here if you are sending your subscription funds by wire transfer.

I. ACCOUNT REGISTRATION

- | | | | |
|--|---|--------------------------------|--|
| <input type="checkbox"/> Individual Account | <input type="checkbox"/> Joint Registration
If no box below is checked, we will issue the securities as JTWRROS. | <input type="checkbox"/> Trust | <input type="checkbox"/> Corporation, Partnership, LLC, Pension or Profit Sharing Plan, Association, or Other Entity |
| <input type="checkbox"/> Individual Retirement Account (IRA) | <input type="checkbox"/> Joint Tenants with Rights of Survivorship | | |
| | <input type="checkbox"/> Tenants in Common | | |
| | <input type="checkbox"/> Tenants by Entirety | | |
| | <input type="checkbox"/> Community Property | | |

PLEASE PUT A CHECK NEXT TO EACH SOCIAL SECURITY NUMBER OR TAX ID NUMBER THAT IS RESPONSIBLE FOR TAXES. WE WILL REPORT THIS NUMBER TO THE IRS.

_____ Name of INVESTOR (Individual, Entity, Custodian, Trust or Beneficiary)	_____ Date of Birth	<input type="checkbox"/> _____ Soc. Sec./Tax ID #
_____ Name of SIGNER (Signer for Entity, Trust, Name of IRA Participant)	_____ Date of Birth	<input type="checkbox"/> _____ Soc. Sec./Tax ID #
_____ Name of JOINT INVESTOR or CO- TRUSTEE (if applicable)	_____ Date of Birth	<input type="checkbox"/> _____ Soc. Sec./Tax ID #
Marital Status (please check one)	<input type="checkbox"/> Single	<input type="checkbox"/> Married
	<input type="checkbox"/> Separated	<input type="checkbox"/> Divorced
\$ _____ Total Investment Amount		

*(\$[] minimum investment unless otherwise approved by the Company).

HOME ADDRESS ☐ **USE THIS ADDRESS FOR MAILING**

_____ City	_____ State	_____ ZIP+4
Home Phone Number (with Area Code) () _____		Fax Number (with Area Code) () _____

BUSINESS ADDRESS ☐ **USE THIS ADDRESS FOR MAILING**

_____ City	_____ State	_____ ZIP+4
Business Phone Number (with Area Code) () _____		Fax Number (with Area Code) () _____
_____ Email Address		_____ Unit Number

II. ALTERNATIVE DISTRIBUTION INFORMATION

To direct distributions to a party other than the registered owner, complete the information below. **YOU MUST COMPLETE THIS ITEM IF THIS IS AN IRA INVESTMENT.**

Name of Firm (Bank or Brokerage): _____

Account Name: _____

Account Number: _____

Address: _____

City, State Zip Code: _____

III. INVESTOR REPRESENTATIONS AND AUTHORIZATIONS

You as an individual or you on behalf of the subscribing entity are being asked to complete this Investor Representation and Suitability Questionnaire so a determination can be made as to whether or not you are qualified to purchase securities under applicable federal and state securities laws. **Your answers to the questions contained herein must be true and correct in all respects, and a false representation by you may constitute a violation of law for which a claim for damages may be made against you.**

Your answers will be kept strictly confidential; however, by signing this Questionnaire, you will be authorizing the Company to present a completed copy of this Questionnaire to such parties as they may deem appropriate in order to make certain that the offer and sale of the securities will not result in a violation of the Securities Act of 1933, as amended (the "Act") or of the securities laws of any state.

This Questionnaire does not constitute an offer to sell or a solicitation of an offer to buy securities or any other security. All questions must be answered. If the appropriate answer is "None" or "Not Applicable," please state so. Please print or type your answers to all questions and attach additional sheets if necessary to complete your answers to any item. Please initial any correction.

INDIVIDUAL SUBSCRIBERS:

If the securities subscribed for are to be owned by more than one person, you and the other co-subscriber must each complete separate Questionnaires (except if the co-subscriber is your spouse or spousal equivalent) and sign the Signature Page annexed hereto. If your spouse or spousal equivalent is a co-subscriber, you must indicate their name and social security number.

CORPORATIONS, PARTNERSHIPS, PENSION PLANS AND TRUSTS:

The information requested herein relates to the subscribing entity and not to you personally (unless otherwise determined in the Item IV. Accredited Investor Status).

IV. ACCREDITED INVESTOR STATUS

TO BE AN ACCREDITED INVESTOR, YOU MUST MEET ONE OF THE FOLLOWING TESTS, PLEASE CHECK THE APPROPRIATE SPACES BELOW.

A. INDIVIDUAL ACCOUNTS

I certify that I am an "accredited investor" because:

1. _____ I had an individual income of more than \$200,000 in each of the two most recent calendar years, and I reasonably expect to have an individual income in excess of \$200,000 in the current calendar year; or my spouse or spousal equivalent and I had joint income in excess of \$300,000 in each of the two most recent calendar years, and we reasonably expect to have a joint income in excess of \$300,000 in the current calendar year;

OR

2. _____ I have an individual net worth, or my spouse or spousal equivalent and I have a joint net worth, in excess of \$1,000,000 (excluding my (our) primary residence);

OR

3. _____ I am in good standing of the FINRA Series 7, Series 65 or Series 82 licenses;

OR

4. _____ I am a knowledgeable employee of the fund. *(This should only be answered with respect to investments in a private fund);*

OR

5. _____ I am a director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer.

IV. ACCREDITED INVESTOR STATUS (Continued)

For purposes of this Questionnaire "individual income" means "adjusted gross income" as reported for Federal income tax purposes, exclusive of any income attributable to a spouse or spousal equivalent or to property owned by a spouse or spousal equivalent, and increased by the following amounts: (i) the amount of any interest income received which is tax-exempt under Section 103 of the Internal Revenue Code of 1986, as amended, (the "Code"); (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of form 1040);

(iii) any deduction claimed for depletion under Section 611 et seq. of the Code; and (iv) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Sections 1202 of the Code as it was in effect prior to enactment of the Tax Reform Act of 1986.

For purposes of this Questionnaire, "joint income" means "adjusted gross income" as reported for federal income tax purposes, including any income attributable to a spouse or spousal equivalent or to property owned by a spouse or spousal equivalent and increased by the following amounts: (i) the amount of any interest income received which is tax-exempt under Section 103 of the Code; (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of Form 1040); (iii) any deduction claimed for depletion under Section 611 et seq. of the Code; and (iv) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of the Code as it was in effect prior to enactment of the Tax Reform Act of 1986.

For the purposes of this Questionnaire, "net worth" means (except as otherwise specifically defined) the excess of total assets at fair market value over total liabilities, excluding your primary residence and the related amount of indebtedness secured by the primary residence up to its fair market value; *provided, however*, that indebtedness secured by the primary residence should be considered a liability and deducted from net worth to the extent that (i) the amount of such indebtedness outstanding at the time of completion of this Questionnaire exceeds the amount outstanding 60 calendar days before such time, other than as a result of the acquisition of the primary residence; and (ii) the amount of the indebtedness exceeds the estimated fair market value of the primary residence at the time of completion of this Questionnaire.

For the purpose of this Questionnaire, "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.

B. CORPORATIONS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES, EMPLOYEE BENEFIT PLANS, OR OTHER ENTITIES (Please provide a copy of the Corporate Resolution authorizing this investment, Partnership Agreement, Limited Liability Company Operating Agreement, Employee Benefit Plan, or other entity documentation as applicable.)

1. Has the subscribing entity been formed for the specific purpose of investing in the securities? ☐ YES ☐ NO

If your answer to question 1 is "No," CHECK whichever of the following statements (a-e) is applicable to the subscribing entity. If your answer to question 1 is "Yes," the subscribing entity must be able to certify to statement (c) below in order to qualify as an "accredited investor."

The undersigned certifies that:

(a) ☐ the undersigned entity is an "accredited investor," because it is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), provided that the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, and the plan fiduciary is a bank, savings and loan association, insurance company or registered investment adviser;

OR

(b) ☐ the undersigned entity is an "accredited investor," because it is an employee benefit plan within the meaning of ERISA, Title I that has total assets in excess of \$5,000,000;

OR

IV.**ACCREDITED INVESTOR STATUS (Continued)**

- (c) _____ the undersigned entity is an "accredited investor, because it is an entity whose shareholders, partners, beneficiaries or equity owners are all accredited investors (If you are checking this option, please submit a list of all owners; **EACH** owner of the entity must complete Item IV **and**, complete Item V, if applicable, and Item VI. Make copies of this Item IV, Item VI (and V if applicable) to do this and note each owner's name on each copy); I am one of its equity owners; and I meet at least one of the conditions described below (Please also **CHECK** the appropriate space below):

_____ I had an individual income of more than \$200,000 in each of the two most recent calendar years, and I reasonably expect to have an individual income in excess of \$200,000 in the current calendar year; or my spouse and I had joint income in excess of \$300,000 in each of the two most recent calendar years, and we reasonably expect to have a joint income in excess of \$300,000 the current calendar year; **or**

_____ I have an individual net worth, or my spouse and I have a joint net worth, in excess of \$1,000,000 (excluding my (our) primary residence);

OR

- (d) _____ the undersigned entity is an "accredited investor," because it is a self-directed employee benefit plan; I solely make its investment decisions; and I meet at least one of the conditions described below (Please also **CHECK** the appropriate space below):

_____ I had an individual income of more than \$200,000 in each of the two most recent calendar years, and I reasonably expect to have an individual income in excess of \$200,000 in the current calendar year; or my spouse and I had joint income in excess of \$300,000 in each of the two most recent calendar years, and we reasonably expect to have a joint income in excess of \$300,000 the current calendar year; **or**

_____ I have an individual net worth, or my spouse and I have a joint net worth, in excess of \$1,000,000 (excluding my (our) primary residence);

OR

- (e) _____ the undersigned entity is an "accredited investor," because it is an organization described in section 501(c)3 of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

OR

- (f) _____ the undersigned entity is an "accredited investor," because it is a limited liability company, SEC or state -registered Investment Adviser, Exempt Reporting Adviser or a rural business investment company (RBIC) with \$5,000,000 in asset;

OR

- (g) _____ the undersigned entity is an "accredited investor," because it is an Indian tribe, governmental body, fund or any entity organized under the laws of foreign countries, that own "investments," as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of \$5,000,000 and that was not formed for the specific purpose of investing in the securities offered;

OR

- (h) _____ the undersigned entity is an "accredited investor," because it is a family office with at least \$5,000,000 in assets under management and their "family clients," as each term is defined under the Investment Advisers Act.

IV. ACCREDITED INVESTOR STATUS (Continued)

C. TRUST ACCOUNTS (Please provide a complete copy of the Trust document.)

1. Has the subscribing entity been formed for the specific purpose of investing in the securities? ____ YES ____ NO

If your answer to question 1 is "No," CHECK whichever of the following statements (a-c) is applicable to the subscribing entity. If your answer to question 1 is "Yes," the subscribing entity must be able to certify to the statement (c) below in order to qualify as an "accredited investor."

The undersigned trustee certifies that the trust is an "accredited investor" because:

(a) ____ the trust has total assets in excess of \$5,000,000 and the investment decision has been made by a "sophisticated person," as described in Rule 506(b)(ii) promulgated under the Act; **or**

(b) ____ the trustee making the investment decision on its behalf is a bank (as defined in Section 3(a)(2) of the Act), a saving and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, acting in its fiduciary capacity; **or**

(c) ____ the grantor(s) of the trust may revoke the trust at any time and regain title to the trust assets and has (have) retained sole investment control over the assets of the trust and the (each) grantor(s) meets at least one of the conditions described below. **Each grantor must also INITIAL the appropriate space below.**

____ I had an individual income of more than \$200,000 in each of the two most recent calendar years, and I reasonably expect to have an individual income in excess of \$200,000 in the current calendar year; or my spouse or spousal equivalent and I had joint income in excess of \$300,000 in each of the two most recent calendar years, and we reasonably expect to have a joint income in excess of \$300,000 the current calendar year; **OR**

____ I have an individual net worth, or my spouse or spousal equivalent and I have a joint net worth, in excess of \$1,000,000 (excluding my (our) primary residence).

V. CERTIFICATIONS

I understand that investment in the securities is an **illiquid investment**. In particular, I recognize that I must bear the economic risk of investment in the securities for an indefinite period of time since the securities have not been registered under the Act and therefore cannot be sold unless either they are subsequently registered under the Act or an exemption from such registration is available and a favorable opinion of counsel for the Company to that effect is obtained if requested by the Company. I consent to the affixing by the Company of such legends on certificates representing the securities as any applicable federal or state securities law may require from time to time.

I represent and warrant to the Company that: (i) all information provided in this Questionnaire is complete, true and correct; (ii) I and my investment managers, if any, have carefully reviewed and understand the risks of, and other considerations relating to, a purchase of these securities, including, but not limited to, the risks set forth in the risk factor disclosure document and other Offering Materials provided to me; (iii) I and my investment managers, if any, have been afforded the opportunity to obtain all information necessary to verify the accuracy of any representations or information in the transaction documents for this offering and other information provided to the undersigned and have had all inquiries to the Company answered, and have been furnished all requested materials relating to the Company and the offering and sale of the securities; (iv) I have such knowledge and experience in financial and investment matters, either alone or with my investment managers, that I am capable of evaluating the merits and risks of this investment; (v) neither I nor my investment managers, if any, have been furnished any offering literature by the Company or any of its affiliates, associates or

V. CERTIFICATIONS(Continued)

agents other than the transaction documents, the term sheet, Risk Factor Disclosure Document, as amended, and the investor presentation provided to the undersigned by the Company related to this investment (collectively, the "Offering Materials") relating to this investment, and the documents referenced therein; and (vi) I am acquiring the securities for which I am subscribing for my own account, as principal, for investment and not with a view to the resale or distribution of all or any part of the securities. By my completion of this Questionnaire and execution of other transaction documents, I confirm and agree that I have reviewed and understand the provisions of each such transaction document and, should my subscription be accepted by the Company, agree to be bound thereby.

The undersigned, if a corporation, partnership, trust or other form of business entity: (i) is authorized and otherwise duly qualified to purchase and hold the securities; (ii) has obtained such additional tax and other advice that it has deemed necessary; (iii) has its principal place of business at its address set forth in this Questionnaire; and (iv) has not been formed for the specific purpose of acquiring the securities (although this may not necessarily disqualify the subscriber as a purchaser). The persons completing this Questionnaire and executing all other documents related to the offering, represent that they are duly authorized to complete or execute all such documents on behalf of the entity. (If the undersigned is one of the aforementioned entities, it agrees to supply any additional written information that may be required.

All of the information which I have furnished to the Company and which is set forth in this Questionnaire is correct and complete as of the date of this Questionnaire. If any material change in this information should occur prior to my subscription being accepted, I will immediately furnish the revised or corrected information. I further agree to be bound by all of the terms and conditions of the Offering Materials. I am the only person with a direct or indirect interest in the securities subscribed for hereby.

I agree to indemnify and hold harmless the Company and its Officers, Directors, employees, affiliates, and agents as well as the brokerage firm through which I am subscribing (if any) and all of its officers, directors, employees, affiliates, and agents from and against all damages, losses, costs and expenses (including reasonable attorneys' fees) they may incur by reason of the failure of the undersigned to fulfill any of the terms or conditions set forth in the transaction documents. This subscription is not transferable or assignable by me without the written consent of the Company. If more than one person is completing this Questionnaire, the obligations of each shall be joint and several, and the representations contained in this Questionnaire shall be deemed to be made by, and be binding upon, each of these persons and his or her heirs, executors, administrators, successors, and assigns. This subscription, upon acceptance by the Company, shall be binding upon my heirs, executors, administrators, successors, and assigns.

This Questionnaire and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

Under penalties of perjury, I certify that (i) my taxpayer identification number shown in this Questionnaire is correct; and (ii) I am not subject to backup withholding because: (a) I have not been notified that I am subject to backup withholding as a result of a failure to report all interest and dividends; or (b) the Internal Revenue Service has notified me that I am no longer subject to backup withholding. (If you have been notified that you are subject to backup withholding and the Internal Revenue Service has not advised you that backup withholding has been terminated, strike out item (ii)).

VI. INFORMATION REQUIRED BY FEDERAL LAW

The USA Freedom Act requires us to obtain the following information from you to detect and prevent misuse of the world financial system.

1. In the space provided below, please provide details of **where monies were transferred from** to the Company in relation to your subscription for the securities.

COUNTRY	NAME OF BANK/FINANCIAL INSTITUTION	CONTACT NAME/PHONE NUMBER AT BANK/FINANCIAL INSTITUTION	NAME OF ACCOUNTHOLDER	ACCOUNT NUMBER

If the country from which the monies were transferred appears in the Approved Country List below, please skip to section 3. If the country does not appear, please go to section 2.

VI. INFORMATION REQUIRED BY FEDERAL LAW (Continued)**Approved Country List**

Argentina	Australia	Austria	Belgium	Brazil
Canada	Denmark	Finland	France	Germany
Greece	Gulf Cooperation Council	Hong Kong	*Iceland	Ireland
Italy	Japan	The Netherlands (including the Netherlands Antilles and Aruba)	Luxembourg	Mexico
New Zealand	Norway	Portugal	*Russian Federation	Singapore
South Africa	Spain	Sweden	Switzerland	Turkey
United Kingdom	United States			

*Vision Financial Markets will require enhanced due diligence as applicable.

2. If subscription monies were transferred to the Company from any country other than on the "Approved Country List" (see above), please provide the following documentation to the Company (all copies should be in English and certified as being "true and correct copies of the original" by a notary public of the jurisdiction of which you are resident).

(a) For Individuals:

- (i) evidence of name, signature, date of birth and photographic identification;
- (ii) evidence of permanent address; and
- (iii) where possible, a reference from a bank with whom the individual maintains a current relationship and has maintained such relationship for at least two years.

(b) For Companies:

- (i) a copy of its certificate of incorporation and any change of name certificate;
- (ii) a certificate of good standing;
- (iii) a register or other acceptable list of directors and officers;
- (iv) a properly authorized mandate of the company to subscribe in the form, for example, of a certified resolution which includes naming authorized signatories;
- (v) a description of the nature of the business of the company;
- (vi) identification, as described above for individuals, for at least two directors and authorized signatories;
- (vii) a register of members or list of shareholders holding a controlling interest; and
- (viii) identification, as described above, for individuals who are beneficial owners of corporate shareholders which hold 10% or more of the capital share of the company.

(c) For Partnerships and Unincorporated Businesses:

- (i) a copy of any certificate of registration and a certificate of good standing, if registered;
- (ii) identification, as described above, for individuals and, where relevant, companies constituting a majority of the partners, owners or managers and authorized signatories;
- (iii) a copy of the mandate from the partnership or business authorizing the subscription in the form, for example, of a certified resolution which includes naming authorized signatories; and
- (iv) a copy of constitutional documents (formation and partnership agreements).

VI. INFORMATION REQUIRED BY FEDERAL LAW (Continued)

(d) For Trustees:

- (i) identification, as described above, for individuals or companies (as the case may be) in respect of the trustees;
- (ii) identification, as described above for individuals, of beneficiaries, any person on whose instructions or in accordance with those wishes the trustee/nominee is prepared or accustomed to act and the settlor of the trust; and
- (iii) evidence of the nature of the duties or capacity of the trustee.

3. The Company is also required to verify the source of funds. To this end, summarize the underlying source of the funds remitted to us (for example, where subscription monies were the profits of business (and if so please specify type of business), investment income, savings, etc.).

Source of Funds

This is a speculative investment
(Each responding individual must complete his/her own Suitability Questionnaire)

A. Please provide the below Identification information:

- Please provide a copy of the photo page of your government-issued identification.

<u>From</u>	<u>To</u>	<u>Institution</u>	<u>Degree</u>

C-1. Indicate your principal business experience or other occupations during the last ten years. (Please list your present, or most recent, position first and the others in reverse chronological order.)

<u>From</u>	<u>To</u>	<u>Name and Address of Employer</u>	<u>Position</u>

C-3. Describe any significant business you engage in or intend to engage in other than as specified above.

D. Please provide the following information concerning your financial experience:

D-1. Indicate by check mark which of the following categories best describes the extent of your prior experience in the areas of investment listed below:

	<u>Substantial Experience</u>	<u>Limited Experience</u>	<u>No Experience</u>
Stock & Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Penny Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Municipal (tax-exempt) Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stock options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real estate programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Securities for which no market exists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limited partnerships (tax deferred)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investments generally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D-2. For those investments for which you indicated "substantial experience" above, please answer the following additional questions by checking the appropriate box:

- (a) Do you make your own investment decisions with respect to such investments? (Please check the appropriate box with respect to your involvement in making investment decisions).

- ☐ Always
- ☐ Usually (i.e. most often)
- ☐ Frequently (i.e. regularly)
- ☐ Rarely

(b) What are your principal sources of investment knowledge or advice? (You may check more than one.)

- ☐ First-hand experience with industry
- ☐ Financial publication(s)
- ☐ Trade or industry publication(s)
- ☐ Banker(s)
- ☐ Broker(s)
- ☐ Investment Adviser(s)
- ☐ Attorney(s)
- ☐ Accountant(s)

D-3. Indicate the value that best represents your current holdings in the following investment types:

(a) Brokerage:

- ☐ Under \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$65,000
- ☐ \$65,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$250,000
- ☐ \$250,001 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000
- ☐ Over \$5,000,001

(b) Commodities:

- ☐ Under \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$65,000
- ☐ \$65,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$250,000
- ☐ \$250,001 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000

☐ Over \$5,000,001

(c) REITs/BDCs:

- ☐ Under \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$65,000
- ☐ \$65,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$250,000
- ☐ \$250,001 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000
- ☐ Over \$5,000,001

(d) Private Placements:

- ☐ Under \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$65,000
- ☐ \$65,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$250,000
- ☐ \$250,001 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000
- ☐ Over \$5,000,001

(e) Other Investments:

- ☐ Under \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$65,000
- ☐ \$65,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$250,000
- ☐ \$250,001 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000
- ☐ Over \$5,000,001

D-4. Indicate by check mark whether you maintain any of the following types of accounts over which you, rather than a third party, exercise investment discretion, and the length of time you have maintained each type of account.

Securities (cash)	<input type="checkbox"/>	<input type="checkbox"/>	Number of years _____
	Yes	No	
Securities (margin)	<input type="checkbox"/>	<input type="checkbox"/>	Number of years _____
	Yes	No	
Commodities	<input type="checkbox"/>	<input type="checkbox"/>	Number of years _____
	Yes	No	

D-5. Risk Tolerance (select one):

- ☐ Speculative - You are willing to accept substantial risk. May endure extensive volatility and very limited liquidity. Values maximizing long-term returns over principal preservation.
- ☐ Aggressive - You are willing to accept considerable risk. May endure high volatility and limited liquidity. Values long-term appreciation over principal preservation.
- ☐ Moderate - You are willing to accept limited risk. May endure some volatility and illiquidity. Values enhancing returns and principal preservation equally. You are willing to risk losing MUCH of your investment.
- ☐ Low - You are willing to accept low risk for greater stability and liquidity. Values minimizing risk and maximizing principal preservation.

D-6. What is your primary investment objective? (select one)

- ☐ Investment speculation
- ☐ Steadily accumulate wealth over the long term
- ☐ Partially fund my retirement
- ☐ Other

If Other, please provide other investment objective:

D-7. Please state the approximate number and total dollar amount of your prior investments in restricted securities (e.g., private placements):

Total Number _____ Total Amount Invested: _____

D-8. What % of your net worth is invested in restricted securities (e.g., private placements):

- ☐ 0 - 10%
- ☐ 11 - 20%
- ☐ 21 - 30%

- ☐ 31 – 40%
- ☐ 41 – 50%
- ☐ 51 – 60%
- ☐ 61 – 70%
- ☐ 71 – 80%
- ☐ 81 – 90%
- ☐ 91 – 100%

D-9. My current net worth, after making this investment and exclusive of homes, furnishings, and automobiles is:

- ☐ Under \$25,000
- ☐ \$25,001 - \$50,000
- ☐ \$50,001 - \$65,000
- ☐ \$65,001 - \$100,000
- ☐ \$100,001 - \$150,000
- ☐ \$150,001 - \$200,000
- ☐ \$200,001 - \$250,000
- ☐ \$250,001 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000
- ☐ Over \$5,000,001

D-10. Please indicate your annual income, net worth, and tax rate:

(a) Annual Income

- ☐ Under \$25,000
- ☐ \$25,000 - \$50,000
- ☐ \$50,000 - \$65,000
- ☐ \$65,000 - \$100,000
- ☐ \$100,000 - \$150,000
- ☐ \$150,000 - \$200,000
- ☐ \$200,000 - \$250,000
- ☐ \$250,000 - \$500,000
- ☐ \$500,000 - \$1,000,000
- ☐ \$1,000,000 - \$5,000,000
- ☐ Over \$5,000,000

(b) Net Worth

- ☐ Under \$25,000
- ☐ \$25,000 - \$50,000
- ☐ \$50,000 - \$65,000

- ☐ \$65,000 - \$100,000
- ☐ \$100,000 - \$150,000
- ☐ \$150,000 - \$200,000
- ☐ \$200,000 - \$250,000
- ☐ \$250,000 - \$500,000
- ☐ \$500,000 - \$1,000,000
- ☐ \$1,000,000 - \$5,000,000
- ☐ Over \$5,000,000

(c) Liquid Net worth

- ☐ Under \$25,000
- ☐ \$25,000 - \$50,000
- ☐ \$50,000 - \$65,000
- ☐ \$65,000 - \$100,000
- ☐ \$100,000 - \$150,000
- ☐ \$150,000 - \$200,000
- ☐ \$200,000 - \$250,000
- ☐ \$250,000 - \$500,000
- ☐ \$500,000 - \$1,000,000
- ☐ \$1,000,000 - \$5,000,000
- ☐ Over \$5,000,000

(d) Tax Rate (Highest Marginal)

- ☐ Over 35%
- ☐ 31-35%
- ☐ 26-30%
- ☐ 16-25%
- ☐ 0-15%

D-11. Please provide in the space below any additional information which would indicate that you have sufficient knowledge and experience in financial and business matters so that you are capable of evaluating the merits and risks of investing in restricted securities of private or thinly traded enterprise.

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Name	Contact Number
------	----------------

☐ Yes ☐ No

16

IX.	SIGNATURES
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This Questionnaire contains various statements and representations by subscribers and should be carefully reviewed in its entirety before executing this signature page. I hereby certify that I have reviewed and am familiar with the instructions of this Questionnaire.

☐ (check if applicable) I hereby certify that I previously invested in the Company and that, unless otherwise indicated in this Questionnaire, the information I provided in the Questionnaire dated for my previous investment continues to be true and correct and is incorporated by reference into this Questionnaire.

Dated _____

Print name of individual subscriber, custodian,
person, trustee: corporation, trustee:

Signature of individual subscriber, authorized

Print name of co-subscriber, authorized person,
co-trustee if required by trust instrument:

Signature of co-subscriber, authorized person,
co-trustee if required by trust instrument:

Investment Authorization. The undersigned corporation, partnership, limited liability company, benefit plan, or IRA has all requisite authority to acquire the securities hereby subscribed for and to complete the Questionnaire, and further, the undersigned officer, partner, manager, or fiduciary of the subscribing entity has been duly authorized by all requisite action on the part of such entity to execute these documents on its behalf. Such authorization has not been revoked and is still in full force and effect.

Check Box: ☐ Yes ☐ No ☐ Not Applicable

CAPACITY CLAIMED BY SIGNER: (check one box)

☐ Individual(s)
☐ Partner(s)
☐ Corporate Officer: _____ Title _____

☐ Attorney-In-Fact
☐ Trustee(s)
☐ Other: _____
Title

X.	VERIFICATION OF BROKER DEALER
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I state that I am familiar with the financial affairs and investment objectives of the investor named above and reasonably believe that a purchase of the securities is a suitable investment for this investor and that the investor, either individually or together with his, her, or its investment managers, if any, understands the terms of and is able to evaluate the merits of this offering.

I acknowledge:

(a) that I have reviewed the risk factor disclosure, investor presentation and the other Offering Materials and forms of securities presented to me, and attachments (if any) thereto;

(b) that the Questionnaire and other transaction documents have been fully completed and executed by the appropriate party; and

(c) that the subscription will be deemed received by the Company upon acceptance of the Subscription Agreement.

Broker/Dealer	Account Executive
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Account Executive

(Name of Broker/Dealer)

(Signature)

(Street Address of Broker/Dealer Office)

(Print Name)

(City of Broker/Dealer Office) (State) (Zip)

(Representative I.D. Number)

() (Telephone Number of Broker/Dealer Of

(Date) _____

() -
(Fax Number of Broker/Dealer Office)

(E-mail Address of Account Executive)

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

KNOW LABS, INC.

FORM OF 8.0% SUBORDINATED CONVERTIBLE NOTE

Original Issue Date: _____

Principal Amount: _____

THIS 8.0% SUBORDINATED CONVERTIBLE NOTE (this "**Note**") is issued, dated, and effective as of the Original Issue Date set forth above by Know Labs, Inc., a Nevada corporation (the "**Company**"), having its principal place of business at 500 Union Street, Suite 810, Seattle, WA 98101, to (together with its successors and permitted assigns, the "**Holder**"), pursuant to exemptions from registration under the Securities Act of 1933, as amended (the "**Securities Act**"). The Company promises to pay the aggregate unpaid Principal Amount under this Note set forth above (the "**Principal Amount**") to the Holder on the earlier of: (1) mandatory and automatic conversion of this Note into the next financing for the Company, provided such financing yields gross proceeds to the Company of at least \$5 million as set forth below under "Mandatory Conversion" (a "**Qualified Financing**") or (2) the one (1) year anniversary of this Note (the "**Maturity Date**"), and to pay interest to the Holder on the aggregate unconverted and then outstanding Principal Amount in accordance with the provisions of this Note.

This Note is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Securities Purchase Agreement and (b) the following terms shall have the following meanings:

"**Bankruptcy Event**" means any of the following events: (a) the Company commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company; (b) there is commenced against the Company any such case or proceeding that is not dismissed within sixty (60) days after commencement;

(c) the Company is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered; (d) the Company suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within sixty (60) calendar days after such appointment; (e) the Company makes a general assignment for the benefit of creditors; (f) the Company calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or (g) the Company, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"**Business Day**" means any day other than a Saturday, Sunday, or a legal holiday on which federal banks are authorized or required to be closed for the conduct of commercial banking business.

"**Change of Control**" means any of the following events: (a) consummation of any merger or consolidation of the Company in which the Company is not the continuing or surviving corporation, or pursuant to which shares of the Company's common stock are converted into cash, securities, or other property, if following such merger or consolidation the holders of the Company's outstanding voting securities immediately prior to such merger or consolidation own less than fifty percent (50%) of the outstanding voting securities of the surviving corporation; (b) consummation of any sale, lease, exchange or other transfer, in one transaction or a series of related transactions of all or substantially all of the Company's assets; or (c) a change in ownership of the Company's capital stock as a result of which the owners of the Company's outstanding capital stock immediately prior to the change own less than fifty percent (50%) of the Company's outstanding capital stock following such change.

“**Common Stock Equivalents**” means any securities of the Company or its subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“**Event of Default**” shall have the meaning set forth in Section 5(a).

“**Original Issue Date**” means the date of the first issuance of this Note as set forth above, regardless of any transfers of this Note and regardless of the number of instruments which may be issued to evidence this Note.

“**Permitted Indebtedness**” means (a) the indebtedness evidenced by this Note, (b) the indebtedness existing on the Closing Date, (c) lease obligations and purchase money indebtedness incurred in connection with the acquisition of capital assets and lease obligations with respect to newly acquired or leased assets, and (d) indebtedness that is expressly subordinate to this Note pursuant to a written subordination agreement with the Holder that is acceptable to the Holder in its sole and absolute discretion.

“**Permitted Lien**” means the individual and collective reference to the following: (a) liens existing on the Closing Date, (b) liens for taxes, assessments and other governmental charges or levies not yet due or liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP; (c) liens imposed by law which were incurred in the ordinary course of the Company’s business, such as carriers’, warehousemen’s and mechanics’ liens, statutory landlords’ liens, and other similar liens arising in the ordinary course of the Company’s business, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such lien; and (d) liens incurred in connection with Permitted Indebtedness.

“**Securities Purchase Agreement**” means the Securities Purchase Agreement, dated as of the date hereof, between the Company and the original Holder, as amended, modified, or supplemented from time to time in accordance with its terms.

Section 2.

Interest; Prepayment.

a) Interest Rate. Interest shall accrue daily on the outstanding Principal

Amount of this Note at a rate per annum equal to eight percent (8.0%), and is Payable-In- Kind (“**PIK**”) as set forth below.

b) Payment of Interest. On the Maturity Date, the Company shall pay to the Holder any accrued but unpaid and unconverted interest hereunder on the aggregate unconverted and then outstanding Principal Amount of this Note. The amount of interest that has accrued on the Principal Amount hereof as of any date may be added to and included with the Principal Amount being so converted on any date on which a conversion is effected under Section 3 below.

c) Interest Calculations. Interest shall be calculated on the basis of a three hundred sixty (360)-day year, consisting of twelve (12) thirty (30) calendar day periods, and shall accrue daily commencing on the Original Issue Date until payment in full of the outstanding Principal Amount, together with all accrued and unpaid interest and other amounts which may become due hereunder, has been made or until such Principal Amount and interest have been duly converted. Interest hereunder will be paid to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note.

d) Prepayment. This Note may be prepaid by the Company at any time following the Original Issuance Date on seven (7) day’s prior written to the Holder.

Section 3.

Conversion.

a) Mandatory Conversion on Qualified Financing. Each Holder will be required to convert the Note into a Qualified Financing at a conversion price per share equal to the lower of (i) \$2.00 or (ii) a twenty five percent (25%) discount to the price per share paid by investors in such Qualified Financing. This mandatory conversion shall be automatic and the Company will provide notice to Holder at least seven (7) days prior to the closing of a Qualified Financing as to the number of shares Holder would receive based on applying the discounted pricing described above for the Principal Amount and PIK shares. In conjunction with any conversion, Holder will become a party to and will execute appropriate subscription and other agreements in substantially the form executed by investors in the Qualified Financing.

b). Other Mandatory Conversion. If the Note has not been paid or converted prior to the Maturity Date, the outstanding Principal Amount of the Note will be automatically converted on the Maturity Date into shares of common stock of the Company based on the lesser of (i) \$2.00 per share or (ii) any adjusted price resulting from the application of the “Most Favored Nations Provision” set forth below. In such event the Anti-Dilution Period, as defined below, will be extended for a further twelve (12) months.

c). Payment on Change of Control. If prior to the Maturity Date, there is a Change of Control and the Note has not previously been converted, a Holder may elect to have the Note together with any accrued interest repaid in full at that time in cash plus an additional ten percent (10%) on the Principal Amount of the Note.

d). Most Favored Nations Provision. If the Note has not been paid or converted prior to the Maturity Date, and if at any time or from time to time prior to February 15, 2022 (the “**Anti-Dilution Period**”) the Company issues any additional securities (a “**New Issuance**”) (including, but not limited to, any class of shares, preferred stock, warrants, rights to subscribe for shares, convertible debt or other securities convertible into any share class, referred to below collectively as “**Securities**”) for a consideration per share, after giving effect to, and net of, commissions, fees and other expenses, that is less, or which on conversion or exercise of the underlying security is less, than the conversion price of the Holder (as adjusted for changes resulting from any forward or reverse share splits, stock dividends and similar events) (a “**Down Round Price**”), the Company shall issue additional Securities to Holder at no additional cost in an amount that it would have received at the Down Round Price, rounded up to the next whole share, on a full ratchet basis at no additional consideration (“**Holder’s Down Round Issuances**”). In the event that a New Issuance is made at a Down Round Price and includes both equity securities and rights to acquire additional securities (whether in the form of warrants, options or other rights) (the “**Rights**”), then as part of any full ratchet adjustment the Company shall also include, within the Holder’s Down Round Issuances, that number of Rights which Holder would have acquired had it participated in the New Issuance.

Section 4. Negative Covenants. As long as any portion of this Note remains outstanding, unless the Holder shall have otherwise given prior written consent, the Company shall not, and shall not permit any of its subsidiaries (whether or not a subsidiary on any Closing Date) to, directly or indirectly:

a) other than Permitted Indebtedness, enter into, create, incur, assume, guarantee, or suffer to exist any indebtedness for borrowed money of any kind, including but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

b) other than Permitted Liens, enter into, create, incur, assume, or suffer to exist any liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

c) repay, repurchase, or offer to repay, repurchase or otherwise acquire more than de minimis number of shares of its Common Stock or Common Stock Equivalents other than repurchases of Common Stock or Common Stock Equivalents of departing employees of the Company, provided that such repurchases shall not exceed an aggregate of \$150,000 for all employees during the term of this Note;

d) pay cash dividends or distributions on Common Stock of the Company;

e) enter into any transaction with any Affiliate of the Company which would be required to be disclosed in any public filing with the Commission, unless such transaction is expressly approved by a majority of the disinterested directors of the Company (even if less than a quorum otherwise required for board approval); or

f) enter into any agreement with respect to any of the foregoing.

Section 5.

Events of Default

a) “**Event of Default**” means, wherever used herein, any of the

following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body), provided that an event specified in item i, ii, iii, or vii below will not become an Event of Default unless and until it is not cured, if possible to cure, within the earlier to occur of (i) five (5) Business Days after notice of such failure sent by the Holder or by any other Holder and (ii) ten (10) Business Days after the Company has become or should have become aware of such failure:

i. any default in the payment of (A) the Principal Amount of this Note or (B) interest, and other amounts owing to the Holder of this Note, as and when the same shall become due and payable;

ii. the Company shall fail to observe or perform any other covenant or agreement contained in this Note;

iii. a default or event of default shall occur under any of the Transaction Documents (subject to any grace or cure period provided in the applicable Transaction Document);

iv. any representation or warranty made in the Transaction Documents shall be untrue or incorrect in any material respect as of the date when made or deemed made;

v. the Company shall be subject to a Bankruptcy Event;

vi. the Company shall default on any of its obligations under any mortgage, credit agreement, or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (A) involves an obligation greater than \$100,000, whether such indebtedness now exists or shall hereafter be created and (B) results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable;

vii. if at any time commencing six (6) months from the date hereof the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, or has failed to file all reports required to be filed thereunder during the then preceding twelve (12) months;

viii. any monetary judgment, writ or similar final process shall be entered or filed against the Company, any subsidiary or any of their respective property or other assets for more than \$100,000, and such judgment, writ or similar final process shall remain unvacated, unbonded, or unstayed for a period of forty-five (45) calendar days; provided, however, that any judgment which is covered by insurance or an indemnity from a creditworthy party (such creditworthiness as reasonably determined by the Holder) shall not be included in calculating the amount of such judgment, writ, or final process so long as the Company provides the Holder a written statement from such insurer or indemnity provider (which written statement shall be reasonably satisfactory to the Holder) to the effect that such judgment is covered by insurance or an indemnity and the Company will receive the proceeds of such insurance or indemnity within forty-five (45) calendar days of the issuance of such judgment.

(b) Acceleration Upon Event of Default. If any Event of Default occurs, the outstanding Principal Amount of this Note, plus accrued but unpaid interest and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election (which the Holder shall not make more than the later of thirty (30) calendar days after the date such Event of Default is cured or otherwise resolved and the Holder is aware of such cure or resolution), immediately due and payable in cash. If there is such an acceleration, then upon the payment in full of the amounts due hereunder, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest, or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 5(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 6.

Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be

provided by the Holder hereunder, including, without limitation, any notice of conversion, shall be in writing and delivered in the manner and to the address(s) set forth in the Securities

Purchase Agreement.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company.

c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen, or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen, or destroyed Note, a new Note for the Principal Amount of this Note so mutilated, lost, stolen, or destroyed, but only upon receipt of evidence of such loss, theft, or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Company.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees, or agents) shall be commenced in the state and federal courts sitting in Nevada (the "**Nevada Courts**"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Nevada Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Nevada Courts, or such Nevada Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If either party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses reasonably incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay, or impeded the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

h) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

i) Series of Notes. This Note is one of a series of Notes of the Company in the aggregate principal amount of up to Five Million Dollars as described in that certain Confidential Private Placement Memorandum, dated January 2019, delivered to the Holder in connection with the transactions contemplated by the Transaction Documents. All Notes in such series shall rank equally and ratably without preference or priority of any said Notes over any others thereof.

(signature page follows)

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

KNOW LABS, INC.

By: _____
Name: Ronald P. Erickson
Title: Chairman

By: _____
Name: Phillip A. Bosua
Title: Chief Executive Officer

NEITHER THIS SECURITY NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

KNOW LABS, INC.

FORM OF COMMON STOCK PURCHASE WARRANT

Warrant Shares: _____

Initial Exercise Date: _____

Issue Date: _____

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ (together with its successors and permitted assigns, the "**Holder**") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the Initial Exercise Date and on or prior to 5:00 p.m. Pacific Time on [5 years from Issue Date] (the "**Termination Date**") but not thereafter, to subscribe for and purchase from Know Labs, Inc., a Nevada corporation (the "**Company**"), up to shares (as subject to adjustment hereunder, the "**Warrant Shares**") of the common stock of the Company, par value \$0.001 per share (the "**Common Stock**"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement, dated as of the date hereof, between the Company and the original Holder, as amended, modified, or supplemented from time to time in accordance with its terms (the "**Securities Purchase Agreement**").

Section 2. Exercise.

a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder set forth in the Securities Purchase Agreement) of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "**Notice of Exercise**"). Within two (2) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. The term "**Trading Day**" shall mean a day on which the principal securities exchange or quotation system on which the Common Stock is listed or admitted to trading is open for the transaction of business. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within two (2) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this Section, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$2.40, subject to adjustment hereunder (the “**Exercise Price**”).

c) Cashless Exercise. If, after the six month anniversary of the Initial Exercise Date, at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing $[(A-B)*(X)]$ by (A), where:

(A) = the last VWAP immediately preceding the date of delivery of the Notice of Exercise giving rise to the applicable “cashless exercise,” as set forth in the applicable Notice of Exercise (to clarify, the “last VWAP” will be the last VWAP as calculated over an entire Trading Day such that, in the event that this Warrant is exercised at a time that the Trading Market is open, the prior Trading Day’s VWAP shall be used in this calculation);

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised, and the holding period of the Warrants being exercised may be tacked on to the holding period of the Warrant Shares. The Company agrees not to take any position contrary to this Section 2(c).

For avoidance of doubt, no “cashless exercise” under this Section 2(c) may occur (i) during the first six months following the Initial Exercise Date or (ii) after the six months following the Initial Exercise Date if there is an effective registration statement registering the issuance of the Warrant Shares to the Holder.

“**VWAP**” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:00 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the “Pink Sheets” published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“**DWAC**”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) this Warrant is being exercised via “cashless exercise”, and otherwise by physical delivery of a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise (such date, the “**Warrant Share Delivery Date**”). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(v) prior to the issuance of such shares, having been paid.

ii. Delivery of New Warrants Upon Exercise. Notwithstanding Section 2(a) above, if this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price.

v. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, that in the event Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vi. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

c) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation, or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered to the Holder (unless such notice is filed with the Commission, which in such case, no additional notice is required to be provided to the Holder), at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer, or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within two (2) Business Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “**Warrant Register**”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends, or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i).

b) Loss, Theft, Destruction, or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction, or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft, or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) No Net Cash Settlement. Notwithstanding anything herein to the contrary, in no event will the Holder hereof be entitled to receive a net-cash settlement as liquidated damages in lieu of physical settlement in shares of Common Stock, regardless of whether the Common Stock underlying this Warrant is registered pursuant to an effective registration statement; provided, however, that the foregoing will not preclude the Holder from seeking other remedies at law or equity for breaches by the Company of its registration obligations hereunder.

f) Jurisdiction. All questions concerning the construction, validity, enforcement, and interpretation of this Warrant shall be determined in accordance with the provisions of the Securities Purchase Agreement.

g) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

h) Non-waiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers, or remedies.

i) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Securities Purchase Agreement.

j) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

k) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

l) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

m) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

n) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

o) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(signature page follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

KNOW LABS, INC.

By: _____
Name: Ronald P. Erickson
Title: Chairman

By: _____
Name: Phillip A. Bosua
Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: KNOW LABS,
INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____

(Please Print)

Address: _____

(Please Print)

Dated: _____

Holder's Signature: _____

Holder's Address: _____

KNOW LABS, INC.

FORM OF SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") dated _____, is between _____ (the "Subordinated Creditor"), and Clayton Struve ("Senior Creditor").

Recitals

A. Subordinated Creditor is purchasing a certain Subordinated Convertible Note of even date hereof (the "Note") from Know Labs, Inc., a Nevada corporation (the "Company") pursuant to that certain Securities Purchase Agreement dated as of the date hereof between the Company and Subordinated Creditor (the "Securities Purchase Agreement"). All capitalized terms not otherwise defined in this Agreement shall have the meanings assigned to them in the Securities Purchase Agreement.

B. Senior Creditor has previously provided loans to the Company in the aggregate amount of \$1,071,000 (the "Senior Loan").

C. As a condition to purchasing the Note, Subordinated Creditor has agreed to subordinate the Note and related obligations to Subordinated Creditor (the "Subordinated Debt") to all of the Company's indebtedness and obligations to Senior Creditor (the "Senior Debt").

THE PARTIES AGREE AS FOLLOWS:

1. All Subordinated Debt payments are subordinated to Senior Creditor's right to full payment and performance of the Senior Debt and all of the Company's other obligations to Senior Creditor existing now or later, together with collection costs, including attorneys' fees, and including any interest accruing after any Bankruptcy Event.

2. Subordinated Creditor will
not:

a) demand or receive from the Company (and the Company will not pay) any part of the Subordinated Debt, by payment, prepayment, or otherwise, which may now or hereafter be owing by the Company to Subordinated Creditor, or

b) accelerate the Subordinated Debt, or begin to or participate in any action against the Company with respect to such Subordinated Debt, until all the Senior Debt is paid, or

c) assign any of the Subordinated Debt or any collateral security therefore without notice to or consent of Senior Creditor and unless assigned pursuant to an assignment made expressly subject to this Agreement.

This does not prohibit each such Subordinated Creditor from converting any Subordinated Debt into equity securities of the Company or exercising any rights as a stockholder of the Company.

3. Subordinated Creditor must deliver to Senior Creditor, in the form received, any payment, distribution, security, or proceeds it receives on the Subordinated Debt other than according to this Agreement.

4. These provisions remain in full force and effect, despite any Bankruptcy Event, and Senior Creditor's claims against the Company and the Company's estate will be fully paid before any payment is made to any Subordinated Creditor with respect to the Subordinated Debt.

5. Until the Senior Debt is paid, Subordinated Creditor irrevocably appoints Senior Creditor as its attorney-in-fact, with power of attorney with power of substitution, in each such Subordinated Creditor's name or in Senior Creditor's name, for Senior Creditor's use and benefit without notice to each such Subordinated Creditor, to do the following in the case of any Bankruptcy Event involving the Company:

a) file any claims for the Subordinated Debt for Subordinated Creditor if such Subordinated Creditor does not do so at least thirty (30) days before the time to file claims expires; and

b) accept or reject any plan of reorganization or arrangement for Subordinated Creditor and vote Subordinated Creditor's claims in respect of the Subordinated Debt in any way it chooses.

6. Subordinated Creditor will immediately place a legend on the Subordinated Debt instruments that the instruments are subject to this Agreement. No amendment of the Subordinated Debt documents will modify this Agreement in any way that terminates or impairs the subordination of the Subordinated Debt or the subordination of the security interest or lien that Senior Creditor has in the Company's property.

7. This Agreement shall be binding upon Subordinated Creditor, its successors, or assigns, and shall inure to the benefit of and be enforceable by each Senior Creditor and its successors or assigns.

8. This Agreement shall terminate upon the date on which the Senior Debt shall have been paid in full.

9. Senior Creditor may administer and manage its credit and other relationships with the Company in its own best interest, without notice or consent of Subordinated Creditor. At any time and from time to time, Senior Creditor may enter into any amendment or agreement with the Company as Senior Creditor may deem proper.

All conditions, covenants, duties, and obligations contained in this Agreement can be waived only by written agreement. Forbearance or indulgence in any form or manner by party shall not be construed as a waiver, nor in any way limit the remedies available to that party.

11. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement, and the balance of the Agreement shall be interpreted as if such provision were so excluded, and shall be enforceable in accordance with its terms.

12. This Agreement may be executed in two or more counterparts, each of which is an original and all of which together constitute one instrument.

13. This Agreement shall be governed by and be construed in accordance with the laws of the State of Nevada without regard to the conflicts of law rules of such state. The parties hereby irrevocably and unconditionally submit, for themselves and their property, to the jurisdiction of the courts sitting in Las Vegas, Nevada and any appellate court from any thereof, in respect of actions brought against it in any action, suit or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action, suit or proceeding may be heard and determined in such courts. Each of the parties hereto agrees that a final judgment in any such action, suit 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.

14. If there is an action to enforce the rights of a party under this Agreement, the party prevailing will be entitled, in addition to other relief, all reasonable costs and expenses, including reasonable attorneys' fees, incurred in the action.

(signature pages follow)

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first set forth above.

SUBORDINATED CREDITOR:

By: _____

Name:

Title (if applicable):

[Signature page to Know Labs, Inc. Subordination Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first set forth above.

AGREED AND ACKNOWLEDGED:

KNOW LABS, INC.

By: _____
Name: Ronald P. Erickson
Title: Chairman

By: _____
Name: Phillip A. Bosua
Title: Chief Executive Officer

[Signature page to Know Labs, Inc. Subordination Agreement]

FORM OF REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this “**Agreement**”) is made and entered into as of , 2021, by and among Know Labs, Inc., a Nevada corporation (the “**Company**”) and the investors identified on Schedule A hereto (each, including their respective successors and assigns, an “**Investor**” and collectively, the “**Investors**”).

WHEREAS, in connection with the Securities Purchase Agreement by and among the parties hereto of even date herewith (the “**Purchase Agreement**”), the Company has agreed, upon the terms and subject to the conditions set forth in the Purchase Agreement, to issue and sell to each Investor units comprised of (i) subordinated convertible notes (the “**Convertible Notes**”) and (ii) warrants to purchase fifty percent (50%) of one share of the Company’s common stock, \$0.001 par value per share (“**Common Stock**”) at an exercise price of \$2.40 per whole share (the “**Warrants**”); and

WHEREAS, in accordance with the terms of the Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the “**Securities Act**”), and applicable state securities laws.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Investors hereby agree as follows:

1. **Definitions.** Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement will have the respective meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms have the respective meanings set forth in this Section 1 and other terms are defined throughout this Agreement:

“**Commission Comments**” means written comments pertaining solely to Rule 415 which are received by the Company from the Commission to a filed Registration Statement, which either (i) requires the Company to limit the number of Registrable Securities which may be included therein to a number which is less than the number sought to be included thereon as filed with the Commission or (ii) requires the Company to either exclude Registrable Securities held by specified Holders or deem such Holders to be underwriters with respect to Registrable Securities they seek to include in such Registration Statement.

“**Effective Date**” means, as to a Registration Statement, the date on which such Registration Statement is first declared effective by the Commission.

“**Effectiveness Date**” means (a) with respect to the initial Registration Statement required to be filed pursuant to Section 2(a), the earlier of: (i) the 120th day following the Final Closing Date and (ii) the fifth Trading Day following the date on which the Company is notified by the Commission that the initial Registration Statement will not be reviewed or is no longer subject to further review and comments; (b) with respect to any additional Registration Statements required to be filed under Section 2(b) due to SEC Restrictions, the earlier of: (i) the 90th day following the applicable Restriction Termination Date and (ii) the fifth Trading Day following the date on which the Company is notified by the Commission that such Registration Statement will not be reviewed or is no longer subject to further review and comments; and (c) with respect to a Registration Statement required to be filed under Section 2(c), the earlier of: (i) the 90th day following the date on which the Company becomes eligible to utilize Form S-3 to register the resale of Common Stock, and (ii) the fifth Trading Day following the date on which the Company is notified by the Commission that the Registration Statement will not be reviewed or is no longer subject to further review and comments.

“**Effectiveness Period**” means, as to any Registration Statement required to be filed pursuant to this Agreement, the period commencing on the Effective Date of such Registration Statement and ending on (a) the date that all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders of the Registrable Securities included therein, or (b) such time as all of the Registrable Securities covered by such Registration Statement may be sold by the Holders without volume restrictions pursuant to Rule 144 as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company’s transfer agent and the affected Holders.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“Filing Date” means (a) with respect to the initial Registration Statement required to be filed pursuant to Section 2(a), the 4th day following the Final Closing Date; (b) with respect to any additional Registration Statements required to be filed under Section 2(b) due to SEC Restrictions, the 30th day following the applicable Restriction Termination Date; and (c) with respect to a Registration Statement required to be filed under Section 2(c), the 30th day following the date on which the Company becomes eligible to utilize Form S-3 to register the resale of Common Stock.

“Final Closing Date” means the date on which the final closing of the purchase and sale of the Convertible Notes and Warrants occurs pursuant to Section 2.2 of the Purchase Agreement.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Holder” or **“Holders”** means the holder or holders, as the case may be, from time to time of Registrable Securities and, if other than an Investor, a Person (as defined in the Purchase Agreement) to whom the rights hereunder have been properly assigned pursuant to Section 7 hereof.

“Investment Amount” means, with respect to each Investor, the Investment Amount indicated on such Investor’s signature page to this Agreement, which is also reflected on the Schedule of Investors attached hereto as Schedule A.

“Nevada Courts” means the state and federal courts sitting in Nevada.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Prospectus” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“Registrable Securities” means: (i) any shares of Common Stock issuable upon the conversion of the Convertible Notes issued to Investors pursuant to the Purchase Agreement,

(ii) any shares of Common Stock issuable upon the exercise of the Warrants issued to the Investors pursuant to the Purchase Agreement, (iii) any shares of Common Stock issuable upon the exercise of warrants issued to Boustead Securities, LLC, (the **“Placement Agent”**) as compensation in connection with the financing that is the subject of the Purchase Agreement (**“Placement Agent Warrant Shares”**) and (iv) any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event, or any price adjustment as a result of such stock splits, reverse stock splits or similar events with respect to any of the securities referenced in (i) –

(iv) above. Notwithstanding the foregoing, a security shall cease to be a Registrable Security for purposes of this Agreement from and after such time as the Holder of such security may resell such security without volume restrictions under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company’s transfer agent and the affected Holders.

“Registration Statement” means the initial registration statement required to be filed in accordance with Section 2(a) and any additional registration statements required to be filed under this Agreement, including in each case the Prospectus, amendments and supplements to such registration statements or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference therein.

“Required Holders” means the Holders of at least a majority of the Registrable Securities.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 415” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“**Selling Holder Questionnaire**” means the selling security holder notice and questionnaire attached as Annex B hereto.

“**Trading Day**” means a day on which the Trading Market on which the Common Stock is listed or quoted for trading is open for the transaction of business.

“**Trading Market**” means any of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, the OTCBB, the OTCQB, the OTCQX or any other market on which the Common Stock is listed or quoted for trading on the date in question.

2. Registration.

(a) On or prior to the applicable Filing Date, the Company shall prepare and file with the Commission one Registration Statement covering the resale of all Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement required to be filed under this Agreement shall be filed on Form S-1 (or on such other form appropriate for such purpose) and contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement, other than as to the characterization of any Holder as an underwriter, which shall not occur unless such characterization is consistent with written information provided by the Holder in the Selling Holder Questionnaire) the “Plan of Distribution” substantially in the form attached hereto as Annex A. The Company shall cause each Registration Statement required to be filed under this Agreement to be declared effective under the Securities Act as soon as possible but, in any event, no later than its Effectiveness Date, and shall use its commercially reasonable best efforts to keep each such Registration Statement continuously effective during its entire Effectiveness Period. By 5:00 p.m. (New York City time) on the Trading Day immediately following the Effective Date of each Registration Statement, the Company shall file with the Commission in accordance with Rule 424 under the Securities Act the final prospectus to be used in connection with sales pursuant to such Registration Statement (whether or not such filing is technically required under such Rule).

(b) Notwithstanding anything to the contrary contained in this Section 2, if the Company receives Commission Comments, and following discussions with and responses to the Commission in which the Company uses its commercially reasonable best efforts to cause as many Registrable Securities for as many Holders as possible to be included in the Registration Statement filed pursuant to Section 2(a) without characterizing any Holder as an underwriter unless such characterization is consistent with written information provided by the Holder in the Selling Holder Questionnaire (and in such regard uses its commercially reasonable best efforts to cause the Commission to permit any Holder or its counsel to participate in Commission conversations on such issue together with the Company’s counsel, and timely conveys relevant information concerning such issue with the Holders or their counsel) (the day that such discussions and responses are concluded shall be referred to as the “**Tolling Date**”), the Company is unable to cause the inclusion of all Registrable Securities, then the Company may, following not less than three (3) Trading Days prior written notice to the Holders (i) remove from the Registration Statement such Registrable Securities (the “**Cut Back Shares**”) and/or(ii) agree to such restrictions and limitations on the registration and resale of the Registrable Securities, in each case as the Commission may require in order for the Commission to allow such Registration Statement to become effective; provided, that in no event may the Company characterize any Holder as an underwriter unless such characterization is consistent with written information provided by the Holder in the Selling Holder Questionnaire (collectively, the “**SEC Restrictions**”). Unless the SEC Restrictions otherwise require, any cut -back imposed pursuant to this Section 2(b) shall be allocated among the Registrable Securities of the Holders on a pro rata basis. No liquidated damages under Section 2(d) shall accrue on or as to any Cut Back Shares, and the required Effectiveness Date for such Registration Statement will be tolled until such time as the Company is able to effect the registration of the Cut Back Shares in accordance with any SEC Restrictions if such Registrable Securities cannot at such time be resold by the Holders thereof without volume limitations pursuant to Rule 144 (such date, the “**Restriction Termination Date**”). From and after the Restriction Termination Date, all provisions of this Section 2 shall again be applicable to the Cut Back Shares (which, for avoidance of doubt, retain their character as “Registrable Securities”) if such Registrable Securities cannot at such time be resold by the Holders thereof without volume limitations pursuant to Rule 144 so that the Company will be required to file with and cause to be declared effective by the Commission such additional Registration Statements in the time frames set forth herein as necessary to ultimately cause to be covered by effective Registration Statements all Registrable Securities. For the avoidance of doubt, the time period starting from the Tolling Date and ending with the Restriction Termination Date shall be excluded in calculating the applicable Effectiveness Date.

(c) Promptly following any date on which the Company becomes eligible to use a registration statement on Form S-3 to register Registrable Securities for resale, the Company shall file a Registration Statement on Form S-3 covering all Registrable Securities (or a post- effective amendment on Form S-3 to the then effective Registration Statement) and shall cause such Registration Statement to be filed by the Filing Date for such Registration Statement and declared effective under the Securities Act as soon as possible thereafter, but in any event prior to the Effectiveness Date therefor. Such Registration Statement shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement, other than as to the characterization of any Holder as an underwriter, which shall not occur unless such characterization is consistent with written information provided by the Holder in the Selling Holder Questionnaire) the “Plan of Distribution” in substantially the form attached hereto as Annex A. The Company shall use its commercially reasonable best efforts to keep such Registration Statement continuously effective under the Securities Act during the entire Effectiveness Period. By 5:00 p.m. (New York City time) on the Trading Day immediately following the Effective Date of such Registration Statement, the Company shall file with the Commission in accordance with Rule 424 under the Securities Act the final prospectus to be used in connection with sales pursuant to such Registration Statement (whether or not such filing is technically required under such Rule).

(d) If: (i) a Registration Statement is not filed on or prior to its Filing Date covering the Registrable Securities required under this Agreement to be included therein, or (ii) a Registration Statement is not declared effective by the Commission on or prior to its required Effectiveness Date or if by the Trading Day immediately following the Effective Date the Company shall not have filed a “final” prospectus for the Registration Statement with the Commission under Rule 424(b) (whether or not such a prospectus is technically required by such Rule), or (iii) after its Effective Date, without regard for the reason thereunder or efforts therefore, such Registration Statement ceases for any reason to be effective and available to the Investors as to the Registrable Securities to which it is required to cover at any time prior to the expiration of its Effectiveness Period for more than an aggregate of 30 Trading Days (which need not be consecutive) (any such failure or breach being referred to as an “Event,” and for purposes of clauses (i) or (ii) the date on which such Event occurs, or for purposes of clause (iii) the date which such 30 Trading Day-period is exceeded, being referred to as “Event Date”), then in addition to any other rights the Investors may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Investor an amount in cash, as partial liquidated damages and not as a penalty, equal to 1.0% of the aggregate Investment Amount paid by such Investor pursuant to the Purchase Agreement. The parties agree that in no event will the Company be liable for liquidated damages under this Agreement in excess of 1.0% of the aggregate Investment Amount of the Investors in any single month and the maximum aggregate liquidated damages payable to a Investor under this Agreement shall be ten percent (10%) of the aggregate Investment Amount paid by such Investor pursuant to the Purchase Agreement per Event. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event (except in the case of the first Event Date), and shall cease to accrue (unless earlier cured) upon the expiration of the Effectiveness Period.

(e) Each Holder agrees to furnish to the Company a completed Questionnaire in the form attached to this Agreement as Annex B (a “Selling Holder Questionnaire”). The Company shall not be required to include the Registrable Securities of a Holder in a Registration Statement and shall not be required to pay any liquidated or other damages under Section 2(d) to any Holder who fails to furnish to the Company a fully completed Selling Holder Questionnaire at least two Trading Days prior to the Filing Date (subject to the requirements set forth in Section 3(a)).

3. Registration Procedures. In connection with the Company’s registration obligations hereunder:

(a) The Company shall not file a Registration Statement, any Prospectus or any amendments or supplements thereto in which the “Selling Stockholder” section thereof differs in any material respect from the disclosure received from a Holder in its Selling Holder Questionnaire (as amended or supplemented). The Company shall not file a Registration Statement, any Prospectus or any amendments or supplements thereto in which it (i) characterizes any Holder as an underwriter, unless such characterization is consistent with written information provided by the Holder in the Selling Holder Questionnaire, (ii) excludes a particular Holder due to such Holder refusing to be named as an underwriter, or (iii) reduces the number of Registrable Securities being registered on behalf of a Holder except pursuant to, in the case of subsection (iii), the Commission Comments, without, in each case, such Holder’s express written authorization, unless such reduction is made pursuant to Section 2(b) hereof. The Company shall also ensure that each Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any 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 prospectuses, in the light of the circumstances in which they were made) not misleading, except to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder’s proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose).

(b) The Company shall (i) prepare and file with the Commission such amendments, including post-effective amendments, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period and, if required under Section 2(b) with respect to Cut Back Shares, prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible provide the Holders true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that would not result in the disclosure to the Holders of material and non-public information concerning the Company; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the Registration Statement(s) and the disposition of all Registrable Securities covered by each Registration Statement.

(c) The Company shall notify the Holders as promptly as reasonably possible (and, in the case of (i)(A) below, not less than three Trading Days prior to such filing and, in the case of (v) below, not less than three Trading Days prior to the financial statements in any Registration Statement becoming ineligible for inclusion therein) and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the day (i) (A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement (the Company shall provide true and complete copies thereof and all written responses thereto to that pertain to the Holders as a Selling Stockholder or to the Plan of Distribution, but not information which the Company believes would constitute material and non-public information); and (C) with respect to each Registration Statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or any other Federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose).

(d) The Company shall use its commercially reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify the Holders of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(e) The Company shall furnish to the Holders, without charge and at the option of the Company in electronic format, at least one conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by the Holders (including those previously furnished) promptly after the filing of such documents with the Commission.

(f) The Company shall promptly deliver to the Holders, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as the Holders may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(g) Prior to any public offering of Registrable Securities, the Company shall register or qualify such Registrable Securities for offer and sale under the securities or Blue Sky laws of all jurisdictions within the United States as any Holder may request, to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statements; provided, that in connection with any such registration or qualification, the Company shall not be required to (i) qualify to do business in any jurisdiction where the Company would not otherwise be required to qualify, (ii) subject itself to general taxation in any such jurisdiction, (iii) file a general consent to service of process in any jurisdiction, or (iv) make any change to the Company's articles of incorporation or bylaws.

(h) The Company shall cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement(s), which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request.

(i) Upon the occurrence of any event contemplated by Section 3(c)(v), as promptly as reasonably possible, the Company shall prepare a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain 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 light of the circumstances under which they were made, not misleading.

(j) The Company shall notify the Holders in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided, that in no event shall such notice contain any material, nonpublic information), and promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission. The Company shall also promptly notify the Holders in writing when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective.

(k) If any Holder is required under applicable securities laws to be described in the Registration Statement as an underwriter, at the reasonable request of such Holder, the Company shall furnish to such Holder, on the date of the effectiveness of the Registration Statement and thereafter from time to time on such dates as a Holder may reasonably request: (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Holders, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance reasonably acceptable to such counsel and as is customarily given in an underwritten public offering, addressed to the Holders.

(l) The Company shall hold in confidence and not make any disclosure of information concerning a Holder provided to the Company unless: (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning a Holder is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Holder and allow such Holder, at the Holder's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(m) The Company shall use its commercially reasonable best efforts to cause all of the Registrable Securities covered by a Registration Statement to be listed on each Trading Market on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(m).

(n) The Company shall cooperate with the Holders who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend to the extent permitted by the Purchase Agreement) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the Holders may reasonably request and registered in such names as the Holders may request.

(o) If requested by a Holder, the Company shall as soon as practicable: (i) incorporate in a prospectus supplement or post-effective amendment such information as a Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement if reasonably requested by a Holder holding any Registrable Securities.

(p) The Company shall use its commercially reasonable best efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed or quoted for trading, (B) with respect to filings with FINRA by any underwriter's counsel for compensation review pursuant to FINRA Rule 5110, and (C) in compliance with applicable state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by a Holder), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions incurred by any Holder or, except to the extent provided for in the Transaction Documents (as defined in the Purchase Agreement), any legal fees or other cost of the Holders in connection with this Agreement.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, agents, investment advisors, partners, members and employees of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and reasonable attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (1) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (2) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified the Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice (as defined below) or an amended or supplemented Prospectus, but only if and to the extent that following the receipt of the Advice or the amended or supplemented Prospectus the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising solely out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act or (y) any untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading to the extent, but only to the extent that, (1) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (2) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice or an amended or supplemented Prospectus, but only if and to the extent that following the receipt of the Advice or the amended or supplemented Prospectus the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party); provided, that the Indemnifying Party shall pay for no more than one separate set of counsel for all Indemnified Parties and such legal counsel shall be selected by the Required Holders. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 5(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Reports Under the Exchange Act. With a view to making available to the Holders the benefits of Rule 144 or any other similar rule or regulation of the SEC that may at any time permit the Holders to sell Registrable Securities of the Company to the public without registration, the Company agrees, for so long as Registrable Securities are outstanding and held by the Holders, to:

(a) make and keep public information available, as those terms are understood, defined and required in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Holder so long as such Holder owns Registrable Securities, promptly upon request, such information as may be reasonably and customarily requested to permit the Holders to sell such securities pursuant to Rule 144 without registration.

7. Assignment of Registration Rights. The rights under this Agreement shall be automatically assignable by the Investors to any permitted transferee of all or any portion of such Investor's Registrable Securities if: (i) the Investor agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within five (5) Trading Days after such assignment; (ii) the Company is, within five (5) Trading Days after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned; (iii) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act or applicable state securities laws; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein; and (v) such transfer shall have been made in accordance with the applicable requirements of the Purchase Agreement.

8. Miscellaneous.

(a) Third Party Beneficiary. The Placement Agent is an intended third party beneficiary of this Agreement and have all of the rights of an "Investor" under this Agreement and the Placement Agent Warrant Shares (and any capital stock of the Company issued or issuable, with respect to the warrants issued to Placement Agent in connection with the financing that is the subject of the Purchase Agreement, as a result of any stock split, stock dividend, recapitalization, exchange, anti-dilution adjustment or similar event or otherwise, without regard to any limitations on exercises of the Warrants, if any) constitute Registrable Securities for all purposes of this Agreement.

(b) Remedies. In the event of a breach by the Company or by a Holder, of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(c) No Piggyback on Registrations. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in a Registration Statement other than the Registrable Securities, and the Company shall not during the Effectiveness Period enter into any agreement providing any such right to any of its security holders without the prior written consent of the Required Holders, which shall not be unreasonably withheld.

(d) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to the Registration Statement.

(e) Discontinued Disposition. Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the "**Advice**") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(f) Piggy-Back Registrations. If at any time during the Effectiveness Period there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans, then the Company shall send to each Holder written notice of such determination and, if within fifteen calendar days after receipt of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such holder requests to be registered, subject to customary underwriter cutbacks applicable to all holders of registration rights.

(g) Amendments and Waivers. Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Required Holders. Any amendment or waiver effected in accordance with this Section 8(g) shall be binding upon each Investor and the Company. No such amendment shall be effective to the extent that it applies to less than all of the Holders. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of certain Holders and that does not directly or indirectly affect the rights of other Holders may be given by Holders of at least a majority of the Registrable Securities to which such waiver or consent relates.

(h) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered if delivered in accordance with Section 6.3 of the Purchase Agreement.

(i) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign its rights or obligations hereunder without the prior written consent of the Required Holders, provided, that in the event that the Company is a party to a merger, consolidation, share exchange or similar business combination transaction in which the Common Stock is converted into the equity securities of another Person, from and after the effective time of such transaction, such Person shall, by virtue of such transaction, be deemed to have assumed the obligations of the Company hereunder, the term "Company" shall be deemed to refer to such Person and the term "Registrable Securities" shall be deemed to include the securities received by the Investors in connection with such transaction unless such securities are otherwise freely tradable by the Investors after giving effect to such transaction. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(j) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile or email transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile or email signature were the original thereof.

(k) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective Affiliates, employees or agents) will be commenced in the Nevada Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Nevada Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any Nevada Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. If either party shall commence a Proceeding to enforce any provisions of this Agreement, then the prevailing party in such Proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(l) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(m) Entire Agreement. This Agreement, the other Transaction Documents and the instruments referenced herein and therein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents and the instruments referenced herein and therein supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof.

(n) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(o) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(p) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder under this Agreement are several and not joint with the obligations of each other Holder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder under this Agreement. Nothing contained herein or in any Transaction Document, and no action taken by any Holder pursuant thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement or any other Transaction Document. Each Holder acknowledges that no other Holder will be acting as agent of such Holder in enforcing its rights under this Agreement. Each Holder shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any Proceeding for such purpose. The Company acknowledges that each of the Holders has been provided with the same Registration Rights Agreement for the purpose of closing a transaction with multiple Holders and not because it was required or requested to do so by any Holder.

(signature page follows)

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

COMPANY:

KNOW LABS, INC.

By:
Name: Ronald P. Erickson
Title: Chairman

By:
Name: Phillip A. Bosua
Title: Chief Executive Officer

INVESTORS:

The Investors executing the Signature Page in the form attached hereto as Annex C and delivering the same to the Company or its agents shall be deemed to have executed this Agreement and agreed to the terms hereof.

Annex A

Plan of Distribution

The Selling Stockholders and any of their pledgees, donees, transferees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or quoted or in private transactions. These sales may be at fixed or negotiated prices. The Selling Stockholders may use any one or more of the following methods when selling shares:

ordinary brokerage transactions and transactions in which the broker-dealer solicits Investors;

block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account; an exchange distribution in accordance with the rules of the applicable exchange; privately negotiated transactions;

through the writing of options on the shares;

to cover short sales made after the date that this Registration Statement is declared effective by the Commission;

broker-dealers may agree with the Selling Stockholders to sell a specified number of such shares at a stipulated price per share; and

a combination of any such methods of sale.

The selling stockholders may also sell shares under Rule 144 of the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus. The selling stockholders shall have the sole and absolute discretion not to accept any purchase offer or make any sale of shares if it deems the purchase price to be unsatisfactory at any particular time.

The selling stockholders or their respective pledgees, donees, transferees or other successors in interest, may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling stockholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then existing market price. We cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, the selling stockholders. The selling stockholders and any brokers, dealers or agents, upon effecting the sale of any of the shares offered in this prospectus, may be deemed to be “underwriters” as that term is defined under the Securities Act, the Exchange Act and the rules and regulations of such acts. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to the selling stockholders, but excluding brokerage commissions or underwriter discounts.

The selling stockholders, alternatively, may sell all or any part of the shares offered in this prospectus through an underwriter. The selling stockholders have not entered into any agreement with a prospective underwriter and there is no assurance that any such agreement will be entered into.

The selling stockholders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling stockholder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares. The selling stockholders and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Exchange Act, and the rules and regulations under such act, including, without limitation, Regulation M. These provisions may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by, the selling stockholders or any other such person. In the event that any of the selling stockholders are deemed an affiliated purchaser or distribution participant within the meaning of Regulation M, then the selling stockholders will not be permitted to engage in short sales of common stock. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. In addition, if a short sale is deemed to be a stabilizing activity, then the selling stockholders will not be permitted to engage in a short sale of our common stock. All of these limitations may affect the marketability of the shares.

If a selling stockholder notifies us that it has a material arrangement with a broker-dealer for the resale of the common stock, then we would be required to amend the registration statement of which this prospectus is a part, and file a prospectus supplement to describe the agreements between the selling stockholder and the broker-dealer.

KNOW LABS, INC.**Selling Securityholder Notice and Questionnaire**

The undersigned beneficial owner of common stock (the “**Common Stock**”), of Know Labs, Inc., a Nevada corporation (the “**Company**”), understands that the Company has filed or intends to file with the Securities and Exchange Commission (the “**Commission**”) a Registration Statement for the registration and resale of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement, dated as of [], 2020 (the “**Registration Rights Agreement**”), among the Company and the Investors named therein. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE**1. Name.**

- (a) Full Legal Name of Selling Securityholder

- (b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities Listed in Item 3 below are held:

- (c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by the questionnaire):

2. Address for Notices to Selling Securityholder:

Telephone: _____

Fax: _____

Contact Person: _____

3. Beneficial Ownership of Registrable Securities:

Type and Principal Amount of Registrable Securities beneficially owned:

4. Broker-Dealer Status:

- (a) Are you a broker-dealer?

Yes ☐ No ☐

Note: If yes, the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

- (b) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

- (c) If you are an affiliate of a broker-dealer, do you certify that you bought the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If no, the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

5. Beneficial Ownership of Other Securities of the Company Owned by the Selling Securityholder.

Except as set forth below in this Item 5, the undersigned is not the beneficial or registered owner of any securities of the Company other than the Registrable Securities listed above in Item 3.

Type and Amount of Other Securities beneficially owned by the Selling Securityholder:

6. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

7. The Company has advised each Selling Stockholder that it is the view of the Commission that it may not use shares registered on the Registration Statement to cover short sales of Common Stock made prior to the date on which the Registration Statement is declared effective by the Commission, in accordance with 1997 Securities and Exchange Commission Manual of Publicly Available Telephone Interpretations Section A.65. If a Selling Stockholder uses the prospectus for any sale of the Common Stock, it will be subject to the prospectus delivery requirements of the Securities Act. The Selling Stockholders will be responsible to comply with the applicable provisions of the Securities Act and Exchange Act, and the rules and regulations thereunder promulgated, including, without limitation, Regulation M, as applicable to such Selling Stockholders in connection with resales of their respective shares under the Registration Statement.

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof and prior to the Effective Date for the Registration Statement.

Certain legal consequences arise from being named as a Selling Securityholder in the Registration Statement and related prospectus. Accordingly, the undersigned is advised to consult their own securities law counsel regarding the consequence of being named or not being named as a Selling Securityholder in the Registration Statement and the related prospectus.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 6 and the inclusion of such information in the Registration Statement and the related prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus. The undersigned hereby elects to include the Registrable Securities owned by it and listed above in Item 3 (unless otherwise specified in Item 3) in the Registration Statement.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Beneficial Owner: _____

By: _____

Name:

Title:

PLEASE EMAIL A COPY OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE TO:

KNOW LABS, INC.
Attention: Ron Erickson
Email: ron@knowlabs.com

Annex C

**Registration Rights Agreement
Investor Counterpart Signature Page**

The undersigned, desiring to: (i) enter into this Registration Rights Agreement, dated as of _____ (the “**Agreement**”), between the undersigned, Know Labs, Inc., a Nevada corporation (the “**Company**”), and the other parties thereto, in or substantially in the form furnished to the undersigned and (ii) purchase the securities of the Company appearing below, hereby agrees to purchase such securities from the Company as of the Closing and further agrees to join the Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof.

IN WITNESS WHEREOF, the undersigned has executed the Agreement as of

Name and Address, Fax No. and Social Security No./EIN of Investor:

Fax No.: _____

Soc. Sec. No./EIN: _____

If a partnership, corporation, trust or other business entity:

By: _____

Name:

Title:

If an individual:

Signature: _____

Investment Amount: _____

Amount of Units to be Purchased: _____

ADDRESS FOR NOTICE

c/o: _____
Street: _____
City/State/Zip: _____
Attention: _____
Tel: _____
Fax: _____

DELIVERY INSTRUCTIONS

(if different from above)

c/o: _____
Street: _____
City/State/Zip: _____
Attention: _____
Tel: _____

Schedule A

SCHEDULE OF INVESTORS

Name	Investment Amount	Number of Shares	Number of Warrants
TOTALS			



Know Labs Announces Close of Financing

\$14.2 Million for Product Development, Clinical Testing and Preparation for Up List to a Major Exchange

Seattle, WA. – March 15, 2021 - OTCQB: KNWN

[Know Labs, Inc.](#), an emerging leader in non-invasive medical diagnostics, through its proprietary electromagnetic energy technology platforms, announced today that it has closed on \$14.2 million of financing. The financing was largely led by existing investors and insiders.

The financing is another step in the Company's plans to up list on a major exchange, either NASDAQ or the NYSE, and supports continuing development and clinical testing on its platform technology with its first focus on non-invasive blood glucose monitoring, and future FDA approval. The current financing provides sufficient capital so that management can ensure product development stays on track and an up list to a major exchange is event driven rather than driven by a need for capital.

As previously stated, the Company believes an up list to a major exchange will:

- Provide additional opportunities to attract institutional and retail investors, allowing the Company to broaden its investor base in the United States and internationally;
- Increase the visibility of the Company, its growth strategy, accomplishments and results to date;
- Enable an aggressive growth strategy;
- Increase liquidity of the Company's common shares; and
- Raise the Company's overall profile and ultimately enhance shareholder value.

Product development and clinical testing remain focused on:

- Relationships with internationally recognized clinical research institutions to perform laboratory-based validation testing to confirm internal test results;
 - Continued work on miniaturization of the Know Labs platform diagnostic technology, internal testing and refinement of the use of its trade secret algorithms for exacting determination of the platform's first use in determining blood glucose levels;
 - Expanding the Company's Intellectual Property portfolio;
 - Preparation for submitting the Know Labs technology to the FDA for approval of its non-invasive blood glucose monitoring technology; and
 - Providing support to its Particle subsidiary as it launches its disinfecting light bulb into the marketplace.
-

About Know Labs, Inc.

Know Labs, Inc. is a public company whose shares trade under the stock symbol “KNWN.” The Company’s technology uses [spectroscopy](#) to direct electromagnetic energy through a substance or material to capture a unique molecular signature. The Company refers to its technology as Bio-RFID™. The Bio-RFID technology can be integrated into a variety of wearable, mobile or bench-top form factors. This patented and patent pending technology makes it possible to effectively conduct analyses that could only previously be performed by invasive and/or expensive and time-consuming lab-based tests. The first application of the Bio-RFID technology will be in a product marketed as a glucose monitor. Those wishing to stay up to date on the developments at Know Labs can subscribe to the Company’s YouTube channel at this [link](#). For more information, visit the company’s website at www.knowlabs.co. The Know Labs subsidiary corporation, Particle, Inc., develops and markets Particle™ light bulbs that provide warm, white light and disinfectant light to safely kill germs and viruses, providing biosecurity in the home, school and office ecosystem. You can learn more about the Particle bulb at www.particlebulb.com.

Safe Harbor Statement

This release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements appear in a number of places in this release and include all statements that are not statements of historical fact regarding the intent, belief or current expectations of Know Labs, Inc., its directors or its officers with respect to, among other things: (i) financing plans; (ii) trends affecting its financial condition or results of operations; (iii) growth strategy and operating strategy; and (iv) performance of products. You can identify these statements by the use of the words “may,” “will,” “could,” “should,” “would,” “plans,” “expects,” “anticipates,” “continue,” “estimate,” “project,” “intend,” “likely,” “forecast,” “probable,” “potential,” and similar expressions and variations thereof are intended to identify forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond Know Labs, Inc.’s ability to control, and actual results may differ materially from those projected in the forward-looking statements as a result of various factors. These risks and uncertainties also include such additional risk factors as are discussed in the Company’s filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended September 30, 2020, Forms 10-Q and 8-K, and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Investor Relations section of our website at www.knowlabs.co. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Know Labs, Inc. Contact:

Jordyn (Theisen) Hujar
jordyn@knowlabs.co
Ph. (206) 629-6414
